PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 475 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2007–2008

COMPRISING PERIOD
28 April 2008—16 May 2008

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE THIRD SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 475**

NINTH VOLUME OF SESSION 2007-2008

House of Commons

Monday 28 April 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DEFENCE

The Secretary of State was asked—

Afghanistan

1. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What recent assessment he has made of the security situation in Afghanistan. [201526]

9. **Mr. Richard Benyon** (Newbury) (Con): What recent assessment he has made of the security situation in Afghanistan. [201534]

The Secretary of State for Defence (Des Browne): The security situation in Afghanistan is stable, if fragile in places. In 2007, the Afghan national army and troops from the 40-nation international security assistance force achieved significant tactical success against the Taliban. This success has geographically restricted the insurgents' ability to conduct sustained activity. During 2008, NATO figures show that 91 per cent. of insurgent activity has been reported from only 8 per cent. of the districts of Afghanistan. Yesterday, the Taliban carried out a cowardly attack on the mujaheddin victory parade. This attack illustrates perfectly their irrelevance to the future of Afghanistan. While the country celebrated liberation, the Taliban were firing indiscriminately at unarmed civilians. In tactical terms, that will prove to be a disaster for them.

Mr. Goodwill: When I was in Helmand province in February, I was surprised to learn that many of the farmers would prefer to grow wheat, which is now highly priced on world markets, rather than poppies. However, they had to grow poppies because of Taliban intimidation. When does the Secretary of State think that we will have the security situation sufficiently under control for Afghan farmers to feed their own people and not feed the habits of people in the west?

Des Browne: That is exactly the case in an increasing number of provinces in Afghanistan—indeed, more are poppy-free than ever before. The greatest concentration of poppy growing happens to be in those provinces where there are the greatest security challenges. I am sure that the hon. Gentleman will understand from his visit why that is the case. Because of the work of our troops in Afghanistan, particularly over the past 18 months, the number of areas under the control of the Afghan Government that are secure enough for farmers to make that transition is increasing. We will find in the outturn of the figures for this year that the Afghan poppy crop has reduced, but there is still a long way to go.

Mr. Benyon: Given that a large proportion of the injuries suffered by members of our armed forces in Afghanistan are from roadside bombs and similar improvised explosive devices, why are we still deploying troops in some of the most dangerous parts of Afghanistan in so-called snatch Land Rovers, when we know that such vehicles offer little or no protection against such devices?

Des Browne: The hon. Gentleman and the House will know, because I have gone to some lengths to keep the House up to date, that we have been increasingly

providing our troops with vehicles that offer the highest level of protection. Indeed, through Mastiff and Ridgback, on which we hope to make significant progress over the coming months, we will be providing a total of 400 new vehicles that will offer that level of protection. The hon. Gentleman will know also, because it is reported back here regularly, that Mastiff has proved enormously popular with the troops in saving lives.

My obligation as the Secretary of State is to provide commanders on the ground with a range of vehicles. Our experience in Afghanistan shows us that the issue is not just a need for protected vehicles, in the sense of protected against such explosions; rather, we also need vehicles that give our troops both the necessary flexibility and movement, and a presence on the ground that is specific to the communities in which they are working. I fulfil that obligation. We provide a range of vehicles to the commanders. I do not intend to dictate to our commanders, with a long screwdriver from London, which of those vehicles they should use, but I am conscious of the need continually to develop and to deploy more protected vehicles, subject to that requirement.

David Taylor (North-West Leicestershire) (Lab/Co-op): Has President Karzai not become a liability? He has demonstrated an inability or an unwillingness to tackle corruption in high-level officialdom and is failing to crack down on drug trafficking. Is there not a lesson to be learned from Pakistan? The President there said that he was the only person to lead the country, but a new civilian Administration now are getting on reasonably well. Is that not the future for Afghanistan? Should Karzai not go?

Des Browne: I am slightly at a loss to understand my hon. Friend's underlying point, because President Karzai is a civilian. He was freely elected and is the democratic choice of the people of Afghanistan, and has proved to be a very good leader in very difficult circumstances. My hon. Friend addresses an important issue, which is the need to deal with corruption, drug trafficking and the relationship between them in Afghanistan, which permeates a large part of society there, up to the highest levels. President Karzai recognises that; indeed, when he addressed the NATO summit in Bucharest recently, he recommitted himself to dealing with those issues. However, we should not underestimate how difficult that is to do in Afghanistan.

Mr. Denis MacShane (Rotherham) (Lab): One contribution to security that could be made would be to have more helicopters. Her Majesty's armed services have 1,451 helicopters, but how many of them are in Afghanistan? At the forthcoming NATO Parliamentary Assembly, some of us would like to make the case for our European partners, including the Turks, to make a greater contribution with the 3,900 helicopters that they have. Will the Secretary of State place in the Library the facts about helicopters in Afghanistan so that hon. Members on both sides of the House can make the case for greater European involvement at that important NATO gathering?

Des Browne: To the extent that placing that information in the public domain is consistent with force security, I will do that. However, as I have said to other hon. Members, if I am not able to put that information in the public domain, I am content that individual Members, or groups of Members, should be given detailed briefings, as long as they respect the briefings. I am sure that they will, as they have in the past.

My right hon. Friend makes an extremely important point about the need for more helicopter support. That has been an issue for our troops for some time, and I am pleased to say that in southern Afghanistan in the past year we have increased available helicopter hours by more than a third. The significant point that my right hon. Friend makes, which is known to the House, is that there is a significant number of helicopters in the world that are not deployable. That is exactly why the Prime Minister announced at Bucharest an initiative in the form of a helicopter trust fund, which is attracting significant support. Between seven and 10 countries have indicated their willingness to contribute to the fund and allow those helicopters to be deployed either by training pilots to fly them in Afghanistan or by fitting them with necessary equipment. I look forward to seeing countries carry out the promises that they have made.

Angus Robertson (Moray) (SNP): The Secretary of State is well aware of the role played by Nimrod aircraft and their crews over Afghanistan. He also knows that QinetiQ has produced a report with 30 safety recommendations about those aircraft. How many of those recommendations have been complied with?

Des Browne: I am not in a position to give the hon. Gentleman specific figures, but I shall check them and ensure that he receives the figures and that all hon. Members are able to access the information in the usual fashion. So far as his consistent and welcome concern about the safety of the Nimrod crews and aircraft is concerned, I assure him that I constantly obtain reassurance from those with the necessary technical ability that the aircraft are safe to fly.

Mr. Hugo Swire (East Devon) (Con): Were the events in Kabul over the weekend evidence that the Taliban are changing their tactics? Are we beginning to see an increase in asymmetric warfare? If so, is the Secretary of State going to reassess our whole approach in Afghanistan?

Des Browne: The fact that the Taliban have been forced to change their tactics in that way shows the success of ISAF, particularly the exceptional work that our troops have done in Helmand province in repeatedly facing down the Taliban and over-matching them. The Taliban have been driven to use that asymmetric approach, which is entirely uncharacteristic of the Afghan approach to conflict. That is why the latest assessment shows that the Taliban enjoy support from only about 4 per cent. of the population of Afghanistan. Contrary to the hon. Gentleman's encouragement that we should change our tactics, we will continue with the tactics and the comprehensive approach that we have been so successful in developing in southern Afghanistan with our allies. We will also continue to support the Afghans in building the capacity to deal with the increasing asymmetric attacks.

Sir Peter Tapsell (Louth and Horncastle) (Con): Has the Secretary of State noted the recent warning by the Foreign Minister of Turkey—the only Islamic member state of NATO—that unless there are major changes of policy in Afghanistan, public opinion there will increasingly turn against the foreign military forces that are currently fighting the Taliban?

Des Browne: I am acutely aware of the need for ISAF and for the whole international community, including the United Nations, to continue to enjoy the support of the Afghan people. The main focus of everything that we do in Afghanistan is to maintain the support of the Afghan people in achieving the objectives that they share with us. It is welcome that other allies maintain a focus on that, but our measurement of the support that we enjoy from the Afghan people suggests that it is being sustained. However, I am aware of that risk. The only answer is to build on the ability of the Afghans to deliver security and government to their own people. That is the focus of everything that we do.

Dr. Julian Lewis (New Forest, East) (Con): Does the Secretary of State accept that, despite the picture of stability that he is painting, the burden on our 7,000 service personnel in Afghanistan is very great? Given that the Prime Minister is no longer able to achieve his ambition of scaling down our 4,000 troops in Iraq, does he have any other ideas about how our 7,000 troops in Afghanistan might be reinforced and the burden on them lessened?

Des Browne: The hon. Gentleman will have noticed that when NATO gathered in Riga a year ago, there were 32,000 ISAF troops in Afghanistan; when it gathered in Bucharest recently, there were 47,000 such troops there and, in addition, a number of countries—including France and, indeed, the United States of America—made further commitments. Currently, 2,200 American troops are deploying to southern Afghanistan, which will significantly increase our ability to deliver what we are doing in that part of the country. Increasingly, other countries are either taking on a greater share of the burden or increasing their already great share of the burden that they take on.

Iraq

2. **Mr. Mark Harper** (Forest of Dean) (Con): If he will make a statement on the future role of British forces in Iraq. [201527]

The Secretary of State for Defence (Des Browne): Our forces in Iraq still have a wide-ranging and extremely important job to do. They continue to play a positive role in helping to bring security and stability to Iraq. In Baghdad, we have over 200 senior officers and supporting staff working in the coalition headquarters. In the south, the primary focus of our forces is now on training and mentoring the 14th division of the Iraqi army and enhancing command and control capabilities in Basra, including at the Basra operations command. The 14th division remains some months from becoming fully operational.

We also support more directly the Iraqi security forces in their efforts to ensure the rule of law in Basra. In recent weeks, this has included providing fast jet and helicopter support and surveillance, as well as logistic and medical support. In addition to the focus on the Iraqi army, British forces are heavily involved in mentoring and training the Iraqi navy, supporting the Department of Border Enforcement and helping to protect the oil platforms. Finally, we facilitate economic reconstruction efforts—notably, setting Basra's international airport on the path to international accreditation.

Mr. Harper: During a press conference last Friday, Admiral Mike Mullen, chairman of the US joint chiefs of staff blamed Iran for

"its increasingly lethal and malign influence"

in Iraq. He went on to say how recent operations in Basra had revealed

"just how much and how far Iran is reaching into Iraq to foment instability".

Does the Defence Secretary agree with that assessment, and what is being done by British forces to counter the threat Iran poses to Iraqi stability?

Des Browne: The hon. Gentleman is quite right—and, of course, the Admiral is quite right, as he is in possession of a significant amount of the available information. Evidence suggests that a significant proportion of the equipment and armaments being used by insurgents in Iraq is of Iranian origin or has been transited through Iran. Any Iranian links to armed groups in Iraq outside the political process—either through the supply of weapons or through training and funding—is unacceptable. With our allies, we are seeking to challenge that in a number of ways. Through our support for the Department of Border Enforcement, we seek to interdict the transfer of any such weaponry from Iran into southern Iraq; and through supporting the searches conducted by Iraqi security forces, we have discovered, seized and destroyed a large amount of weaponry that appears to have been sourced from Iran. By seeking to influence the Iranian Government diplomatically in a number of ways, including involving other influential countries in the region, we are trying to get it across to Iran that it is not in its long-term interests to have instability in southern Iraq or any part of Iraq at all. We are also endeavouring to deal with the insurgent and other groups that the Iranians seek to support in Iraq—and we have done so very successfully recently.

Dr. Gavin Strang (Edinburgh, East) (Lab): Whatever our overall view of the presence of British forces in Iraq, clearly their safety and well-being should be a paramount consideration of the House of Commons. Following on from my right hon. Friend's written statement to the House on Thursday, should we assume that the Government are planning on force levels of about 4,000 at least until the autumn?

Des Browne: My written statement was not intended to encourage the House to draw that inference. I have always made it clear that we keep our troop numbers under review. As I made clear when I made my oral statement, and it was reinforced in my written statement, we have decided to maintain our troop numbers in southern Iraq at about 4,000 while the Iraqi-led operations to enforce the rule of law in Basra continue. We are working with our coalition partners to define the support that the Iraqis will need over the coming months. It

remains our clear intention to reduce troop numbers in Iraq as and when conditions allow, but while the situation on the ground continues to evolve rapidly, as it does, and while military commanders continue to assess that the changing environment in Iraq requires the prudent decision to take time to consider any further reductions, I will stick with that decision.

Mr. James Arbuthnot (North-East Hampshire) (Con): But does the Secretary of State agree that his Minister of State was absolutely correct, as he often is, when last summer he told the Select Committee on Defence that the minimum viable military force in Basra was about 5,000? Can the Secretary of State explain how it was that he ever came to be persuaded that the figure of 2,500 was anything other than completely meaningless?

Des Browne: We have about 4,000 troops in Iraq. I do not know whether the right hon. Gentleman has had the opportunity to read the letter from the Chief of the General Staff, which was circulated down through the chain of command and put on the MOD website following his recent visit to Iraq. I think that I shall arrange for a copy of that letter to be placed in the Library of the House so that everyone can have access to it if they are not IT literate and cannot get it off the MOD website.

The letter goes into some detail to set out why our current troop levels can and continue to make a significant contribution to a substantial operation that is taking place in Iraq. The point that I am making to the right hon. Gentleman—I cannot make it any simpler than this—is that this is classic overwatch. The figure that we have is, in the assessment of this country's leading soldier, whose reputation is worldwide, the right one.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): My right hon. Friend mentioned the Navy and its role. Will he say a little more about what the Navy is doing to support the work of the Iraqi navy and the importance he attaches to that?

Des Browne: I attach a great deal of importance to it. On a recent trip to Iraq, I visited the Navy. It is training marines and the Iraqi navy, which is comparatively small but developing towards the objective of it being able to take over responsibility for security, or at least to make a significant contribution to it, in the northern Arabian gulf.

With other allies, we provide security for those important oil platforms on which the whole Iraqi economy and its income depend. It is the ambition of the Iraqi navy that it will be able progressively to develop to be able to take over or add significantly to that security. It has made enormous strides and is shortly to take delivery of new ships in order to do that. At Umm Qasr, we have been continuing that training for some time—quite quietly, without much comment publicly, but very successfully.

Mr. Gerald Howarth (Aldershot) (Con): When the Secretary of State made his statement to the House on 1 April, he said that it was too early to assess the effectiveness of last month's Basra Operation Charge of the Knights, against the Sadr militia, of which we were given just 48 hours' notice. Can the Secretary of State now provide the House with such an assessment, and also tell us what arrangements he has put in place to ensure that British military commanders have a full and timely say in any future operations in which our armed forces may be required to assist?

In view of what the Secretary of State has just said about troop numbers, will he also tell us whether the call at the weekend by Moqtada al-Sadr to his militia to limit their attacks on British and US forces will have any implication for the number of British troops deployed in southern Iraq?

Des Browne: I shall deal with the hon. Gentleman's questions in reverse order.

The latest outpourings from Moqtada al-Sadr merely add to the confusion that has emanated from his leadership of the Jaish al-Mahdi militia and his own political organisation. We do not rely on such statements, and I have always taken the view that our troops are at risk of attack from that source, so my answer to the hon. Gentleman is that that statement will have no significant effect on our assessment of the risk to our troops.

In answering the hon. Gentleman's principal question, let me direct him to the Chief of the General Staff's assessment—which is very fresh, as he returned from Basra only days ago. While there was some criticism of the planning of the first phase of the operation, we have been involved in the planning and support of the later phases, and they have been extremely successful. The information that I have suggests that there are clear and encouraging signs that Basra is springing back to life, and that the firm action taken by the Iraqi security forces has extended their control to most of the city. I have many pieces of information from citizens of Basra that show how relaxed they are in the new Basra, as they see it.

All those developments are very positive, but the situation is fragile. We must ensure that we see the operation through, and that we can enable the 14th division of the Iraqi army in particular to sustain the security that it has created.

Injured Service Personnel (Compensation)

3. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): If he will make a statement on the level of compensation payments to injured service personnel. [201528]

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): The armed forces compensation scheme was introduced in 2005 for personnel who are injured as a result of service in the armed forces. For the first time, our personnel can claim compensation while they are still serving, by way of a tax-free lump sum for illness or injury, up to a maximum of £285,000. Those more seriously injured will, in addition to a lump-sum payment, receive a tax-free, inflation-proof guaranteed income payment which is paid on discharge and monthly thereafter for the rest of their lives. The payment is not capped and may, over a lifetime, be worth many hundreds of thousands of pounds.

I can also inform the House that in January this year I ordered a further review of the armed forces compensation scheme, and that Ministers expect to receive a report in May.

Mr. Evennett: I thank the Minister for his response and, in particular, for the information about the review that he is conducting. However, my hon. Friend the Member for Woodspring (Dr. Fox), the shadow Secretary of State for Defence, asked:

"What on earth are we to make of a system where the secretary who gets a wrist injury typing the orders receives more compensation than the soldier who loses his legs following the orders?"

Can the Minister justify that appalling imbalance, regardless of the fact that the serviceman receives a continuing pension and the civilian does not? I hope that it will be taken into account for the purposes of his review.

Derek Twigg: The hon. Gentleman is not comparing like with like. This is a no-fault scheme, and the claim to which he refers was a negligence claim. Armed forces personnel can claim against the Department for negligence, but the key point is that, for the first time ever, armed forces personnel can be paid, while they are still serving, a sizeable lump sum in addition to any lump sum that they could claim under the war pension scheme after leaving the service. Moreover, the lifelong guaranteed income payment for those most seriously injured is worth many hundreds of thousands of pounds. This is a significant improvement on the previous scheme.

Mr. Brian Jenkins (Tamworth) (Lab): What support is the Minister giving the families of service personnel undergoing extensive long-term hospital and medical treatment? How are those families managing financially?

Derek Twigg: There is support enabling the families of injured personnel returning from Afghanistan and Iraq to stay at Selly Oak and to receive expenses. We have also been working with the Soldiers, Sailors, Airmen and Families Association to provide improved accommodation at both Selly Oak and Headley Court.

Mr. Colin Breed (South-East Cornwall) (LD): Financial compensation is, of course, extremely important, but so are the recovery and rehabilitation of injured servicemen and women before they receive that compensation. Is the Minister not rather ashamed that, apparently, the swimming pool, physiotherapy centre and relatives' accommodation at Headley Court must wait for a charity pop concert rather than being provided by the Ministry of Defence now?

Derek Twigg: I am certainly not ashamed. Headley Court is a world-class establishment, and has been recognised as such by the Select Committee on Defence. We pay for treatment and facilities at Headley Court, which already has a number of gyms and a rehabilitation pool. We welcome the idea of people being able to raise additional resources to complement what we provide. We do so for a number of reasons, not least because it gives the British public a chance to show their support for the armed forces.

We will continue to invest in Headley Court and in medical facilities. Only last year, I opened a new ward at Headley Court.

Mr. Kevan Jones (North Durham) (Lab): Before the Armed Forces (Pensions and Compensation) Act 2004, there were no lump sum payments in the 18 years in which the Conservative party was in power. When the Act came before the House—I was on the Bill Committee—not once were the objections now being raised by the Conservative party brought up. The only thing that was raised in the Select Committee was the objection by the hon. Member for Aldershot (Mr. Howarth) to my amendment to extend these benefits to unmarried partners.

Derek Twigg: My hon. Friend makes an important point. When the statutory instrument was laid to set out the new compensation scheme, the Opposition parties did not object and did not pray against it. It is a bit rich for them, this far down the road, suddenly to start to criticise a scheme that they did not object to at the time.

Bill Wiggin (Leominster) (Con): Are the comments attributed to General Sir David Richards—that payments to injured soldiers will rise threefold—in yesterday's *The Sunday Telegraph* correct? When does he expect this to happen and when does he expect our serving personnel to receive similar compensation to that of civilian personnel?

Derek Twigg: The House would not expect me to say at this stage because we have not yet received the report, which we expect to receive in May. We will consider its recommendations and information before we make any further announcements.

Dr. Andrew Murrison (Westbury) (Con): In the light of the welcome comments by Commander in Chief, Land, over the weekend, the Minister might like to express his regrets for the inadequacies of the 2005 armed forces compensation scheme that General Richards has found so wanting, and as the current review implies. Meanwhile, the Adjutant General continues to push private insurance schemes such as Pax that cost the private soldier a month's pay to cover risks run on our behalf in Iraq, Afghanistan and the Balkans. Why does this month's gimmick—the armed forces benefits calculator, designed to convince service men that they have never had it so good—completely ignore the disbenefit of having to take out personal insurance to cover occupational risk?

Derek Twigg: As I said, that is a bit rich from the Conservative party, which, let us be clear, supported the armed forces compensation scheme. This is the first time that compensation of this scale—up to £285,000—is payable while serving. That is a significant step forward. The guaranteed income payment is index-linked, tax-free and paid for life. Unlike the previous war pension scheme, it is not capped, changed or withdrawn if the injured serviceman or woman improves at some point. The Conservative party did not introduce any such scheme during its 18 years in power. The scheme should be kept under continual review, which is why we made the changes last year in terms of motor injuries and why we are reviewing it now in the light of experience.

Iraq

4. **Bob Spink** (Castle Point) (UKIP): What recent assessment he has made of levels of morale of British troops in Iraq; and if he will make a statement. [201529]

The Minister for the Armed Forces (Mr. Bob Ainsworth): Ministers visit Iraq on a regular basis. My right hon. Friend the Secretary of State visited most recently and was encouraged by the good spirits and professionalism of our troops. Equally, two of the Chiefs of Staff have been in theatre recently and similarly report that morale among our forces is good and that we are working effectively alongside our coalition partners and the Iraqi security forces in Basra.

Bob Spink: I welcome the Government's policy of holding an inquiry after troops are withdrawn from theatre. An inquiry while they are still in action would put them in more danger and damage their morale. Will he always put the safety of our troops uppermost and resist opportunistic attempts to turn our troops into a political football?

Mr. Ainsworth: I agree with the hon. Gentleman. When we discussed the matter a few weeks ago it was clear that people wanted an inquiry for purely party political purposes and that there was no precedent for holding such an inquiry while our troops were still in theatre and in danger. That is why we rejected the call for an inquiry at this time.

Mr. Jim Devine (Livingston) (Lab): As my right hon. Friend knows, today is workers memorial day, when we remember those killed at work, including soldiers. Has my—

Mr. Speaker: Order. That is far too wide of the point.

Mr. Edward Leigh (Gainsborough) (Con): There is no prouder body of men and women than the British Army. What is it supposed to do for their morale when they read the unfair and uncomplimentary remarks about allowing the Americans to do our dirty work for us in the recent operation in Basra in Iraq? Would it not be better for their morale either to let them get stuck in or to get them out of that country, rather than chain them up in the airport against all the traditions of the fighting British Army?

Mr. Ainsworth: From the discussions I have had with our armed forces in both Iraq and Afghanistan, I know that broadly speaking they ignore what they read in the media and know what the facts are. The fact with regard to Basra is that our forces are involved in a very similar way to the American forces. The American forces came down to Basra with the additional Iraqi forces. Our own forces are in Basra assisting the Iraqi 14th division, which they helped to give the capability that it is now showing in its success in Basra town. Although we should not overstate our own role, the Iraqis would not be capable of doing what they are now doing in Basra if it had not, in part, been for the contribution that the British forces have made and continue to make. We should not run them down just because the press do.

Service Personnel (Active Service)

5. **Miss Anne McIntosh** (Vale of York) (Con): How many servicemen and women are on active service in Iraq and Afghanistan. [201530]

The Minister for the Armed Forces (Mr. Bob Ainsworth): As at 23 April 2008, the endorsed force levels for southern Iraq and Afghanistan are 4,000 and 7,800 respectively. The precise number of personnel in theatre at any one time fluctuates on a daily basis for a variety of reasons, including mid-tour rest and recuperation, temporary absence for training, evacuation for medical reasons and the roulement of forces.

Miss McIntosh: I am grateful to the Minister for that reply. Will he join me in paying tribute to those from RAF Leeming who are currently serving, and those from RAF Linton-on-Ouse, Dishforth airfield and Alanbrooke barracks, Topcliffe? Will he also have regard to the fact that the numbers serving and the length of tours is having a tremendous impact on overstretch and morale? How can we ensure that morale is not affected by the long tours and the short time those serving have at home with their families in between?

Mr. Ainsworth: I am very happy to do as the hon. Lady asks by paying tribute to those forces, and to all our forces in both Iraq and Afghanistan. However, I must say to her that despite the fact that our armed forces are stretched—we recognise that that is the case—and working hard, the morale of our forces in theatre is good. When I go out to theatre, I find that not only is it good, but that those forces at the sharp end on the front line who are in the most austere of circumstances have the best morale. They are soldiering—they are achieving and doing what they wanted and trained to do. Their morale is good, and they are doing an excellent job and they deserve the support of the House.

Nick Harvey (North Devon) (LD): The Government argue that our troops are stretched but not overstretched, yet the drawdown from Iraq has been postponed and serious recruitment difficulties cannot be entirely masked by a massive increase in recruitment from the Commonwealth. For how much longer can we operate beyond defence planning assumptions without doing damage to our future capabilities? Do we really have the spare capacity to undertake further commitments—in Kosovo, for example—and if we do, what lessons have we learned from Iraq and Afghanistan about making it clear that we are going in for a time-limited shift and not taking on another open-ended commitment?

Mr. Ainsworth: There is no untime-limited commitment open to us in Kosovo. There is a commitment we will have to deal with and respond to, but it is a time-limited commitment to provide forces to Kosovo. Of course we must be mindful of the hard work we are asking of our armed forces. We must keep that under assessment at all times, and we do so. We take advice from the military chain of command on what is feasible and what is acceptable, and we must ensure that we stay on top of that and do not ask too much of our armed forces, because they are working hard. We are asking an awful lot of them and they deserve our support. They are doing an excellent job, and I am satisfied that they are capable of continuing to do so.

Military Inquests

6. **Mr. Eric Joyce** (Falkirk) (Lab): What discussions he has had with the Secretary of State for Justice on reducing the number of pending military inquests. [201531]

The Minister for the Armed Forces (Mr. Bob Ainsworth): My right hon. Friend the Defence Secretary and I have held frequent meetings on this subject with Ministry of Justice Ministers. We make regular statements to the House about progress on reducing the number of outstanding inquests. We are strongly committed to minimising delays, and we will consult regularly about management of, and support to, inquests relating to deaths on operations.

Mr. Joyce: I thank my right hon. Friend for that answer. I have received a number of letters from constituents who are concerned that the Scottish National party Administration in Scotland are dragging their heels on this matter. Does he think they are doing everything they can to expedite a solution?

Mr. Ainsworth: My hon. Friend knows that the situation in Scotland is different from that in England and Wales. We have been trying to deal with the matter for some time. My predecessor, my right hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram), wrote to Kenny MacAskill MSP in June last year raising this issue. I have tried to meet Scottish Executive Members and the Secretary of State wrote again to Mr. MacAskill in March setting out what needs to be done, so the ball is now firmly in the hands of the Scottish Executive.

Mr. James Gray (North Wiltshire) (Con): I am sure the Minister will join me in paying particular tribute to David Masters, the Wiltshire coroner, who is doing an outstanding job wrestling with the complexities of the inquest into the deaths of the 10 people killed when a Hercules came down in Iraq. Can the Minister confirm that in no circumstances will he or anybody else in the Ministry of Defence attempt to interfere with the investigations or with the outcome of any such inquests, even if those inquests were to be critical of Ministers or of the MOD?

Mr. Ainsworth: Not only would we not attempt to interfere with such an inquest, but we welcome the input that we get from the independent coronial system. It throws up issues and findings of immense importance, which we must examine and know about, so of course I can give the hon. Gentleman the commitment that no attempt will be—or has been—made to interfere with coroners' decisions.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I encourage the Minister to keep trying with the Scottish Government as far as the holding of fatal accident inquiries for Scottish-domiciled soldiers is concerned? Such inquiries would not only take some pressure off the English inquests system, but would mean a great deal to the families of serving soldiers who were domiciled in Scotland at the time of their death.

Mr. Ainsworth: We believe that it is important not to oblige families to travel the distances that they are required to travel to attend inquests in the south of England when they are based in Scotland and their loved ones who have died came from parts of Scotland. That is why we have been pursuing the matter with the Scottish Executive and will continue to do so. As I have said, we have made representations over time, and we hope that a solution to the problem will be found because that would be in the interests of Scottish families.

Afghanistan

7. **Lyn Brown** (West Ham) (Lab): What role the armed forces are playing in providing humanitarian relief in southern Afghanistan. [201532]

The Secretary of State for Defence (Des Browne): The primary focus of the international security assistance force mission is to assist the Government of Afghanistan in the maintenance and extension of security. Practical support for reconstruction and development efforts is one of ISAF's key supporting tasks.

Lyn Brown: I thank the Secretary of State for that answer. Given the situation in southern Afghanistan and the Taliban's cowardly attacks on the international aid agencies working in that area, when does he think the situation might sufficiently improve to allow aid agencies to return and re-establish their vital work?

Des Browne: My hon. Friend makes an important point. It is important that the work that the Afghan Government do is supported by non-governmental organisations. More important is the presence of the United Nations Assistance Mission in Afghanistan in southern Afghanistan. I am confident that under the leadership of Kai Eide, who has recently been appointed to the co-ordination role, we will see an early presence for the mission in Helmand province. That will be a sign to many organisations that they can come and work with us, but we should not ignore those organisations that are doing good work there now, many of which are Afghan-based NGOs.

Iraq

10. **Mr. Crispin Blunt** (Reigate) (Con): If he will make a statement on the security situation in the area around Basra. [201535]

The Secretary of State for Defence (Des Browne): The security situation in southern Iraq is stable, but has a fragility. Recent operations by the Iraqi security forces, supported by UK forces and coalition partners, who are deployed with those forces in Basra city, have been successful in helping the Iraqi Government consolidate control over Basra and all key routes into and out of the city. There are encouraging signs that conditions in the city are improving and we will continue to work with our coalition partners and the Iraqi authorities to help sustain this positive trend.

Mr. Blunt: When Ministers have a strategically weak argument, they have a disagreeable habit of hiding behind the arguments of generals who have a responsibility down the chain of command to support the morale of the troops of whom they are in charge. The Secretary of State has done that this afternoon. The fact is that the strategic situation in Basra with the British forces is an example of dither, and it is damaging the reputation of the United Kingdom and the morale and capacity of our armed forces. When will the Government resolve that?

Des Browne: The current situation in Basra and southern Iraq is nothing of the sort. The plan was clear: we would progressively hand over the provinces of southern Iraq to provincial Iraqi control. When we came out of central Basra and handed over to provincial Iraqi control in December, it was clear that the criminal and militia elements in the city could be dealt with only by Iraqi security forces. We went into overwatch and I made it clear that that was the plan. The Iraqi security forces are now doing that task, and our troops are deployed with them, mentoring them in the city as they do so, as are US troops who have come with the divisions that they mentor. There are some 14,000 plus Iraqi troops in Basra and about 800 American troops in the south. Those numbers are a proportion of the numbers of troops that we have. All those troops are engaged in doing exactly what we described they would do, and they are doing it very successfully. It ill behoves the hon. Gentleman to describe what they are doing in such a way.

Topical Questions

T1. [201516] **Mr. Andrew Mackay** (Bracknell) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Defence (Des Browne): As Secretary of State for Defence, my departmental responsibilities are to make and execute defence policy, to provide the armed forces with the capabilities they need to achieve success in the military tasks on which they are engaged at home and abroad, and to ensure that they are ready to respond to the tasks that might arise in future.

Mr. Mackay: When will the contract for the new carriers be signed, and will there be one carrier or, as rumoured, a second shared with the French?

Des Browne: I have made it clear to the House that we are committed to the building of these carriers—

Dr. Julian Lewis (New Forest, East) (Con): I know that!

Des Browne: In that case, I do not need to tell him. When we have achieved the necessary alignment of the work schedule, the commercial arrangements and other related matters, we will set the date for signing the manufacturer contract.

T2. [201517] **Ms Katy Clark** (North Ayrshire and Arran) (Lab): Can the Secretary of State advise me whether the Atomic Weapons Establishment is carrying out live nuclear work at Burghfield and what safety issues were raised by the nuclear installations inspectorate?

Des Browne: I am grateful to my hon. Friend for notice of that specific question. I am grateful for the opportunity to answer it and to displace some misinformation in the public domain about the AWE at Burghfield. The AWE is able to carry out live nuclear work at Burghfield. The nuclear installations inspectorate has provided constructive criticism about areas where safety can be improved or where there are shortfalls in the processes or systems. That is a normal part of its regulatory role and does not mean that there are serious concerns about the safety of the AWE at Burghfield. If the inspectorate had serious concerns, it could use its enforcement powers to stop work there and it has never done so.

Dr. Liam Fox (Woodspring) (Con): It has been reported that by mid-May British forces might be deployed to Kosovo in support of NATO's KFOR. The House would like to know whether the reports are true. Clearly, if we have a commitment we should fulfil it, but the last time the UK deployed its spearhead land element, as part of NATO's operational reserve force in 2004, it required more than 30 C-130 Hercules sorties and five C-17 sorties. That was before we had nearly 8,000 troops in Afghanistan as well as the air bridge that they need for logistical support. Where on earth will we find the extra lift capability for Kosovo without undermining our efforts in Afghanistan?

The Minister for the Armed Forces (Mr. Bob Ainsworth): We have had a request, as the hon. Gentleman knows, to supply the strategic reserve for Kosovo. When he talks about equipment and where we will find it, he needs to be aware that we made contingency plans some time ago, as we were aware of that commitment. Equipment was moved into theatre some months ago so that it would be there, ready and waiting, if we were called on to supply the reserve. We will respond to the request imminently and we will, of course, inform the House of our response.

Dr. Fox: Given that the equipment that is supposed to be available in Afghanistan is often not available, many in this House and the armed forces will find that answer a touch complacent. It is a bit pathetic that we are even considering the difficulties of deploying a small force to another part of Europe. This all arises because of the mismatch between funding and commitments for the armed forces under the Government. The Treasury is failing properly to fund Iraq and Afghanistan. The urgent operational requirements system means that equipment might be procured, but through-life costs are falling on the core MOD budget. The tempo of activity means that equipment is worn out prematurely and no extra funds are being made available to compensate. Again, the core budget is under pressure, which creates a serious crisis for the military and industry. Is that why MOD individuals are describing the Department in this morning's papers as "unfit for purpose", or are there other reasons, too?

Mr. Ainsworth: The hon. Gentleman knows that there has been a year-on-year increase in the defence budget and that the additional resources provided by the Treasury for operational requirements are over and above the defence budget. He says that it is quite disgraceful that we are trying to conduct these commitments with the moneys that we have, but he needs to reconcile that with the fact that his leader, not a few months ago, refused not only to give any commitment to an uplift in the defence budget but refused—*[Interruption.]* The hon. Gentleman knows this. I know that it upset him, but he knows that his leader refused to give a commitment to spend at the current level of defence spending. If the hon. Gentleman is going to criticise the level of defence spending in the country, he needs to say that his party would—

Mr. Speaker: Order.

T4. [201519] **Harry Cohen** (Leyton and Wanstead) (Lab): It is reported that Prime Minister al-Maliki saw a US tin star general but shut the door on a British one who was accompanying him. Will the Government make it clear to him that the UK will not be goaded into fighting his sectarian civil war for him? Will the Minister also say whether his Department has made plans for British troops to leave Iraq by the end of the year, when the UN mandate runs out?

Des Browne: I shall just repeat the answer that I have given my hon. Friend on the many occasions on which he has asked for a date on which British troops will leave Iraq. We will draw down our troops in relation to developing conditions in Iraq, and if the operation in Basra continues to be as successful as its first four phases, and if it continues to be welcomed by the Basrawis, and if there is the sort of change in Basrawis' lifestyle that has been reported, for example, in *The Times* by an independent reporter after a visit last week, those are all indications that conditions are moving in a direction that allows us to reduce troop numbers. May I reassure my hon. Friend that senior officers, our ambassador, and senior representatives in Iraq continue to meet Prime Minister al-Maliki regularly and work with him to take forward that operation?

T10. [201525] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): A year ago, a National Audit Office report stated that 40 per cent. of Ministry of Defence housing was substandard. Given that those criticisms continue to be made, will the Minister update the House on the progress of the modernisation of stock, particularly as the MOD budget is in crisis?

The Parliamentary Under-Secretary of State for Defence (Derek Twigg): We have said that we will spend about £8.4 billion over the next 10 years on housing in this country and abroad. There have been decades of neglect by your party, and we accept our responsibility—*[Interruption.]*—and others.

Mr. Speaker: Order. It is best not to draw the Speaker into these matters.

Derek Twigg: Let me make it perfectly clear that we have spent sizeable amounts of money on refurbishing, modernising and upgrading properties around the country. Last week, I not only saw housing upgrades required to meet standard 1 but improvements such as new boilers, kitchens and bathrooms. Of course, we have a lot more to do, but the hon. Gentleman should reflect on the fact that part of the problem is the deal that the Conservative party made with Annington Homes, which we have to live with today.

T5. [201520] **Barbara Keeley** (Worsley) (Lab): Will my hon. Friend the Minister update us on plans for Veterans day? Given that the theme this year is "Honour and unite all who served", will a place be found in the events plan for recipients of Women's Land Army badges and Bevin Boy badges as well as recipients of Veterans day badges?

Derek Twigg: My hon. Friend is right to highlight Veterans day, and it is right that we get as many people as possible to support it. We have not finalised the programme, but I can tell her that more than 40 towns and cities across the country are hosting major Veterans day events, and hundreds of small towns and villages are developing their own events. The national event will take place in Blackpool, and its proposals are excellent and outstanding. Given the high focus on the armed forces, the work that has taken place on the Command Paper that the Secretary of State has ordered and the recognition study, there will be a great deal more focus this year on Veterans day and celebrating what our veterans have done.

Robert Key (Salisbury) (Con): The way in which the British Army works in theatre depends heavily on the Lynx helicopter, and if it does not have Lynxes in future, there will be implications not just for the Army but for the Navy and the Air Force. When will the decision be made on the contract for the future Lynx programme, and is the Secretary of State aware of the damage that will be caused by the delay both to the nation's strategic ability to produce such a helicopter and, above all, to the way in which the armed forces operate?

Des Browne: I am well aware of the value of the Lynx helicopter and, indeed, helicopters to modern warfare. As in previous years, capability is under review, and when we undertake such a process there is a lot of speculation. I shall not be drawn into commenting on speculation: when there is anything to announce to the House, we will make it very clear.

T8. [201523] **Mrs. Siân C. James** (Swansea, East) (Lab): I am sure that my right hon. Friend is aware of the campaign by Dr. Bob Meaders in the USA to improve the quality of helmets, particularly against roadside blasts and bomb blasts. Can he assure me that the Mark 6A helmet, which is used in Iraq and Afghanistan, is sufficient, and provides maximum protection for our brave young men and women?

Mr. Bob Ainsworth: No item of protective clothing or equipment can guarantee protection against every kind of attack or accident, but I can tell my hon. Friend that the helmet offers the highest level of protection compared with the combat helmets of many other nations. It is very well thought of by our troops, and it is fitted with shock-absorbing pads—the substance of the campaign that she raised, which, of course, we are well aware of.

Ann Winterton (Congleton) (Con): Is the Secretary of State aware of the recent statement by Robert Gates, the United States Defence Secretary, referring to our recent involvement in various theatres, when he said:

"For those missions that still require manned missions, we have to think hard about whether we have the right platforms, whether for example, low cost, low tech alternatives exist to do basic reconnaissance and close air support...where we have total control of the skies."?

The US Defence Secretary is to set up a taskforce. Does the Secretary of State agree with his sentiments, and will he do the same?

Des Browne: I know that the hon. Lady keeps abreast of all the issues concerning the changes in the operational environment and the challenges that those

generate for equipment, particularly the platforms that we use. I also know that she is well aware that we have, particularly during the last two years, made some great progress in investment in such platforms, which provide the maximum protection to our troops. The point that the US Defence Secretary has been making repeatedly to his own armed forces concerns whether there is a need for manned aerial vehicles in particular to sustain the operational awareness that is necessary above modern battle spaces. We in the Ministry of Defence are acutely aware of that, and work is going on in that regard, as it is in the United States, and we are in close contact with the United States in relation to that. In particular, the hon. Lady will know that the Defence Secretary challenged the US air force about allegedly living in the past in that regard. I do not make the same criticism of the RAF.

Andrew Mackinlay (Thurrock) (Lab): Will the Secretary of State tell the House of Commons what procedures exist whereby complaints of serious misconduct by British nationals or British military/security firms operating in Iraq and Afghanistan are investigated, and whether there is a deficiency in our law that does not give extraterritorial extent to our police and investigatory authorities about the wrongdoing of individuals who are employed by the Ministry of Defence, the Foreign Office or the Department for International Development?

Des Browne: With respect, I do not understand my hon. Friend's concern in relation to this. For those whom we deploy into operational theatre, we retain the right to investigate any allegations that are made against them. We do that through the military police force.

Point of Order

3.32 pm

Mr. Bernard Jenkin (North Essex) (Con): On a point of order, Mr. Speaker. In your experience, can you recall a time when a British Prime Minister has attended a NATO summit and not returned to the House to make a statement?

Mr. Speaker: Order. The hon. Gentleman asks me to remember some incident. That is not a point of order.

Orders of the Day

Finance Bill

(Clauses Nos. 3, 5, 6, 15, 21, 49, 90 and 117 and new Clauses amending section 74 of the Finance Act 2003.)

Considered in Committee.

[SIR ALAN HASELHURST *in the Chair*]

3.33pm

Ordered,

That the order in which proceedings in the Committee of the whole House on the Finance Bill are taken shall be: Clauses 5, 6, 21, 3, 49 and 90, new Clauses amending section 74 of the Finance Act 2003 and Clauses 117 and 15.—*[Jane Kennedy.]*

Clause 5

SMALL COMPANIES' RATES AND FRACTIONS FOR FINANCIAL YEAR 2008 ETC

Mr. Mark Hoban (Fareham) (Con): I beg to move amendment No. 1, page 2, line 36, leave out '21%' and insert '20%'.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following amendments: No. 7, line 37, at end insert—

'(1A) Subsection (1)(a) shall come into force on a day which the Treasury may by order appoint.

(1B) No order may be made under subsection (1A) until—

(a) the Treasury has compiled and laid before the House of Commons a report containing an assessment of the impact on the competitiveness of small companies as a result of changes to the small companies rate of corporation tax, and

(b) the report has been approved by a resolution of the House of Commons.'.

No. 2, in page 3, line 1, leave out '7/400ths' and insert '1/40th'.

Mr. Hoban: Amendments Nos. 1 and 2 would reduce the small companies rate of corporation tax to 20 per cent. and make the appropriate change to the fraction. At a time when small companies are under pressure, facing higher costs and a more uncertain economy, it is beyond belief that the Government feel that the answer to their problems is to increase the small companies rate of corporation tax.

As in the case of the 10p rate, which we will debate later, the author of the tax increase is not the current Chancellor of the Exchequer, but his predecessor—the Prime Minister. As Chancellor during last year's Budget, he announced that he would increase the small companies rate from 19 per cent. to 22 per cent. in three successive Finance Bills. That has sent out a confused and confusing message to the small business community, which has had a decade of instability in respect of the small companies rate of tax.

The Committee should remember that the rate is now on an upward curve, having fallen from 24 per cent. in 1996-97 to 19 per cent. in 2002-03. There will have been six changes to the small companies rate of corporation tax between 1996-97 and 2009-10; that is before we take into account the starting rate of 10 per cent., which was

[Mr. Hoban]

introduced in 2000-01 and which the Prime Minister, when Chancellor, reduced to zero in 2002-03. In 2004-05, he overlaid it with a 19 per cent. tax rate on distributions to shareholders. He scrapped it completely in 2006-07. For small businesses seeking to navigate their way around the rate of corporation tax, there has been a significant amount of change. At this time, businesses want stability, predictability and certainty, rather than the only certainty that they have had in the past decade—that the rate will continually change.

It is not surprising that the verdict of business organisations and small businesses has been hostile. In its Budget submission for this year, the Federation of Small Businesses pulled no punches. It said that

"The Government's approach to the taxation of small businesses remains alarmingly disjointed and inconsistent. What has been received is a never-ending raft of badly thought through last minute measures, designed to tackle problems in one part of the tax regime, but ending up creating several more elsewhere."

It goes on to say that

"Small businesses continue to be let down by the Government with regards to taxation and were understandably extremely disappointed by the announcement in Budget 2007 to increase the small firms rate of corporation tax from 19 to 22 per cent. This was a draconian measure to tackle a problem of tax avoidance that did not exist and will have a highly detrimental effect on many small businesses."

The Forum of Private Business said that politicians should give the same attention to the increase in the lower rate of corporation tax as they gave to the abolition of the 10p rate, and 76 per cent. of respondents to its survey said that

"reversing the decision to increase the small firms rate of corporation tax would encourage them to reinvest in their business, with 49 per cent. indicating that they would have extra funds to invest in skills and training".

The response from individual companies has been equally hostile. Tim Rhodes of Skypark Freight Ltd in Liverpool said of the Government:

"They don't seem to be thinking of tomorrow. Small businesses are quite resilient and tend to bounce back, but all of these additional taxes are very trying. Often, it comes to the point where you ask if it's worth carrying on—we can hold on only for so long, after that, unfortunately, job losses will be the result."

Matt Hardman, who runs a bacon slicing business in Bury, called the decision to increase the small companies rate a "kick in the teeth". There is widespread concern among business communities about the increase in the small companies rate by 1 per cent. to 21 per cent. this year and then 22 per cent. next year. Businesses will be asking themselves why the Government are attacking small companies in this way. What have they done to get to a stage where the small companies rate of tax had fallen to 19 per cent. but is now back on that upper curve?

The genesis of the increase stems from the decision in the 2002 Budget to introduce the 0 per cent. rate of corporation tax for profits of less than £10,000. That triggered a wave of incorporations of companies, which some predicted at the time. I believe that the Government's analysis of the situation is this: that a tax change that was meant to stimulate entrepreneurial activity led to that mass incorporation by people seeking to take advantage of the lower 0 per cent. rate of tax, which gave them an advantage comparable to self-employed and employed people earning the same income. The analysis produced by the Institute for Fiscal Studies bears out that analysis, which was then, however, used to justify the abolition of the 0 per cent. rate and is now being used to justify the increase in rate from 19 to 22 per cent.—2p higher than the basic rate of tax that people who earn a comparable amount of income would be paying through the income tax system. The Government's introduction of the 0 per cent. rate created a significant incentive for businesses to incorporate. The abolition of the 0 per cent. rate has narrowed the gap between the effective tax rate that small companies enjoy and the effective tax rate that individuals enjoy when they are employed, but there is now a sense that the Government are seeking to go further and further in narrowing that gap.

Part of the Government's action is that which is before us today—the increase in the small companies corporation tax rate—but they have also taken other steps to deal with the issue. Last year's Finance Act introduced changes on managed service companies, and the pre-Budget report included proposals on income shifting—again, targeted at incorporated small businesses. Those proposals have been deferred for a year, and business organisations welcome that, but they are concerned that they might return in next year's Finance Bill and are looking to have a proper dialogue with Her Majesty's Revenue and Customs and the Treasury to tackle those issues. A series of measures is being taken to tackle the gap in the effective rate of tax, but it is not clear to small business organisations just how far the Government intend to go in dealing with the issue. It would be helpful in the context of this debate if the Financial Secretary could clearly set out the basis of Government policy on the taxation of small companies and businesses, because significant concern is building up that the Government are turning their backs on small companies, that they do not show any understanding of how small companies operate, and that that is creating a culture in which entrepreneurial activity is penalised.

A significant cost arises from the Government's approach because companies that are already finding it difficult to trade profitably will see their taxable profits decline. The tax bill of any company with profits of less than £300,000 will increase regardless of whether it employs one person, 10 people, 100 people or 1,000 people. That illustrates the crude nature of the Government's step. If this tax increase is motivated by a concern about incorporation, the Government need to recognise that it catches out many businesses, not only one-man bands. That is part of the unfairness that people perceive in the system. They see the tax rate and the tax bill for small companies increase in the Budget, as it did in the last Budget and as it will in the next Budget. The Government argue that the annual investment allowance will compensate for that. However there are two flaws to that approach.

3.45 pm

First, the allowance is available to all small businesses—that is a much wider pool than all small companies. While the pain is concentrated on one group, the gain is spread more thinly. Last year, I estimated that small companies' average loss would be approximately £1,000, whereas the gain to small businesses would be less

than £100. Proper compensation is therefore not being paid to the small companies that will lose out through the increase in the small companies corporation tax rate.

Secondly, the compensation rewards a specific type of business activity—investing in physical assets—and does not recognise the other sorts of investment that companies can make, such as in training, human development and so on. The Government are trying to incentivise only one form of behaviour when firms could operate in other ways to improve their businesses, for example, through investing in people by developing skills and so on. They are introducing the annual investment allowance when the Red Book forecasts a fall in growth in business investment from 3.75 per cent. in 2007 to between 1.75 and 2.25 per cent. this year.

Stewart Hosie (Dundee, East) (SNP): Does the hon. Gentleman perceive a contradiction in Government policy in relation to the annual investment allowance? At a time when the Government, rightly and understandably, seek to capture the cost of intangible investment in research and development, one of their tools for genuine investment—the annual investment allowance—is directed only at physical assets, not process?

Mr. Hoban: The hon. Gentleman makes, as he often does, a perceptive comment. There is a problem with that sort of behavioural device because it supports one specific activity, rather than recognising different ways in which people might invest in their business. That is especially relevant given our economy's increasing dependence on the service sector. That is why Conservative Members believe that the best solution is to reduce the small companies rate of taxation, as the amendment proposes, and give companies and businesses the ability to determine where they will invest and spend their profits. That is a much better—non-distortionary—way of proceeding. It tells businesses that they know the best way in which to grow and allows them to decide how to act rather than relying on central Government and the Treasury to recognise their improvement in performance only so long as they invest in physical assets. That is the difference between the Conservative party and the Government.

We believe that restructuring reliefs and allowances will provide us with the tax revenue to enable us to reduce, in this case, the small companies rate of corporation tax—a change that is tax neutral overall, but gives businesses the freedom that they need to decide where to invest and avoid going through a fairly lengthy, potentially complex process about annual investment allowances. It will also give companies the responsibility for and opportunity of deciding for themselves how best to spend their money. Reducing the small companies rate would benefit companies, whether they employ one person or 1,000 people.

Mr. John Redwood (Wokingham) (Con): My hon. Friend is making a powerful case. Does he believe that it is even more interesting that the Government are limiting investment to such a narrow definition, yet when they speak about their spending patterns, almost all their revenue spending—much of it wasteful—is called "investment"?

Mr. Hoban: My right hon. Friend makes a good point. I, too, have been frustrated at how anything that the Government spend their money on counts as investment, when sometimes, as I know from the parliamentary questions that I have tabled, it does not necessarily equate to spending that helps taxpayers.

To return to amendment No. 1, because of the nature of our proceedings, we have not tabled amendments in the Committee of the whole House that deal with the annual investment allowance, which we want to scrutinise in some detail in Committee. However, we believe that we should scrap the annual investment allowance and use the proceeds to fund a cut in the small companies rate of tax to 20 per cent. That would be in the best interests of business and is entirely consistent with our approach of having simpler, flatter and fairer taxes, by broadening the tax base through reducing distortionary relief and using the revenue gain to reduce the rate of corporation tax.

Amendment No. 7, which the hon. Member for Dundee, East (Stewart Hosie) has tabled, has much to commend it and gets to the nub of the problem, which is the impact that the rate has on competition. It is important to consider the competitive impact of the rates of corporation tax paid in this country. The week before last we heard about the pharmaceuticals company Shire, relocating out of the UK because of tax, while United Business Media, which was formerly chaired by the Labour peer, Lord Hollick, made a similar announcement today about its domicile for tax purposes. Clearly there is a significant issue with the competitiveness of the UK tax system and how it compares with those of other major economies. That competitive position is not just about rates, but about a range of issues, including predictability, stability and certainty.

My only concern about amendment No. 7 is that, as I understand from its drafting, there will be some uncertainty for small companies, because the rate change will be made only once the report has been laid before the House and voted on. If the House were minded to reject the Government's report, that would delay the implementation of the small companies rate. That would cause some uncertainty—although I gather that Parliament now has a much greater say on tax, thanks to the right hon. Member for Birkenhead (Mr. Field), who seems to have extended parliamentary control—and I am not sure whether, under the circumstances, we can allow that for the small companies rate. I would much rather the Government listened to our proposal and reduced the rate of tax now, rather than waiting until the report is published later in the year. I would therefore urge the hon. Gentleman to support us, should we push amendment No. 1 to a vote.

Mr. Jim Cunningham (Coventry, South) (Lab): I apologise for coming in a little late—the hon. Gentleman might have already answered this question—but can he tell me how small businesses would benefit if the Government were to adopt his amendment?

Mr. Hoban: My argument is that one of the problems that the Government have created in tackling the issue is that they have said that the pain should be borne by small companies, but that the gain should be spread widely and thinly on small businesses. My proposal would ensure that the small companies tax rate for the

[Mr. Hoban]

financial year 2007-08 was kept stable. That is in the best interests of small companies. Part of the issue is the complexity of the treatment of sole traders, the self-employed and so on, but in principle small companies should have a lower tax rate and should not be forced to pay a higher tax bill as a consequence of the Government changing their mind about how they deal with their tax affairs.

The Government have got themselves into that position. The weapon that they have chosen to tackle the issue is crude, will hit small companies regardless of the number of people whom they employ and will be damaging to small companies as a group. That is why the Government should think again about the proposal and why amendment No. 1 seeks to keep the small companies rate at the level that existed for the previous tax year.

Mr. Jeremy Browne (Taunton) (LD): This is my first Finance Bill Committee, and I admit to a degree of trepidation as I embark on this adventure, which will occupy a large part of my time for the next few months. I was reading an obituary of Humphrey Lyttelton on the train from Taunton this morning, and I thought that his comments about his period as a restaurant critic were relevant to my feelings. He said:

"In a moment of self-doubt, I said to George Melly...who had been doing the film reviews for *The Observer*, 'I'm sure they're going to find out one day that I know nothing about it'. His answer was convoluted but true: 'Yes, but in my experience, by the time they find out you know nothing about it, you will know something about it'."

I hope that is my experience during the remainder of our sittings.

I am sure that my unease about the Bill is nothing compared with that felt by the Government in recent days and weeks. Our deliberations have focused primarily on the 10p rate being doubled. Although the public as a whole, and people who watch politics carefully, inevitably tend to have a great preoccupation with taxation on personal income, taxes on small businesses are just as relevant—sometimes more so—to the prosperity of the individuals whom we represent as the taxes that are levied directly on their income. The Chancellor is championing the 2p cut in the main rate of corporation tax, but if we look at the small companies rate, we see that it was 19 per cent. in 2006, 20 per cent. in 2007, 21 per cent. in 2008 and that it will be 22 per cent. next year. There is no clearer direction of travel than that. People in my constituency and elsewhere who work for, or who are related to, people who work in the small business sector are understandably concerned about the impact of that increase on its profitability and competitiveness. The chief executive of the Forum of Private Business, Phil Orford, has said of the Budget:

"While there are some welcome initiatives, they do little, if anything, to offset the tax burden due to be implemented in April. The Chancellor has missed a golden opportunity to convince the small business community that he is on their side."

When I speak to those who work in small businesses, they frequently say that it is becoming increasingly difficult for them to remain competitive. The burden of tax and regulation, not all of which is tax based—some of it relates to health and safety provisions—compromises those businesses' competitiveness. There are not many large corporations in my constituency. Inevitably, when a large business goes bust or makes several hundred employees redundant, people tend to focus on that, but the cumulative effect of lots of small businesses laying off a person here and a person there, which is much less readily observed by the media and by the general population, is none the less a problem for us if we wish to have a successful economy in the UK.

I agree with many of the points that have been made by the hon. Member for Fareham (Mr. Hoban), and I shall not repeat them simply because we are able to carry on for as long as we want to in today's debate. I agree particularly with him about the unease in many quarters regarding the small business provisions in the Budget. If he chooses to press the amendment to a vote, we will support the Conservative party.

Stewart Hosie: The hon. Member for Fareham (Mr. Hoban) asked whether I would be likely to support him on amendment No. 1. Given that my name is attached to the amendment, I should say that it is highly likely that I shall. He may take that for granted.

Before I speak to amendments Nos. 1 and 7, both of which I support, let me say that I was struck by the fact that the Liberal Democrats have not tabled any amendments on important matters such as business tax, capital gains tax, gaming or the abolition of the 10p rate. There are none until we get to the next group of clauses. Perhaps I am going wide of the mark, but I was surprised by that.

I rise, however, to speak to amendments Nos. 1 and 7. I offer the simple argument that imposing new and extra taxation on small businesses is fundamentally wrong. Amendment No. 1 would leave the small companies rate at 20 per cent. and amendment No. 7 would give the Government the opportunity to make an assessment and justify to the House why they believe that increasing the rate to 21 per cent. now and 22 per cent. in the future would be beneficial to business and make it more competitive. It would then be for the Government to explain why other measures in the Budget, or that they announced in the pre-Budget report and previous Budgets, would compensate and ensure that business competitiveness remained as it is or would get better. I have to say that I am sceptical of whether the Government could come up with an assessment to prove that, and I am very suspicious that they could come up with an assessment that would say anything other than that business competitiveness would be weakened by an increase in the small companies rate at this time.

4 pm

Let me explain further. Businesses are operating at a time of high and rising fuel costs, which are unlikely significantly to be moderated at any time soon, and within a framework of high transportation costs—and every haulier I speak to tells me that that is unlikely to change in the near future. Businesses are seeing prices for raw materials skyrocket and I can evidence that with an example from my own constituency, where the Patak's food company factory recently closed down. Swingeing rises in the prices of its raw materials—mainly chicken, rice and dairy products—forced the factory to close as it became utterly uneconomic and completely unprofitable. That resulted in many very loyal workers losing their jobs. Nor is that an isolated

or anecdotal story, as we are hearing and seeing similar examples from around the country. Indeed, the hon. Member for Fareham referred earlier to the pharmaceutical company, Shire, and to United Business Media in respect of corporation tax being too high.

Given that businesses are operating in the midst of a credit squeeze, as a result of which any investment they might wish to make and their ability to absorb price increases will have to come from their own resources, now is the wrong time to be putting up tax on the money they make. That is the key point. As prices for fuel, energy, transportation and raw materials go up, and as the external funding that companies used to rely on either dries up because of the credit squeeze or becomes much more expensive, we should not be taxing the money that small companies make in the way that we are with the rise in the small companies rate.

Mr. Redwood: It is heart warming to hear that the hon. Gentleman is such an advocate of lower taxes on business—a cause that he knows I support. Will he tell us what his party recommends for Scotland by way of a company tax rate either for larger or smaller companies?

Stewart Hosie: We have focused our attention historically on the main companies rate, which we want to see reduced to 20 per cent. in order to create a real competitive advantage in Scotland. With regard to smaller businesses generally, the right hon. Gentleman will know that we have already taken steps to reduce or remove completely the business rates burden from 150,000 Scottish businesses. However they slice and dice us and from wherever we get that competitive advantage, we need to take such action through budgets. We think that we have done the right thing with business rates in Scotland and we now want to go much further on the main rate of tax. That is the approach that we would take.

We want the increase in the small companies rate to be reversed, as we believe that would allow companies to make the investment to create the jobs that we all want as we move, I hope at some point, towards full employment. In the current economic circumstances, a tax rise will simply denude businesses of the money that they need to make that investment.

We know that that investment would be made. The Forum of Private Business survey last autumn—at the time of the pre-Budget report—was interesting in showing that 67 per cent. of members who responded said that, should the rate increase be reversed, it would encourage them to reinvest in their businesses. Almost half said that a reversal would give them the extra funds to invest in skills and training and almost half said that it would make them more likely to seek to grow their businesses. It is highly likely, I suggest, that should the increase go ahead, a much smaller number of businesses would have the cash to make the investment that they were talking about last autumn.

That is a particular concern in Scotland. At the last count, there were 279,495 businesses in Scotland, of which 273,745 employed fewer than 50 people. Another 3,500 employed between 50 and 249, and only 2,265 are large businesses employing more than 250 people. We believe that the impact of the £1.2 billion—estimated by the CBI—taken as a result of the increase in the small companies rate is likely to be disproportionate in Scotland.

The words at the time of the Budget from the Scottish Chambers of Commerce, on this matter in particular were especially telling. Liz Cameron, its chief executive, said:

> "Alistair Darling's first Budget was a missed opportunity for the UK... to boost Scottish businesses. He could have cancelled his plans to increase the Small Companies' rate of Corporation Tax...but he didn't."

She went on:

> "Promises of future tax simplification and a consultation on limiting the volume of regulation are welcome, but when set against the cold, hard tax rises being experienced by many businesses, they are of little comfort."

I wholeheartedly concur.

Over three years, a few thousand pounds extra in revenue yield might add up to a great deal of money for the Government, but if businesses do not have that kind of money, it will stop them buying a new computer, bringing someone in on a Saturday to fulfil an order, undertaking a small marketing campaign or perhaps paying the air fares to a first ever trade show. The Government do not seem to recognise that such small amounts of money are vital for growing businesses and incredibly difficult to earn, particularly in the current economic climate.

Obviously, I will back amendment No. 1 to reduce the rate. I will reserve my position on amendment No. 7 and wait to hear what the Financial Secretary has to say. I hope that she at least tries to give some justification for why she believes that increasing tax at this time—in view of all the other burdens that businesses face—is somehow a good idea, rather than the bad idea that businesses, business leaders and many in the House believe it to be.

Mr. Redwood: I am a company director and a shareholder in companies, as I have declared in the register, but not, I think, of a company that will be paying this particular tax in the current year.

I rise to support the idea that the tax should be 20 and not 21 per cent. and that it should not go up to 22 per cent. subsequently, and I ask the Government to think again about their extraordinary U-turn in their policy towards lower tax rates for people on lower income and for smaller and start-up companies that earn less profit than more mature companies that have gone on to grow for longer and perhaps more successfully.

The Government produced an attractive package when they decided to encourage incorporation by having a zero tax rate on small profits for companies that had recently incorporated, and when they decided to have a 10p capital gains tax charge on people who set up companies, who took founder shareholdings in companies or who decided to buy into companies that were small and growing and could take advantage of that privileged capital gains tax regime.

We saw a response to that favourable tax regime in the improvement in the rate of new company formation. A lot of people in the small business groups around the country were saying to Opposition representatives, as well as to Government representatives, that the Government had got something right and that that part of the tax regime was favourable. It was an encouragement that those people very much welcomed, so it is strange and

[Mr. Redwood]

extremely disappointing that the Government should have backtracked on both elements of that attractive regime and that they have not learned the lesson from a country such as Ireland, which has persevered with a much more favourable tax regime for business across the board—businesses large and small—and has had the phenomenal success that we see in the Irish growth rate, the development of Irish business within the Republic and the collection of so much more tax revenue in general by the Irish Treasury.

As more people have got better jobs and taken more income out of smaller and larger companies, and as more smaller and larger companies have grown, been successful and produced capital gains, dividends, income and good jobs for people, so the economy as a whole has benefited from that process, and so the Irish Treasury has benefited, having more money to spend per head on public services as a result of that growth than has been available from the British Treasury's attempts to find ever more stealth taxes to sustain more rapid growth in spending per head on public services here.

Mr. Brooks Newmark (Braintree) (Con): I appreciate my right hon. Friend's comments about the Laffer curve, which I have gone on and on about in the three years that I have been a Member of Parliament. However, what bothers many small businesses—with which, like me, my right hon. Friend has been involved—is the timing of the tax increase. At a time when we should be supporting small businesses, it appears that we are attempting to undermine what they are trying to achieve in extremely difficult times by increasing taxes while, across the pond, the United States is doing everything it can to lower them.

Mr. Redwood: My hon. Friend is right. Ministers must know from their conversations, as he and I know from our conversations with the British Chambers of Commerce and the bodies representing small businesses in Britain, that it is becoming much more difficult to be a successful competitor from a British base. Smaller companies are feeling the increase in taxation and the growing weight of regulatory cost even more than the larger ones, but that population of small businesses must be allowed to grow more rapidly so that we can experience success in the future.

All the studies show that if there is to be sustained rapid growth in employment in private-sector activities, a lively and growing small business sector is essential. New jobs are much more likely to come from that sector than from the larger companies that have the money to automate, to mechanise and to take their labour-intensive activities offshore. They do not generate the same pace of business growth and job growth as small companies.

As the hon. Member for Taunton (Mr. Browne) observed, although we unfortunately often hear of very large casualties in the corporate world—factories closing, or large numbers of people being made redundant by the larger companies—we never hear of redundancies of the same scale in the smaller companies. They do not employ as many people to start with and, when conditions are reasonably benign, they do not sack people. As a whole, they are a growing sector, adding jobs as they find better ways of doing things and creating new activities that the public wish to buy into. The danger is that the Government will take small businesses to tipping point with too much tax and regulation, so that, largely unseen, many jobs will be removed or new jobs will not be created and we will have a worse problem with unemployment.

Mr. Jeremy Browne: It should also be borne in mind that nearly every large business that employs vast numbers of people started off as a small business. We are not only compromising the small business sector of the economy, but running the risk that tomorrow's big businesses will never be able to get off the ground.

Mr. Redwood: The hon. Gentleman is right, and it can be deduced from his argument that we need to lower tax and regulation on all populations of business if we want a really successful economy like the Irish economy. That is especially important in the incubator world of small business. Among the mighty population of small businesses in a vibrant economy will be a limited number that will go on to become the mega-corporations of the future. As Silicon valley demonstrates, businesses can grow from very small to very big in the space of a decade, with stunning implications for the success of the economy and the success of tax-raising on those populations of businesses, and job generation.

Mr. Newmark: We might quip that the way in which to create a small business under new Labour is to start with a big business. However, on a more serious note, let me say that my right hon. Friend has not touched on another important issue. One of the hallmarks of new Labour has been chopping and changing, but what businesses like is consistency. Only through consistency of policy, particularly tax policy, can they thrive.

Mr. Redwood: I am grateful to my hon. Friend, although the number of interruptions makes developing the argument as quickly as he would like a little more difficult. He is giving me friendly help and assistance to make sure that I do not forget the important arguments. I am genuinely grateful to him and he is absolutely right that consistency is important. Being able to forecast the tax rate to be paid not just this year but next year and the year after is extremely important when it comes to drawing up a business plan. Any small business that wishes to grow relatively quickly will need access to outside finance: a bank loan, other investors, business angels or another way of raising capital. Any of those would immediately want a business plan, not just for one year but for, say, three.

4.15 pm

An important element of that business plan would be to know what the net profitability would be after three years, after the start-up costs and losses. The net profitability obviously requires an assumption about the Government's tax rate. If the tax rate is changing every year—or goes up every year—it makes forecasting accurately more difficult. It also means that net profits will be less at the three-year stage, or at the five-year stage in a five-year business plan. That makes it more difficult to raise external capital; the banks and others

living through the credit squeeze may say that they are unable to help because the net returns are not sufficiently good. Altruistic as many financiers are, they are not normally interested in how much money a business generates to pay the tax man; they are interested in how much money a business generates to pay the shareholders and other private stakeholders, which is why the tax rate is so important.

I am delighted that my Conservative Front-Bench colleagues are strongly in favour of simplicity and lower taxes and they are right to want a 20p tax ceiling on small businesses. I hope that they will also want—I am sure they will—to bring down the rate of corporation tax on larger companies closer to the 20p band. That is very important to the enhanced competitiveness of Britain that we will wish to see after the damage being done to it by higher taxes and more regulation.

I trust also that Governments will start to look at the idea, revolutionary for current political times, that we can perhaps save some of the waste and unnecessary expenditure in Governments so that we do not always have to pay for these tax reductions by finding other ways of increasing taxes. It was exactly that route of tax reform that got the Government into such difficulty on the 10p band.

Mr. Browne: I am grateful to the right hon. Gentleman for giving way to me a second time. Does he share my unease that the Conservative party is committed to taxing at exactly the same overall rate as the Labour party at the next general election? The total amount of Government spending as a percentage of GDP will be identical, if the Conservative party wins the election, to the level it would be were Labour to win. That sounds like mimicking the Government, rather than providing an alternative to them. Does he think that that is a wise approach for his party?

Mr. Redwood: The hon. Gentleman must have forgotten that I am a Conservative MP, so I do not share his unease at all, nor do I accept his premise. I am quite sure that the shadow Chancellor and his senior colleagues are serious when they say that they wish to have a lower-tax Britain than we would have under Labour. I am quite sure that we would have a lower-tax Britain than we would have under a Lib-Lab pact, because we know that Liberals are very liberal with other people's money. Normally in the House they do not make the wonderful case for lower taxes as the hon. Gentleman seemed to be doing this afternoon. Normally they make the case for spending all sorts of sums of public money on things that may not even be desirable and are very often quite wasteful

There is only one party that seriously believes in lower taxation for the whole of the UK and has a chance of winning a national general election in this country and that is the Conservative party. The Scottish National party now seems to believe in lower business taxation, but it is not in a position to do very much about it because most of the powers on these matters rest in the UK Parliament.

I say to my hon. Friends on the Front Bench that it is a privilege to be able to support this very sensible proposal for a 20p tax on business. It would be to the benefit of the small business community, and the Government's relations with it, if the Government listened, in the way that we hear the Prime Minister is now listening on the 10p tax band. It is another example of how dangerous the Government's tax reform can be, particularly now they are destroying the only good tax ideas that they ever had. I was with them on the 10p income tax band and on zero tax on smaller businesses and they are throwing it all away.

Mr. Newmark: Before I begin my speech, I wish to draw Members' attention to my entry in the Register of Members' Interests. I also wish to make an observation: there is not a single Labour Back Bencher present to contribute to this debate on this extremely important clause. *[Interruption.]* I agree that the hon. Member for Stoke-on-Trent, North (Joan Walley) is present, and she may well contribute to our debates later on, but I have not yet heard any contribution on this clause.

I am delighted to contribute to our deliberations on the vital issue of the taxation of small businesses. Small businesses are often lauded as the real wealth creators and the dynamo of the economy, as, indeed, they are, but it often appears that the Government have taken this image too literally in creating a tax policy for them that resembles a dynamo only in so far as it spins in circles.

If there was ever any doubt about the Prime Minister's new-found fondness of Blairite political theatre, it was dispelled during this year's Budget, which began the escalation of the small companies rate. After years of debate in Parliament and elsewhere about taxation acting as an incentive to incorporation and encouraging distortion, the Prime Minister's final act of political theatre was to propose a Budget that cut the main rate of corporation tax to 28 per cent. while the small companies rate was simultaneously to be raised to 22 per cent. over three years.

More than that, years of debate about the disparity between personal taxation and business taxation rates influencing behaviour in undesirable ways by encouraging avoidance were further muddied by the fact that the small companies rate is set to rise above the basic rate of income tax. Having encouraged thousands of sole traders to incorporate, the Prime Minister aims to leave the small companies rate at just 1p below the level where he found it when he became Chancellor. The result of his small business taxation odyssey is that he has boxed thousands of taxpayers into a structure that may no longer be appropriate for them.

I know that the Treasury's response will be that such people can simply elect to pay themselves a salary rather than dividends, but that neglects the fact that many small businesses face significant increases in administration and compliance costs as a result of incorporation. A former Financial Secretary has quantified that the incentive for a self-employed person earning £30,000 to incorporate and take income from dividends will reduce by £1,000 by 2009-10. For some, that could be just the start of the additional costs. That would, perhaps, be more acceptable if disincorporation were a simple proposition, but it is not. Tax advisers were already warning last year that there was no method for businesses to disincorporate tax-free

[Mr. Newmark]

without Her Majesty's Revenue and Customs making a case that there is a deemed transfer of goodwill out of the business and back to the sole trader.

If the Treasury's aim really is the encouragement of disincorporation, the Minister will no doubt be able to tell us what steps the Treasury is taking to remove barriers to disincorporation and to assist small businesses to unwind their tax affairs. However, if the Treasury is actively pursuing disincorporation, the Minister must also admit that it has led the small business community on a wild goose chase for the past few years. Indeed, a tax policy that simply brings the Prime Minister back to where he began is certainly a novel interpretation of the role of the business cycle. Unfortunately, his changes have been counter-cyclical, if not counter-productive, and he has committed his successor to increasing the tax burden on small businesses at a time when they can least afford such a move—I made that point to my right hon. Friend the Member for Wokingham (Mr. Redwood).

The small companies rate has been discussed in whole libraries of paperwork over a number of years. Formerly, criticism focused on the sporadic nature of the Prime Minister's changes. The Institute of Chartered Accountants was typical in its condemnation, stating:

"This type of 'stop-start' tax tinkering is creating a climate of uncertainty for businesses."

Before he moved on to greater things at the Treasury, Edward Troup also regularly called for not only certainty but simplicity. He is notable for having expressed his hope to the Treasury Committee that the Government would "do a graceful U-turn" on the subject of the 0 per cent. small companies rate in favour of incentives that were both better targeted and workable. It seems that this time at least the Treasury has been fruitful in the U-turn department, even if none of the U-turns has been particularly graceful.

I hope to return to Mr. Troup's influence on policy later in the Committee's deliberations; suffice it to say that if anyone's hand is on the tiller of the ship of state as it tacks and gybes towards the rocks, it may well be his. In the meantime, I want to dwell briefly on the reason underpinning the change of direction by examining the supposedly better targeted and more workable incentives.

The Prime Minister presented small businesses with a regime of research and development and investment allowances, and that is all well and good for businesses able to make use of them, as my hon. Friend the Member for Fareham (Mr. Hoban) outlined. Unfortunately, the system entrenches an unwelcome distinction between businesses operating in the manufacturing and service sectors—between those that are capital intensive and those that are not. The Government argue that they support targeted reliefs, but perhaps Ministers can explain the justification for favouring one sector over another in that way?

Mr. Redwood: Will my hon. Friend be extending the argument that the Government's concern seems odd, because someone who decides to draw more money out in salary or in dividend has to pay tax, so the Government are clearly targeting money that would otherwise stay in, and be profitably used in, the business?

Mr. Newmark: My right hon. Friend makes an excellent point; the Government's lack of consistency bedevils many businesses, both small and large.

The Government argue that they support targeted reliefs, and I look forward to the Minister's explanation of the justification. We addressed the issue last year, while I still had the pleasure of serving on the Treasury Committee. Our sceptical conclusion bears repeating now:

"It is not clear whether measures such as the increase in the R&D tax credit and the introduction of the Annual Investment Allowance will have the desired beneficial impact on investment levels by small companies."

Instead of committing to an escalation of the small companies rate, the Government should take a step back and take stock of their continuing to pull in different directions.

Commercial decisions in small businesses are still being influenced by legitimate concerns about the benefits or disincentives of incorporation, and the dust has not yet settled. The Government occasionally manage to evoke a sense of continuity in their fiscal policies. For example, let us consider the following quotation from Malcolm Dunn, writing in the journal *Taxation*:

"It is a bizarre form of socialism which leaves the rich virtually unaffected but hits the poorest the hardest".

I do not want to presage too much of tonight's debate, so I should make it clear that he was writing in 2004 about the introduction of the minimum 19 per cent. rate for non-corporate distributions. The comparison between that and other poorly timed simplifications with disproportionate effects bears noting, and we should not forget that the increase in the small companies rate came in very handy when the Prime Minister was trying to balance the books after he cut the main rate from 30 to 28 per cent. as part of his pre-election stunt.

The proposals in clause 5 are at least part of a three-year escalation and businesses can be grateful that they have been given a time line for increases in their further tax burdens, but we are still talking about tax increases. I speak in favour of amendments Nos. 1 and 2 in the hope that the Government will think again about committing to escalating the small companies rate to 22 per cent. by next year. The original decision was made both in more benign economic conditions than those today and by a different Chancellor.

What is more, the Government have shown in the past few months that they have a firm track record in only one respect: the rapid reversal of fiscal policy. I hope that I can encourage the Minister to think again, if only because the third time is the charm, and to come back to the House on Report with a small companies rate that does not increase the burdens falling on small businesses that are ill equipped to deal with them. If the Government are looking to do something that might restore the trust of the small business community, they need look no further than a freeze on the current rate and a moratorium on fresh uncertainties.

4.30 pm

The Financial Secretary to the Treasury (Jane Kennedy): It has been an interesting debate to warm us up for later proceedings. The right hon. Member for

Wokingham (Mr. Redwood) lumped this proposal with others and described it as a stealth tax. It is not so stealthy that hon. Members are not protesting against it, as witnessed by this debate. I have noted the fact that the Opposition voted against this measure in the Budget.

The hon. Member for Fareham (Mr. Hoban), in his opening comments, moved quickly to the differences between us. It is interesting that his right hon. Friend the Member for Witney (Mr. Cameron) was quoted as saying that people should

"never believe a politician about tax or borrowing, unless they are prepared to take tough decisions about public spending."

I see the hon. Gentleman nodding in agreement, and I shall return to that comment in my closing remarks. In the mean time, I invite the Committee to consider it.

The Government announced changes in last year's Budget to encourage investment and innovation. The small companies rate of corporation tax remains highly competitive internationally and has by far the highest threshold in the G7 at £300,000—a fact that one would hope would be welcomed. The average threshold for other G7 members with a small companies rate is just over £23,000.

If I may, Sir Alan, I will stray slightly wide—although not, of course, wide of the amendments—in responding to some of the criticisms that have been levelled at the Government and in explaining our proposals and why we seek to resist the amendments. The World Economic Forum ranks the UK as one of the top 10 most competitive countries, ahead of France, Canada and Australia, and the World Bank ranks the UK sixth in the world in doing business, ahead of Germany, France and Japan. We are also first in the G7 for ease of paying taxes, which is an important factor for small businesses. The Government are committed to tax simplification and have announced a package of more than 20 measures, including simplification of the associated companies rules and a new review of CT calculations for small businesses, all of which have been welcomed by small and medium enterprises.

I welcome the hon. Member for Taunton (Mr. Browne) and his L-plates—I have great sympathy for some of the comments that he made on that score. He stated that the UK tax system imposes significant burdens on small businesses compared with other countries. I do not accept that statement. At the Budget 2008, Her Majesty's Revenue and Customs published details of how it is improving services for small businesses, including progress against its administrative burden reduction targets. According to the PricewaterhouseCoopers World Bank publication "Paying taxes 2008: The global picture", a standard UK company spends less time complying with the tax system than a similar company in any other G7 country. The Government have outlined in their enterprise strategy, published at Budget 2008, how they will build on their targeted net reduction in the administrative burden of regulation by 25 per cent. by 2010. It is therefore wrong to claim that the changes to the small companies rate of corporation tax affect all businesses.

The UK has around 4.4 million small businesses. Of those, 75 per cent. are the self-employed, and they are not affected by the changes to the small companies rate of corporation tax. Additionally, about 400,000 companies pay no corporation tax, so they will not be affected by changes to corporation tax rates. Of those companies that pay corporation tax, a quarter of large companies and more than half of medium-sized companies pay tax at the small companies rate. It is important to realise that the rate is in fact a small profits rate. Any company with profits up to £300,000 benefits from that low corporation tax rate, regardless of its size.

Both groups can benefit from one of the other changes in the Bill: the annual investment allowance for expenditure up to £50,000, which has been maligned by Opposition Members. Both the hon. Member for Hoban—*[Interruption.]* I apologise to the hon. Member for Fareham; that is why I increasingly need my reading glasses. The hon. Members for Fareham and for Dundee, East (Stewart Hosie) said that the AIA did not go far enough. The hon. Member for Dundee, East in particular, speaking for the Scottish National party, criticised the AIA's ability to help with the costs of training staff, improving staff capability and other intangible investments. I am sure that he knows this, but it is worth bearing in mind the fact that the cost of employees can already be offset against tax. The AIA will allow businesses to offset £50,000 of capital expenditure in a similar way.

The Government are expanding and improving Train to Gain, with funding rising to £1 billion by 2010-11. The other forms of investment mentioned by the hon. Gentleman are directly deductible for tax purposes. Indeed, the Government have introduced a generous research and development tax credit, which was picked up on by other speakers, that provides more than 100 per cent. relief—it provides 150 per cent. relief against tax for small companies.

In debating the amendments, it is necessary to understand the changes to small business taxation in a wider context. The Government have lowered corporation tax rates for small companies over the years in order to encourage investment. We have reduced the small companies rate from 23 to 19 per cent. and introduced a starting rate of corporation tax for those with profits below £10,000.

Those lower rates of tax resulted in a significant number of people incorporating, not to invest and reinvest in their businesses but simply to extract the profits in a way that reduces their personal tax and national insurance contribution liabilities. I shall not quarrel with the point made by the hon. Member for Fareham that we were warned of that at the time, but those who take such action carry out the same economic activity as they did before they incorporated but pay lower rates of tax than those who remain unincorporated and than employees.

Such people are not using incorporation as a launch pad for growth. Instead of concentrating on their core business and being advised on how to expand and become more profitable, they and their advisers are treating incorporation as a tax break, which is being subsidised by ordinary taxpayers and the self-employed businesses that suffer a competitive disadvantage. The increase in the small companies rate will reduce the differential in tax paid between the incorporated and the self-employed.

Mr. Hoban: The Financial Secretary's arguments are reminiscent of those used by her predecessor in the debate last year. It is almost a Yogi Berra moment; it is

[Mr. Hoban]

déjà vu all over again. What research has the Treasury done to prove what proportion of companies incorporate to take advantage of the 0 per cent. corporation tax rate? Are companies continuing to use that despite the fact that the 0 per cent. rate was scrapped?

Jane Kennedy: It is too early to say what the total impact of last year's proposals will be. I shall commission work to answer the hon. Gentleman's point, and when I have that sort of detail, I shall communicate it to him. I am sure that we will have the opportunity to return to the subject in the Public Bill Committee in a few days' time.

Mr. Redwood: Does the Financial Secretary not accept that someone who had incorporated in order to take advantage of the lower tax rate would have to pay full income tax if they wished to pay themselves a higher salary or dividends after profit?

Jane Kennedy: The difference in the tax burden for those who are incorporated and those who are unincorporated is clear and accepted, and our proposals have been phased in, to allow companies to take those changes into account, and to recreate, as it were, a fair and level playing field between small businesses competing in the same sector that may not be incorporated for tax purposes. The increase in the small companies rate reduces the differential between the incorporated and the self-employed. That means that the 3.3 million unincorporated businesses will be relatively more competitive—thus, as I said, levelling the playing field.

Last year, we announced a package of business tax reforms to improve competitiveness and encourage investment and growth. The changes to the small companies rate are part of that package, which refocuses the incentives for small businesses on the activity of investment, and is designed to promote fairness across all 4.4 million small businesses. The hon. Member for Fareham asked why a targeted solution to the tax-motivated incorporation problem was not adopted instead of increasing the small companies rate. We have done extensive work on the issue of small business taxation, balancing incentives for small business growth with fairness in the tax system for all, and the changes to the taxation of small businesses announced in the Budget last year provide a good balance between those objectives.

It would be wrong, however, to consider the small companies rate in isolation, and the change in that rate was only one component of the small businesses package announced in the 2007 Budget. That package refocuses the manner in which the Government provide incentives for small businesses on the activity of investment, and it would be wrong, as I have said, to take it in isolation.

Mr. Newmark: We face difficult economic times, and I am trying to understand the logic of increasing taxation in a period that is particularly difficult for small businesses. How does that provide them with an incentive to continue to grow their business, and what have we done to encourage businesses to come and set up in this country, as they can actually see that business has increased year in, year out? *[Interruption.]*

Jane Kennedy: My hon. Friend the Exchequer Secretary reminds me that a figure of 700,000 new businesses is not a discouraging one. The hon. Member for Braintree (Mr. Newmark) asked me a general question about the economic climate in which we have made these changes. As I have just explained, they are intended to re-establish fair competition for those who have been incorporated for tax purposes, and thus enable them to take advantage of arrangements that ought to have been made for investment in business for growth purposes. By levelling the playing field, we will restore the motivation for companies to focus less on how to use incorporation to avoid tax liabilities, and encourage them instead to focus on growing their business.

The annual investment allowance, as I have mentioned, will target assistance directly on those businesses that invest their profits, regardless of their legal form. It will be available to all 4.4 million businesses, and will allow them to offset up to £50,000 of capital expenditure in the same way as they offset other costs such as employment costs. To increase the sense of déjà vu experienced by the hon. Member for Fareham, I repeat that the package is important: it was introduced last year, and it is part of the ongoing debate. Simon Sweetman, chair of the Federation of Small Businesses tax committee, said:

> "The Annual Investment Allowance will be significant for small business, both incorporated and unincorporated...and has the added benefit of being a simplification."

The allowance should be welcomed, rather than dismissed as some speakers have done.

The Government also announced an increase in the small and medium enterprise R and D tax credit rate from 150 per cent. to 175 per cent.—we will come on to debate that later in other clauses—and that will also help small companies investing in new technology. All these measures taken together refocus tax support on investment rather than on low profits.

4.45 pm

Thank you for bearing with me, Sir Alan. I will now deal with the proposed amendments in detail and in turn. I fear that the amendments would pose a serious risk to fairness. The Government have set out how they will make the tax system fairer across all small businesses, reducing the competitive disadvantage, as I have said, faced by unincorporated businesses. However, the Opposition believe that all 3.3 million of them should continue to be disadvantaged in this way.

Amendment No. 1 would encourage further tax-motivated incorporation, counteracting the moves towards fairness that the Government support. Furthermore, the small companies rate will still be lower than it was in 1997 when it was 23 per cent., even as we take the proposals forward.

Amendment No. 2 proposes to maintain the current fraction of marginal relief as 1/40th. In proposing the amendment however, the Opposition have not done their sums properly, setting out a perverse incentive to have profits within the marginal relief band. The fraction for marginal relief ensures that there is a smooth rise in the rate of tax applied to companies with profits between the thresholds for the small companies and main rates of corporation tax. In proposing that the small companies rate and marginal fraction both be maintained at last

year's level, the Opposition fail to take account of the reduction in the main rate of corporation tax from 30 to 28 per cent.

Mr. Redwood: Will the Minister explain how it came to pass that the previous Chancellor created such an unfair system in her view that the Government now have to amend it in this direction of creating greater fairness? Is it not rather the case that the previous Chancellor gave a poisoned pill to his successor in the form of higher taxes across the piece?

Jane Kennedy: As I have said, and as the right hon. Gentleman will remember, the intention of the changes that have led to advice given by tax advisers to incorporate to avoid tax was to encourage investment and growth, particularly in small businesses. We are now correcting an imbalance that has developed as a result of the behaviour in response to those changes.

As I have said, the amendment would negate the purpose of marginal small companies relief. By way of illustration, if the Committee were to accept the amendment, a company making profits of £301,000 would pay more than £5,500 less in tax than a company making profits of only £299,000. It would do nothing to benefit the vast majority of small businesses in the UK.

Amendment No. 7 proposes that an assessment of the impact of the changes to the small companies rate should be undertaken before any change is made. Again, it shows that Opposition Members misunderstand the changes put forward by the Government, which are about improving competitiveness across all small businesses. Reducing the differential in tax between the unincorporated and incorporated will allow better direct competition. Delaying implementation of this change will allow the differential to remain. Furthermore, the changes to the small companies rate are part of a wider package that encourages all businesses to invest and innovate to assist future growth. The introduction of the annual investment allowance benefits all businesses, allowing them to compete more fairly.

It is appropriate that I should make clear the substantial fiscal risk that the amendments pose. Together, they would cost the Exchequer more than £300 million next year. That brings me back to the statement by the right hon. Member for Witney that I quoted earlier. The Committee should consider the amendments in the context of the fact that the main Opposition party voted against all the revenue-raising measures proposed in the 2008 Budget. Given that the country is looking for a Government who are wedded to economic responsibility, I do not believe that such amendments should be accepted. They would do nothing for the majority of small businesses and fail to recognise the importance of fairness across the board in the tax system.

I would ask the hon. Member for Fareham to withdraw the amendment; however, having heard his opening speech, I am clear that he is unlikely to do so. In that case, I ask the Committee to resist the amendments.

Mr. Hoban: First, I want to say something to the hon. Member for Taunton (Mr. Browne), who, to use the words of the Minister, has his L-plates on. Thinking back to the hon. Gentleman's reference to an obituary of Humphrey Lyttelton, I should say that tax is rather like the game Mornington Crescent: the rules are there if we look carefully, and they will become discernible apparently.

I take issue with the introduction and conclusion of the Minister's speech; they were written without the arguments for the amendments having been heard. It was clear from what I said that our proposed cut in the small companies rate of corporation tax would be funded through the scrapping of the annual investment allowance. We have made that clear, not only today but in debates earlier this year and around the time of the Budget. We believe fundamentally that by restructuring the current allowances and reliefs we can make savings that would pay for reductions in the main and small companies rate of corporation tax. We are proposing a funded tax cut.

On several occasions, the Minister came back to the point that the Government's measure was to tackle what she claimed was an unfairness in the tax system which encouraged incorporation. Yet at the same time, as the Minister said in response to an intervention of mine, the Government have not done the work to understand whether last year's scrapping of the 0 per cent. rate was sufficient to discourage tax motivated incorporation. She further undermined her arguments by highlighting that larger businesses would also be affected by the tax increase. She referred to the proportions of larger and medium-sized companies that also paid the small companies rate of corporation tax.

If we look at the rate of incorporation for companies in the past six years, yes, we see that there has been a 50 per cent. increase in the number of companies incorporating with only one employee. Companies with between one and nine employees are running at about 37 or 38 per cent. in that regard, and for those with more than 10 employees, the figure is just under 20 per cent. We are seeing significant increases in the incorporation of companies of all sizes. Given the long tail of owner-managed businesses, with no employees, that I see in my constituency, perhaps it is not surprising that a large number of them incorporate.

The Government's measure is meant to deal with the issue of fairness, but it imposes an additional tax burden on small companies at a time when they do not need it—they are struggling with higher costs and economic uncertainty. I will press amendment No. 1 to a Division because of the problems that face small companies. They want a Government who are on their side and are not working against them. By increasing the small companies rate of tax from 19 to 23 per cent., the Government are damaging those businesses when they need help and support. Conservative Members and, I believe, other Opposition Members recognise the importance of supporting small companies. I hope that those Opposition Members will back us in the Division Lobby.

Question put, That the amendment be made:—

The Committee proceeded to a Division.

The Chairman: Order. I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 193, Noes 296.

Division No. 152] **[4.54 pm**

AYES

Afriyie, Adam
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. David Evennett and Mr. Brooks Newmark

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew

Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Mr. Dave Watts

Question accordingly negatived.

Clause 5 ordered to stand part of the Bill.

Clause 6

RATE ETC

Stewart Hosie: I beg to move amendment No. 8, page 3, line 20, leave out from '(1)' to end of line 21 and add

'will have effect from a day which the Treasury may by order appoint.

(4) No order may be made under subsection (3) until—

(a) the Treasury has compiled and laid before the House of Commons a report containing an assessment of the impact of changes to the rate of capital gains tax on—

(i) businesses seeking investment,

(ii) investors who normally pay tax via capital gains tax, and

(iii) the availability and cost of houses to buy and rent; and

(b) the report has been approved by a resolution of the House of Commons'.

[Stewart Hosie]

The amendment seeks to have the Treasury justify the changes it intends to make to the capital gains tax system and to have them approved by the House of Commons before any implementation. There are a number of reasons for that, which I will explain later, but the assessment that we seek from the Treasury will consist of three parts.

First and most important, what would the impact be on businesses seeking investment? For us, that is the most crucial area. As they stand, the Government's proposals will only damage business investment. For example, if someone who invests in a business and pays capital gains tax seeks the same cash return after tax under the changes, that will leave less profit in the pot for, say, a proprietor investor or a manager investor, who may no longer take the risk and seek that capital. If, on the other hand, the investor receives the gross amount and pays the additional tax under the new system, they may consider the risk not to be worth taking and decide to take their money elsewhere, perhaps out of the country.

Secondly, the Treasury should report on investors who normally pay tax via capital gains tax, not least because it would appear from all the reports that I have read and all the people to whom I have spoken that the changes to the rules have had the consequence, unintended or otherwise, of encouraging real investors to sell up and take their money out of businesses to avoid falling into the new tax regime. That has been evidenced by a flurry of recent newspaper reports, of which I shall give one or two examples.

In article entitled "How Darling's ill-thought CGT fix has only made things worse"—not exactly a snappy title, but one that sums it up—the *Sunday Herald* said:

"The unseemly dash by owners of companies and other assets to beat the April 5 deadline for the capital gains tax changes introduced by Alistair Darling reached a crescendo last week. This extraordinary flurry of mergers, acquisitions and other corporate finance activity, which started gathering momentum last autumn, was sparked by many business owners' decision that, rather than plough on with running their own businesses merely to hand over more money to the Exchequer, they would rather sell out now."

The article continued:

"It has also inspired entrepreneurs and company owners right across the Scottish and UK business and industrial spectrum to sell up—often to private equity and vulture funds."

The Fair Investment website put the matter similarly:

"Many UK business owners decided to sell up before the changes to capital gains tax took effect on April 6, while others transferred ownership to avoid the higher rate of tax."

The article, of 8 April, went on to quote KPMG tax partner David Kilshaw saying to *The Times* that this has been

"the busiest end of financial year in living memory"

as investors rushed to sell up before the new laws came into effect.

5.15 pm

It is not only newspaper commentators and financial advice websites that have been discussing the issue—practitioners have also been talking about it. I am grateful to the Institute of Chartered Accountants in England and Wales for its comments on this matter. It says that these highly controversial changes were announced

"without proper prior consultation, with inadequate transitional provisions and with a lack of appreciation of the likely behavioural impacts and compliance costs that they would impose."

It also said that the announcements showed a lack of appreciation of the potential damage that they could

"inflict on the international reputation of the UK as a place to live, work and invest."

I agree entirely with its assessment of capital gains tax reform in the 2008 Budget that

"taxpayers should have been given more time to understand"

the impact before implementation. That is fundamentally what I seek to do with amendment No. 8: have the Treasury provide all the detailed assessments that will be required for people to understand the consequences.

Mr. Mark Field (Cities of London and Westminster) (Con): Is there not a problem with that, in principle at least? If more time is given, that will allow the distortions that the hon. Gentleman mentioned earlier to happen, such as small business people wanting to sell when a radical change is proposed. How would his amendment get around that problem?

Stewart Hosie: I was just about to make that point. The hon. Gentleman is probably right, on balance, in relation to the previous debate on corporation tax, to say that changing things now might create distortion and uncertainty. However, this measure was proposed in the pre-Budget report and there was a flurry of panic, mainly in the Government ranks. The Government then changed things to introduce the £1 million lifetime entrepreneurs' allowance, but there was still a lack of clarity—I know that from speaking to accountants close to the end of the financial year—so I am not convinced at all, in this case, that a small additional delay until we get clarity from the Government would deliver the instability that the hon. Gentleman describes.

The third area that the Treasury should report on is the housing market, particularly in areas of Wales, Scotland and elsewhere where there is pressure on house prices, a lack of affordable first-time accommodation, particularly for those on modest wages, and a shortage of affordable private lets. The paradox of the CGT changes is that not only are they damaging investment in business and possibly driving investors to take their money elsewhere, but they have made speculation in the private housing market more attractive. That is bizarre at a time when there was already huge pressure—particularly in high-pressure areas and remote, rural areas—and a shortage of housing combined with low wages. That is a catastrophic thing for the Government to do.

Again on the impact on business, tax is going up, as are costs such as fuel, energy and the transport of raw materials. Traditional funding routes have either dried up because of the credit squeeze or are very expensive, and the stock exchange and the alternative investment market are either inappropriate or too expensive for the kinds of businesses that seek private investment at the lower level. This is the wrong time to make changes to CGT that risk, even potentially, driving out investors from business. Let me give an example.

Historically, to get a stock market listing a company needed to be a £100 million-plus company, but the truth is that the figure was much bigger than that. Entry-level costs were £750,000, and so were fundraising costs; advisory costs were £250,000; and commission was 2 to 5 per cent. of the money to be raised. Even on AIM, entry level was about £300,000 and so was fundraising, commission was 2.5 per cent. and advisory costs were about £50,000. That was for companies looking to raise £2 million to £20 million. With traditional bank funding drying up and with other routes being beyond the means of most small companies, private investors were filling an important gap. If there is a risk—I believe the risk is real and serious—that the capital gains tax changes will force private investors with capital to take their money elsewhere, the change needs to be reviewed and revised. I was happy not to press my earlier amendment No. 7 on corporation tax, but although I will wait to hear what the Minister has to say and see whether she provides me with any comfort, if she fails to do so I am likely to press amendment No. 8 to the vote.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Most of the debate on the Bill so far has focused, quite understandably, on clause 3, which doubles the 10p rate of income tax. The Prime Minister is, of course, personally responsible for the changes in clause 3—and, indeed, clause 5, which we have just debated, as both were announced in the 2007 Budget.

Clause 6 is, by contrast, something of a home-grown own goal for the Chancellor, at least if we believe that he is the author of the 2007 pre-Budget report. Although the doubling of the 10p rate has delivered the short-term political damage, the fiasco of the pre-Budget report and the capital gains tax changes will have a lasting and negative effect on business sentiment. The manner of the introduction of such far-reaching changes to business asset capital taxation in the pre-Budget report—with no consultation, no forewarning and little thought—was damaging enough in itself, but the signal that Labour was willing to sacrifice the interests of business to short-term political advantage was more damaging still. The substance of the proposal, at a time when the economy is slowing and public concern about jobs and prosperity is growing, sends a hugely negative message to British business and to Britain's entrepreneurs.

Mr. Mark Field: Does my hon. Friend agree that, given the City of London's position as an international financial centre, the sense of indecision and dithering and the impression created that the Government are, as my hon. Friend rightly points out, seeking to make political capital out of the situation rather than having regard to the long or even medium-term economic welfare of the country is likely to be extremely damaging, not just for our domestic businesses but internationally?

Mr. Hammond: My hon. Friend is right. It is not just a matter of those who are directly affected by the capital gains tax changes; it is part of a bigger picture of indecision, unsignalled change and lack of proper consultation on the business tax regime. If the Minister got out at all and talked to people in City boardrooms, she would know that that has become a real theme that we should all be seriously concerned about. There are two aspects to the problem. First, there is the substance of the changes that clause 3 introduces, which amendment No. 8 is designed to address; secondly, there is the manner in which they were introduced, particularly the lack of consultation, the lack of clear signposting and the reversal of what had been seen as a long-term commitment by the Government to a lower CGT rate for long-term gains. That, I suspect, as much as the substance of the measure itself, is extremely damaging to the climate for Britain's entrepreneurs.

By raising business taxes at a time when our competitors are cutting them to support investment and underpin their economies, the Government have undermined business confidence. The abandonment of what was an iconic long-term Labour policy of a 10p capital gains tax rate for long-term gains—announced with great fanfare by our present Prime Minister even before the Labour Government came to office—has dealt a blow to British enterprise and entrepreneurs at a time when we should be promoting it and them.

I have to say that we have a great deal of sympathy with the sentiment behind amendment No. 8, and I agree with almost everything the hon. Member for Dundee, East (Stewart Hosie) said in introducing it. Regrettably, however, it would not quite do what its sponsors wish it to do. It would indeed postpone the change in the main rate from 40 to 18 per cent., but because the implementation provision that the amendment would introduce covers only subsection (1), schedule 2 would be effective anyway, ending taper relief and indexation. It would, I think, have the opposite effect to that which the hon. Gentleman seeks, in that it would push the effective CGT rate on business assets up to 40 per cent., rather than leaving it at 10 per cent., as he intends.

For reasons that I shall outline, we believe that the Government need to go back to the drawing board on CGT reform, consult properly and come forward with a comprehensive set of CGT proposals that recognises the need to promote long-term investment and encourage entrepreneurship.

The amendment calls on the Government to measure and report on the impact of the proposed changes on business investment, the tax burden on investors and the housing market—in particular, the buy-to-let market. As my concerns relate to precisely those areas that the hon. Gentleman outlined—even though my solution is to vote against clause stand part, rather than to support the amendment, for reasons I have explained—I hope that it is convenient for me to set them out now, as time is limited, so that we might not need a separate clause stand part debate.

It all started with the pre-Budget report; hon. Members will remember that saga. The pre-Budget report was brought forward to early October so that it could act as a pre-election Budget—a showcase for whatever bribes the Prime Minister would offer the nation in the election that never was. That plan was torn up when the Prime Minister bottled it and canned the election for reasons that, we are assured, had nothing whatever to do with the opinion polls. The pre-Budget report—*[Interruption.]* I hear sceptical comments from those on Benches behind me, but I could not possibly comment.

The pre-Budget report still had to go ahead on 9 October, to save face. So the tax strategy for Britain—the world's fifth largest economy—as we faced the first

[Mr. Philip Hammond]

signs of economic slowdown in the aftermath of the Northern Rock fiasco—had to be drawn up on the back of a fag packet over the weekend. Even one of the Prime Minister's closest allies, the hon. Member for Coventry, North-West (Mr. Robinson), described that as

"policy making on the hoof."

And it showed—in the lack of consultation on proposals for major changes to business taxation and the complete absence of a coherent narrative as key parts of Labour's long-term business tax strategy were discarded overnight without explanation or warning.

The words of that pre-Budget report speech were scarcely out of the Chancellor's mouth before they were drowned out by the crashing of gears being thrown into reverse. It was hours before Downing street was briefing against the Chancellor, and just days before the climbdowns began, but the damage to Britain's reputation as a business-friendly economy will take longer to reverse. I say to the Minister that the damage to Labour's reputation as a business-friendly party may be irreversible.

A common theme is beginning to emerge from the PBR: the systematic subordination of the long-term interests of the country—even as identified and clearly set out by the Labour party—and of our economic future to the short-term political agenda of our Prime Minister.

The Chancellor's claim that his CGT reforms were made in the name of simplification was as bogus as the same claim made for the abolition of the 10p income tax rate. The proof is in schedule 3, where the complex and still extremely unclear entrepreneurs' relief adds a tier of complication to the system that was supposed to be simplified. This is a missed opportunity for comprehensive modernisation of business capital taxes based on a full, extensive and genuine consultation. In fact, the capital gains tax change was a straight tax grab, originally designed to raise £900 million a year for the Treasury, and a wildly misplaced attempt to address the issue of taxation of private equity-carried interest—something that had been exercising the Government and the trade unions before the pre-Budget report and, ironically, a problem that now looks likely to have gone away all by itself, as the bank credit on which private equity deals depend has all but dried up.

5.30 pm

Jane Kennedy: Will the hon. Gentleman explain how his party would pay for the consequences of rejecting the proposed change, bearing in mind the comments of his right hon. Friend the Member of Witney (Mr. Cameron), who has said that people should

"never believe a politician about tax or about borrowing unless they are prepared to take tough decisions about public spending"?

I think that that question deserves an answer.

Mr. Hammond: As I have said, what we are trying to do is persuade the Government to go back to the drawing board with their business capital tax proposal and look at it again. If we are successful in the vote on clause stand part, we shall not expect the Government to roll over and play dead, and to accept that as the end of the game. We shall expect them to do some work on these proposals, and then bring back to the House a properly thought out package of capital gains tax reforms on which they have consulted properly with the business sector—unlike the proposals announced in the pre-Budget report—so that we can proceed in a way that does not deliver a blow to British business, British entrepreneurs and British enterprise at a time when our competitors are supporting their companies and their entrepreneurs, and our economy is slowing.

Jane Kennedy: I am always interested to hear the hon. Gentleman's comments at the Dispatch Box, but I want to press him once more. The costs of the capital gains tax reform, including entrepreneurs' relief, are £250 million this year, £300 million next year and £500 million in 2010-11. Those are real costs. Can the hon. Gentleman say more than simply that he would seek a postponement, and that the Government would fix the mess that he would get us into if we accepted the amendment?

Mr. Hammond: Actually, the Government got themselves into this mess by meddling with a vital part of the business tax system without any advance signalling and without any consultation.

Let me now put a question to the Minister. Given that she is so worried about the danger of creating little holes here and there in her Budget, where did she find the £400 million that is the difference between the £500 million yield that she has just announced for 2010-11 and the £900 million yield that appeared in the pre-Budget report before the Chancellor executed his U-turn and introduced the entrepreneurs' relief? I shall be happy to give way to her again if she would like to tell the Committee where she found that £400 million, given her concern about identifying all these parcels of money. However, she appears not to wish to tell us where she found it.

Mr. Brian Binley (Northampton, South) (Con): The Minister seems to have no compassion for entrepreneurs who have run their businesses for a long time on the basis that the receipts at the end of their working lives will provide for their pensions. Does the Minister recognise, and does my hon. Friend agree, that the harm being done to those pensioners is unacceptable and has not been thought about at all?

Mr. Hammond: My hon. Friend is entirely right. Many small business people regard the businesses that they are building up as their pension pot, but it is not just individuals who are suffering harm from these measures. This is not just about some business people or entrepreneurs who will be less well off, less motivated and less incentivised than they might have been The real issue is that as enterprise goes elsewhere and investors take their money and expertise elsewhere, the big loser will be UK plc, and it is our prosperity and our jobs that will suffer as a consequence.

We can add to the list of 5.3 million low-earning families and the owners of small companies at least 270,000 of the 1.7 million employee shareholders, as well as the farmers and other business people whose assets will not be eligible for entrepreneurs' relief and

those who will lose out from the scrapping of accrued indexation as losers from the Finance Bill. As we also must add the serial entrepreneurs and the business angels providing finance to them—people who have been so important in maintaining the level of innovation and business formation in our economy—it is UK plc that becomes the clear long-term real loser from the measure.

Only new Labour could devise a business capital tax system that incentivises modest success in lifestyle businesses with entrepreneurs' relief but penalises the growth of the scalable enterprises that will deliver the prosperity of tomorrow; one that halves the rate of tax on buy-to-let landlords and second homeowners while increasing it by 80 per cent. on serial entrepreneurs and up to 260 per cent. on some employee shareholders; one that rewards short-term, quick-turn investors with CGT rates well below income tax while increasing the effective rate most on the very longest of long-term investors who stand to lose most from the loss of indexation relief on all assets held before 1998. The Prime Minister's moral compass appears to be pointing in increasingly bizarre directions.

If the clause survives a stand part vote this afternoon, schedule 2, containing the detailed measures to scrap taper relief and indexation, and schedule 3, containing the details of entrepreneurs' relief, will be considered in Committee. We will need to look in great detail at the mechanics of entrepreneurs' relief—who will get it and who will not—and at the consequences of the taxation of inflationary gains at 18 per cent. in a world without indexation or taper relief.

Mr. Mark Field: I appreciate that my hon. Friend is coming to the end of his comments and he is making a very good case in respect of the confused nature of the Government's dealing with the matter in the run-up to October and, more particularly, in the panic since. To try to pre-empt the Financial Secretary's comments, I should say that one positive side of what was perhaps intended at the outset—although my hon. Friend has raised some doubts about its real nature—is the idea of simplification. Will he make it clear that we in the Conservative party very much favour the idea of simplification but that, obviously, during the past six months we have seen some object lessons in how simplification should not be carried out?

Mr. Hammond: Of course simplification of the tax system is a good thing in itself, but not at any cost. We have ended up with the worst of all worlds, a system that disincentivises entrepreneurship and yet has created a regime more complex than the one it replaced.

Entrepreneurs' relief is a fudge. It was a hastily cobbled together minimum concession to buy off the most numerous, although not necessarily the most economically important, group of losers from the pre-Budget report changes. We will need to review how it works for employee shareholders; for investors in the highest risk companies that might historically have listed on a junior stock market; for members of limited liability partnerships, who seem to have been forgotten in the drafting of these provisions; and for the market in insurance bonds, which, on the face of it, will disappear under these proposals.

This is an ill thought out measure, introduced without consultation or early warning. It has imposed a huge retrospective cost on thousands of businesses. At a stroke it has withdrawn the single tax measure, taper relief, that had been held aloft as the symbol of new Labour's commitment to business. It was hailed as a simplification but it was a simple stealth tax. Because it was made up on the hoof without a consensus behind it, the Chancellor had to back down at a cost of some hundreds of millions of pounds, and the Financial Secretary cannot tell us where that money is coming from. The Chancellor introduced the entrepreneurs' relief and thus created a system more complicated and more unfair than the one it has replaced.

At the end of this little charade, as we face a global economic slowdown, we have a capital gains tax system that not only increases taxes on business entrepreneurs, but will be less fair in operation, will encourage short-termism and will be more complicated than the regime it replaces. This cannot be the way forward.

I would have liked to support the amendment but, for the reasons I set out earlier, we believe that it will be more effective to send a signal to the Government by voting against clause 6 stand part and by asking the Government to go back to the drawing board, to look again at the package of proposals, to consult properly with business and to come back to the House on Report with something a little better thought out.

Mr. Jeremy Browne: This feature of the Bill is a classic example of what a Government do when they are driven by political considerations rather than the overall requirements of the economy. At the Conservative party's autumn conference in September of last year it put forward a series of proposals on taxation in anticipation of a possible general election—of course, none of them went any way to helping people who had been adversely affected by the doubling of the 10p rate, but we will come to that later. The Government felt they needed to respond to the Conservatives' apparent seizure of the initiative and as a result the Treasury was thrown into an exercise. That process may have lasted only a couple of days but, in that time, the Treasury went from having a blank sheet of paper to drawing up a series of taxation proposals that would have a deep and significant effect on business and on our economy.

My party has a different view from that of the other parties in this House on how much money capital gains tax should raise and what its role should be in relation to other forms of taxation. The parallel that my party draws is between the taxation rate paid by people who are taxed on their capital and the rate paid by those who are taxed on their income. I am extremely supportive of wealth creation; we need an economy that generates prosperity so that people can prosper in their private lives and so that we can afford to fund key public services. However, it offends the sensibilities of the Liberal Democrats and many millions of people throughout the country that there are people in Britain, who work in private equity and the like, who pay a much lower marginal tax rate than the people who clean their offices. In our view, that cannot be right.

Our starting point is that capital gains should be taxed at the same rate as income, as was the case under Nigel Lawson when he was the leader of the Thatcherite vanguard in the 1980s. This is hardly a particularly

[Mr. Jeremy Browne]

left-wing policy; it is entirely in tune with what other Governments have proposed in the past. The danger otherwise is that people with good accountants who are able to convert their income into capital will pay considerably less as a share of tax, and we will effectively create a two-tier system: one for those who are taxed on the money they take home at the rates we will now have to get used to—20p and 40p, with national insurance contributions in line with that—and another for those who enjoy much more favourable rates of taxation, despite having considerably higher earnings.

Mr. Philip Hammond: Does the hon. Gentleman accept that in the world in which we actually live, where both capital and many of the most innovative entrepreneurs are mobile, the benchmark must be not what Governments did in the past, but what other Governments are doing now in creating regimes that our entrepreneurs and businesses have to compete against?

Mr. Browne: I understand the hon. Gentleman's point, but I return him to the point that there is a large amount of mobile labour comprising people earning considerably smaller sums who are being expected to pay a higher proportion of their income in tax than people who are able to convert their income into capital; there are people who are able to move freely across the European Union for whom that is the case. The Liberal Democrats do not wish the overall share of taxation to rise as a proportion of gross domestic product. We would, however, ask something of high earners—who currently pay lower marginal rates than those who clean their offices— so that people on lower incomes could pay a lower marginal rate. Both the Conservatives and Labour are unable to match that commitment.

5.45 pm

Mr. Mark Field: Is not the problem with what the hon. Gentleman is suggesting the fact that that mobile wealth creation will leave these shores and go elsewhere? Although I fear that it does not fall within the context of the clause, a discussion of the benefits of globalisation is legitimate because far too many people in both the first world and developing countries are perhaps being left behind. Is not the reality of his policy that it would simply impoverish this country while we bought into the notion, to which most political people in this country and on other shores would subscribe, of globalisation as being a good?

Mr. Browne: I am grateful for that point, although we are slightly going round in circles.

There are many benefits of globalisation for which the case is not made sufficiently frequently. Not only is globalisation beneficial for many millions of people in this country—I believe in free trade, and in goods and services flowing around the world, because that generates prosperity—but it offers the best prospect for billions of people in China, India and other Asian countries to have levels of prosperity that they have not enjoyed previously. There is no other way in which they are likely to achieve those standards of living.

Let me answer the question by flipping it on its head; the onus is on both Labour and the Conservatives to make the moral case for a cleaner who earns £10,000 a year paying a higher marginal rate of taxation than the boss of the company whose offices he or she cleans, who takes home £1 million in the form of capital. There is a genuine debate to be had about that. The hon. Member for Cities of London and Westminster (Mr. Field), who represents large numbers of people—more than any of the rest of us—who fall into both categories just put forward the argument, as do the Government, that it is morally right that cleaning staff should pay a higher marginal rate. I merely inject a note of controversy into the debate by saying that I do not agree.

The changes made by the Government have resulted in a perverse set of consequences. The Budget proposals reward property speculators while penalising people who have run small family businesses, and many small investors—perhaps employee share scheme holders—lose as a result. In addition, because the changes were introduced in a haphazard, short-term fashion with inadequate consultation, many people have been unable to prepare for them in a way that most people would consider reasonable.

The effect has been, as the hon. Member for Northampton, South (Mr. Binley) described, that people who have worked and planned on the basis of a tax regime that they thought would affect them when selling their small business at the end of their working life, and who had a legitimate expectation that if the tax regime was to change they would have long enough to change their behaviour to take account of the alterations, have suddenly had the changes sprung on them without adequate time to make the necessary adjustments to their circumstances.

That introduces what feels like a retrospective degree of taxation. Although it is not strictly speaking retrospective, that would be the outcome for people in terms of the practicalities of selling a business in a short time scale. Even the Government's U-turn—

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Which U-turn?

Mr. Browne: The hon. Gentleman asks which U-turn; I shall come to many of the others later in our deliberations. The specific one is the £1 million of relief for entrepreneurs. Even that carries problems for people who are serial entrepreneurs, whose business is to rapidly grow and sell companies. That is a legitimate and healthy business model that contributes to the overall growth of the economy, but those involved are penalised by the proposals in a way that people who stick with one business over a longer period of time are not.

For all those reasons, we disagree with the approach that the Government have taken to these matters. We do not think that they are fair, and the system of implementation has not been effective. We will vote accordingly.

Mr. Newmark: Clause 6 sets the stage for the first of this year's U-turns from the Chancellor and I hope that we will have a little clarity from the Financial Secretary about the Government's motivations. "Start as you mean to go on" is probably not a maxim on which the Chancellor should rely, as he and the Prime Minister continue to lurch seamlessly from credit crunch to

credibility crunch. The Chancellor's last few months in the Treasury would have done the three stooges proud, although I do have some sympathy for the fact that he seems to have become the Prime Minister's one and only stooge when it comes to taking the consequences of unpopular taxation.

Nevertheless, by 24 January, the Chancellor had already confirmed his first U-turn of the year in an attempt to water down the impact of an 80 per cent. tax rise on small business at a time of increasing economic uncertainty. We are still in the dark about why the Government should have set about, apparently deliberately, undermining their own much vaunted objective for increasing long-term investment in business. The only explanation is a bad one: that it is a knee-jerk reaction against a very small number of individuals in the private equity industry who were making use of taper relief to reduce the capital gains tax charge on their carried interest.

To give credit where it is due—and notwithstanding the comments made by the hon. Member for Taunton (Mr. Browne)—Ministers were always adamant in their public statements that there was no special loophole in the taxation of the private equity industry, and that was indeed the case. But faced with pressure to close a loophole that did not exist, the Chancellor did the next best thing and threw the baby out with the bathwater by abolishing taper relief altogether.

We are entitled to ask about the principles underlying the change as much as about the impact of the change itself. Was it simply designed to target a small number of individuals—with the damage to businesses and angel investors viewed as the necessary price to be paid—or was there a genuine principle and strategy involved? What, indeed, is the Government's current direction of travel on the taxation of business, the stability and predictability of that taxation and the encouragement of long-term investment? Those are legitimate questions that still need to be answered.

What we do know is that clause 6 represents a tax hike of some £700 million, even with the last-minute concessions subsequently offered by the Government. But the potential cost to the economy of the proposed changes dwarfs the money that the Treasury hopes to raise through them. Capital gains tax has never been a big revenue raiser and the tax base has never been very wide, raising just £3.8 billion from 266,000 individuals in 2006-07, rising to £4.8 billion on the original forecast of the pre-Budget report. Nevertheless, it has significant potential as a disincentive to long-term investment—the point made by my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond).

The only benefit to the economy presented by the Chancellor's erratic driving on capital gains tax reform has been the thousands upon thousands of hours of overtime worked by lawyers, accountants and financial advisers up and down the land as they struggled amidst a dearth of information in order to give their clients reliable advice in advance of 6 April. That is quite some contribution, although it is presumably not the outcome for which the Treasury planned.

Weighed in the balance against these detriments are two attempted defences from the Chancellor—consultation and simplification. Announcing the entrepreneurs' relief on 24 January the Chancellor was the model of calm reassurance:

> "Of course we will listen to what businesses—small and large alike—have to say. It is important that we introduce the right tax regime."

That is what he said as he frantically back-pedalled away from the tax regime that he had announced just months before. But he only cocked his ear to listen to the business community after he had announced his proposed change in the pre-Budget report and discovered that those in the business community felt that he was cocking his leg at them instead.

I am intrigued by some of the rationale that was deployed to explain away the lack of consultation. The Treasury claimed, for instance, that there had been no consultation because the change to CGT was a simple rate change and not a reform. In an amusing contrast, the explanatory notes for the draft legislation were subsequently headed "Capital Gains Tax Reform". Leaving aside the fact that the rate change was some 80 per cent., does the Treasury still believe that clause 6 is a simple rate change and not a reform?

I do not wish to stray wide of what we are discussing today, particularly as much of the detail that appears in schedule 2 and the proposed entrepreneurs' relief in clause 7 will be discussed in more detail upstairs, but it is nonsense to suggest that it was proper that such a radical increase in the burden of taxation should have been proposed entirely without consultation with the business community.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): The Chancellor used the pre-Budget report to launch his bombshell, when the whole point of the pre-Budget report is to lay out proposals for consultation. The whole idea was that the Budget process should become more transparent and more of a two-way process for those affected, so that we would not have all these U-turns and problems halfway through the financial year.

Mr. Newmark: The hon. Gentleman makes an excellent point that supports my argument.

The second canard in play here is that clause 6 represents the best intentions of good government in implementing a desirable tax simplification. This figment also crept bashfully on to the record on 24 January when the Chancellor announced:

> "I am trying to simplify the tax system, which is something that people in the House and outside have asked successive Chancellors to do."—[*Official Report*, 24 January 2008; Vol. 470, c. 1635-6.]

The Chancellor has apparently convinced himself that he was merely being responsible and responsive to the House, or perhaps the new clutch of special advisers from next door in No. 10 have convinced him. Indeed, the Chancellor is setting new records in responsiveness to the House, given the sheer number of times that he has had to come to the Dispatch Box to apologise, explain and dilute.

What the Chancellor is not doing, and what the Government have so signally failed to do while in office, is simplify our tax law. I need point no further than the 1,148 pages of explanatory notes, in four volumes, that accompany this year's two volume Finance Bill. Perhaps the Government should look at offsetting the carbon cost of printing it. But only a Labour tax simplification could introduce new complexity,

[Mr. Newmark]

as we saw last week with the other major "simplification" in the Bill that has gone a little awry.

In the spirit of both those supposed simplifications, it might be worth dwelling a little on the question of winners and losers. Richard Mannion, writing in the journal of the Chartered Institute of Taxation, put the point quite simply:

"While any significant regime change like this would be likely to result in both winners and losers, the main losers on this occasion were business owners and entrepreneurs, the very people that the previous chancellor had set out to encourage with the effective CGT rate of 10 per cent. on business assets."

Once again, it is not so much a question of whether there are losers but of who the losers are.

6 pm

The Government's erosion of competence has been matched by the erosion of confidence in their handling of business taxation. As John Wright, chairman of the Federation of Small Businesses, has said, the botched CGT changes have

"seriously eroded small businesses' trust in the government."

So, if, "Start as you mean to go on" is not exactly a guiding light for the Chancellor, perhaps he should stick with, "If it ain't broke, don't fix it."

The UK is in the throes of a liquidity crisis in the wholesale markets, which is severe enough to warrant billions of pounds of taxpayer-backed intervention from the Bank of England. One of the side effects of the liquidity crisis is the potential impact on retail investor confidence as investors fall back on safer, more liquid investments. In the middle of that turmoil, the Government are doing away with a tax relief that was designed to encourage people to invest over the long term in relatively illiquid asset classes, such as unquoted shares, family businesses or venture capital enterprises.

We should not forget that the Prime Minister's introduction of taper relief was couched in uncompromising terms. He said:

"We must do more to increase the quantity and quality of long-term investment. The capital gains tax regime that we inherited rewards the short-term speculator as much as the committed long-term investor."—[*Official Report*, 17 March 1998; Vol. 308, c. 1101.]

Yet at the very time that the Government ought to be looking at whether it would be appropriate to offer additional inducements to long-term investors, they are moving in the opposite direction.

The Chancellor's January statement also put a great deal of store in the capital gains personal allowance. He mentioned it several times, as if to suggest that its continued existence compensated in some way for the 80 per cent. tax hike. However, a personal allowance does nothing to encourage an investor to hold illiquid assets when gains cannot easily be crystallised and netted annually. It was soon clear that the personal allowances alone were totally inadequate when it came to the expectations of the business community, so another fudge was cooked up.

How are we to greet the compromise? Richard Lambert, the CBI's director general, is quite clear about the merits of a change that is

"superficially quite clever and on the surface might seem like a relief"

but that results in even the smallest business owner being worse off than before. However, I prefer to look directly at one of the architects of the scheme. Edward Troup, who is now director of business and indirect tax at the Treasury, wrote witheringly in the *Financial Times* in January 2002 complaining that the Prime Minister's original introduction of taper relief had pandered to political lobbying and had

"created further distortions and directionless complexity."

He continued:

"Pragmatism has been replaced by opportunism masquerading as principle. The clock should be rolled back. A single rate of, say, 20 per cent applied across the board would stop the worst excesses of avoidance without creating undue distortion."

Mr. Troup might have got his single rate but he also got more than he bargained for in the way of "directionless complexity" from his political masters.

It has become easy in recent weeks to poke fun at a Government who are at war with themselves. It is perhaps more worrying that Treasury officials do not seem to be on the same page as Treasury Ministers. Officials seem to like the idea of brutal simplicity, even when the burdens fall disproportionately. Ministers, on the other hand, do a good line in opportunism masquerading as principle. Members of the Committee will know of my background in the venture capital industry and I want to conclude my remarks by focusing on the support available to serial angel investors.

The Chancellor has proposed a complex package that includes a lifetime capital gains tax allowance for capital gains arising from the sale of business assets. I have no doubt that after months of confusion the scheme is of some comfort to small business men who have a lifetime of work invested in their family businesses. It does absolutely nothing for the committed business angel who shoulders the burden of risk, time and again, to help with the process of genuine wealth creation in this country.

There is little sense of continuity in the Government's thinking on that point. It is only necessary to look back to the Standing Committee debates on the Finance Act 2002, when the qualifying period for taper relief was shortened. My hon. Friend the Member for Fareham (Mr. Hoban) hit the nail on the head when he asked the then Economic Secretary a simple question:

"If long-term investment is good and short-term bad, why are the Government shortening the taper?"

The answer he got was very clear, if a little short-tempered. The then Economic Secretary said

"venture capitalists and other early-stage investors frequently invest with a view to realising their capital in less than two years, so we have designed the taper specifically to take into account the natural mode of operation and interests of venture capitalists, and their investments in start-up businesses."—[*Official Report, Standing Committee F*, 21 May 2002; c. 170.]

In other words, the relief had been retooled to benefit the very group that seems to have sparked off the latest ill-considered reform of CGT, which is the group that will now see little benefit from a lifetime capital gains tax allowance.

When Mark Neale, managing director of budget, tax and welfare at the Treasury, gave evidence to the Treasury Committee following the pre-Budget Report, he took pains to emphasise how "carefully" the Treasury had considered the Chancellor's original announcement. His

reasoning—that taper relief was a successful short-term incentive that had outlived its usefulness because it attracted tax avoidance—was a new departure for the Treasury and broke with years of momentum.

Mr. Philip Hammond: Does my hon. Friend agree that even if taper relief had outlived its usefulness—I do not believe that for a moment—it is imperative that the Government signal an intended change of direction well in advance and consult widely on it, otherwise, the impression is created that policy is being made on the hoof? Frankly, that invites investors in this country to apply the same kind of risk premiums for lack of certainty in policy that they might more typically apply in less developed economies.

Mr. Newmark: As always, my hon. Friend makes an excellent point. We made that point in the debate on the previous clause. It shows the lack of predictability, consistency, planning and consultation in the Government. We need planning. We need to consult thoroughly with businesses so that they can plan in the long term, not the short term.

Mr. Neale's justification for the change of direction was that the Treasury was

"taking this step both to simplify the tax and to put it on a long-term basis."

That statement was made on 17 October. On 24 January, the Chancellor changed his mind again. Not only do the proposals fail to provide simplification, but the Treasury's view of long-term tax planning appears to have shrunk to a window of a little over three months.

In January, the Chancellor also seemed keen to emphasise that there were many alternatives for helping small businesses such as venture capital trusts and the enterprise investment scheme. However, venture capital trusts have been endlessly tinkered with by the Government. I remember the Committee's discussions on the second Finance Act of 2006, when the gross asset value for VCT investments was lowered to focus investment on small companies and, at the same time, the incentive for investors was cut by an increase in the tax they had to pay.

The VCT regime has been a story of fluctuation and indecision, year in, year out. It sits badly with a capital gains tax regime that fluctuates not only year by year but month by month, yet the VCT regime is one of the crutches that the Chancellor is using to prop up his latest ill-fated reform. The Chancellor must decide which road he wants to follow: targeted incentives to encourage specific policy objectives, or a simpler, flatter tax.

Mr. Philip Hammond: Does my hon. Friend agree that what we are discussing is a vital part of making, and keeping, Britain competitive as we move into much more uncertain times. Does he share my astonishment that there is not a single Government Member on the Government Benches apart from the Whip, the Minister and the Parliamentary Private Secretary? Does that not tell us something about the level of Labour's commitment to the businesses and the entrepreneurs of this country?

Mr. Newmark: I must agree with my hon. Friend—it shows almost the contempt in which the Government hold small businesses, which are the engine of the economy. I made the same point in our debate on the previous clause—there was not a single contribution from Labour Members to that debate.

Mr. Jeremy Browne: Will the hon. Gentleman briefly mention which of the three main UK-wide parties have the highest percentage of Members in the Chamber for the debate, and whether that reflects their interest in the topic?

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): Order. I should be grateful if the hon. Member for Braintree (Mr. Newmark) confined his remarks to the amendment that we are discussing.

Mr. Newmark: A well-timed intervention.

As I was saying, the Chancellor must decide which road he wants to follow: targeted incentives to encourage specific policy objectives, or a simpler, flatter tax. He cannot have his cake and eat it, but that is what he is attempting to do in this year's Finance Bill.

Jane Kennedy: The hon. Member for Runnymede and Weybridge (Mr. Hammond) was rather skating on thin ice, as he drew attention to the fact that there was one Conservative Back Bencher in the Chamber, although it is true that the Labour Benches are even more thinly populated.

Clause 6 and schedule 2 introduce the central reform elements announced in the 2007 pre-Budget report. The changes replace layers of complex rules built up over many decades with a significantly simpler framework. In particular, a number of old reliefs are abolished, leaving an easy-to-understand tax-free allowance and a single headline rate of tax. I make those opening comments to set the scene, but I want to return rapidly to the brief exchange between the hon. Gentleman and myself.

The hon. Member for Dundee, East (Stewart Hosie), whom I compliment on tabling the amendment and encouraging us to hold this important debate, raised a number of serious points and questions, and I was interested in the examples that he drew from Scottish experience. He spoke on behalf of the Scottish National party, who are in government in Scotland, so he bears a similar responsibility to the Opposition Members whose party would be in government. That is why the comments of the right hon. Member for Witney (Mr. Cameron) are important, and why the House requires a clear explanation of what those parties would do if their amendment was not carried, and how they would cost the consequences.

The hon. Member for Runnymede and Weybridge asked me to explain the difference between the figures published in the PBR and those published in the Budget. We can argue about the figures, and it is right that we should do so, but there will be significantly more than a little hole if he does not accept that the clause should stand part. The figure in the 2007 pre-Budget report for 2010-11 was £900 million. The figures published in the Budget do not separate out the final estimated cost of entrepreneurs' relief. The decision was made in the light of the whole score card, and the costs of the 2008 Budget are therefore somewhat less—£250 million per year; £350 million next year; and £500 million in 2010-11. We have costed the measures, and the hon. Gentleman

[Jane Kennedy]

needs to explain how he would cost such an action, and the decision that he is encouraging Conservative Members to make.

Mr. Philip Hammond: The Minister has costed the measures, but she has not told us where the Government found the money. That is important, because we have had a similar debate on the 10p tax rate. If the Government can spirit up money when they need it for things that they choose to do, why can they not spirit it up to solve other problems?

Jane Kennedy: Entrepreneurs' relief was fully costed, and it forms part of the Budget figures. It is the hon. Gentleman's party that needs to find an answer to the question when he goes to the public in an election period with a programme that is £10 billion adrift, and adds a number of decisions made as a result of voting on the Budget.

Mr. Hammond: We have answered that.

Jane Kennedy: Well, I am sure we will return to it in future debates. Perhaps, Sir Michael, I should speak more narrowly.

The reformed regime is complemented by a focused capital gains tax relief for entrepreneurs, introduced in clause 7 and schedule 3, which we shall debate in detail in Committee. In progressing the capital gains tax reform programme, the Government have been guided by three key principles. First, we are determined to deliver a significantly simpler tax regime. There is no doubt that capital gains tax legislation had become one of the most complex parts of the tax code, and there are genuine benefits in sweeping much of that complexity away.

6.15 pm

Secondly, the Government have maintained a fair and competitive capital gains tax regime. A generous tax-free annual exempt amount will continue to keep the vast majority of individuals out of the capital gains tax net. For those with larger capital gains, it is right and fair that they should make a contribution to the public finances, and for that minority, the new 18 per cent. rate remains internationally competitive. Finally, the Government remain particularly committed to supporting businesses and promoting enterprise. We recognise the contribution to the economy and to society that our entrepreneurs make, and have introduced a new capital gains tax relief focused closely on that group. We have also retained a number of targeted tax incentives, including the enterprise investment scheme and venture capital trusts.

Sir Robert Smith *rose—*

Jane Kennedy: I was asked a number of questions, and I was about to respond to them, but I am happy to give way to the hon. Gentleman.

Sir Robert Smith: On the general point that has emerged from the debate about the process and the way in which business was engaged and consulted, will the Financial Secretary address the uncertainty in investors' minds? They do not know whether the Government are going to spring something else on them in the next pre-Budget report which, in fact, is a decision that is to be implemented. Will she reassure us that the Government are going to return to the notion that the Budget system should be about opening consultation wherever possible, not springing surprises on business? If we are to encourage investment, we need certainty and understanding of where the Government are going.

Jane Kennedy: The hon. Gentleman makes a fair point, and I know that those concerns have been expressed. I hope to be able to respond to them in a few moments, if he will allow me, but first I should like to develop my response to the overall debate in a more structured way.

The hon. Member for Runnymede and Weybridge said that simplification was a good and valuable thing, but that it should not be undertaken at all costs. May I tell the House that the reforms will replace—and this bears repeating—a significant amount of structural complexity built up over many years with a simple system based on a single headline rate and focused relief for entrepreneurs? That is a change well worth having. Entrepreneurs' relief has been targeted to deliver a special 10 per cent. rate for business and enterprise, which is essentially what businesses have asked for. Indeed, when the pre-Budget report was published, stockbrokers Killik and Co. was quoted in the *Daily Mail* of 10 October as saying:

"This has to be a positive move for investors. It will lead to many choosing to sell investments when it's right to do so rather than holding on to investments in order to avoid a penal 40 per cent. tax."

Mr. Hammond *rose—*

Jane Kennedy: Will the hon. Gentleman allow me to quote one or two comments that are entirely independent of the Government? The *Financial Times* editorial on 25 January this year said that there was a "strong case" that 80 per cent.—let me put my teeth back in; it is 18 per cent.—is "fair". Lisa Macpherson, the national tax director with accountants PKF said on 28 February that the new capital gains tax legislation is "simple and sensible." On 24 January, John Wright of the Federation of Small Businesses said:

"The Chancellor said specifically today that he wanted to help small businesses facing big tax rises from April and that is very good news indeed."

Mr. Hammond: Of course Killik and Co. is in favour of reducing the tax paid by passive investors in the shares of large companies quoted on the London stock exchange. What the Chancellor has created is a regime where those who invest passively in the relatively safe shares of large companies will be treated in the same way as those who get up early in the morning, who work and take risk over a lifetime to build up a substantial business. The Government have ended the differentiation in favour of risk taking and enterprise in this economy.

Jane Kennedy: The hon. Gentleman and I will have to agree to disagree on that point. I clearly do not accept his description.

The hon. Member for Taunton (Mr. Browne) suggested that capital gains tax should be taxed at income tax rates, but there is a clear view that 18 per cent. strikes the right balance. The Government's strong view is that that 18 per cent. rate rewards investment and enterprise, which is important for the economy. It ensures that

people with gains above the tax-free allowance of around £9,600 contribute to the public purse and it remains internationally competitive.

The proposals for capital gains tax reform have been controversial. We do not generally consult on changes to tax rates, but wide-ranging discussions with interested parties took place after the pre-Budget report, and the entrepreneurs' relief announced in January was our direct response to the concerns that were raised. Her Majesty's Revenue and Customs have engaged in discussions with tax experts on the technical detail and issued draft legislation for comment ahead of Finance Bill publication. The entrepreneurs' relief directly responds to the concerns raised by business groups and it should receive a warm welcome in the House.

The hon. Member for Runnymede and Weybridge said that this was the wrong time to be increasing business tax, and that case was advanced in the previous debate. However, the new entrepreneurs' relief continues to deliver targeted support for business. The change will deliver a massively simpler system that will benefit everyone. The hon. Member for Taunton said that the entrepreneurs' relief makes matters more complex, but again, I do not agree. The reform will replace a significant amount of structural complexity, which is a change well worth having. It will provide a simple system, based on a single headline rate and a focused relief for entrepreneurs. The relief has been carefully targeted to deliver a special 10 per cent. rate for business and enterprise, which, as I said, is essentially what business has been asking for.

Overall, the changes introduced by the Bill represent a major and welcome simplification of the capital gains tax regime. The hon. Members for Dundee, East and for Runnymede and Weybridge pressed the matter of entrepreneurs' relief, saying that it was not good enough and it was a small concession, and they referred to the loss of confidence in the UK as a business environment, but entrepreneurs' relief will deliver a 10 per cent. CGT rate for the vast majority of small business owners and material investors. That is a tax saving of up to £80,000 each.

Overall, the UK continues to be an excellent place in which to do business, as was said earlier. For example, the relative cost of starting a new business is now equal to that in the US and lower than in France and Germany, and that is why, as my hon. Friend the Exchequer Secretary reminded me earlier, 700,000 new businesses have started up in recent times. The overall changes that we are making are not only good, but welcome to businesses.

Mr. Hammond: Does the Financial Secretary recognise that the problem faced by the UK is not the number of start-up businesses—that is holding up pretty well—but the number of businesses that reach the critical level of a £1 million turnover within three years? That number has fallen, so more lifestyle-type businesses are starting up, but fewer of them are growing to become scalable businesses that will create the jobs, wealth and prosperity that the economy needs.

Jane Kennedy: Again, that is precisely what the investment allowance is about. These are all matters that we must keep under review. I am grateful to the hon. Gentleman for his acknowledgment that the start-up figure is holding up and is good news.

Amendment No. 8 seeks to delay the implementation of clause 6 pending a Treasury report on how capital gains tax reform will affect businesses seeking investment, investors who normally pay tax via capital gains tax, and the availability and cost of houses to buy and rent. It is unnecessary, and worse still, by abandoning the 6 April 2008 commencement provision, it would mean significant disruption for taxpayers who would no longer know where they stand. The Government have been clear from the outset that the reformed regime will be much more straightforward for people who pay capital gains tax. We announced the changes in advance to give people time to arrange their affairs accordingly, and we listened to the concerns that were raised by business groups following the announcement introducing a new tax relief targeted on entrepreneurs to meet these concerns.

Stewart Hosie: The Financial Secretary says that advance notice was given in order for people to put their affairs in order, but it was given only because of the hue and cry after the initial announcement last autumn. We then had the situation through February and March where accountants and other financial advisers were pulling their hair out because there was a lack of clarity as to what was meant, and people were pushed into selling businesses or disposing of shares, or were not sure whether to hold them. I will not buy the "This will throw the whole system into chaos" argument, because it will not. If the amendment were passed, it would allow the Treasury to do precisely what it says, which is to prepare a detailed assessment of the real impact of the real changes, so that people could take informed decisions in the future.

Jane Kennedy: I did not think for one moment that the hon. Gentleman would buy the argument, but I am confident that Government Members will accept the case and support the changes that we propose. We have listened to the concerns that were raised by business groups following the announcement. On the issues around property investments, it is important to remember that capital gains tax is just one of many factors that influence people's decisions about when to buy and sell. More importantly, the Government have taken a number of steps, both through the tax system and more broadly, to promote housing supply and improve affordability for first-time buyers.

The hon. Members for Runnymede and Weybridge and for Taunton asked about the save-as-you-earn plan, and suggested that it might be unfair. Our figures show that the average amount of gain that a typical employee makes from save-as-you-earn options is well under the annual exempt amount of £9,600 a year, but I have no doubt that we will return to that point in Committee.

The hon. Member for Braintree (Mr. Newmark) made an entertaining and interesting contribution. I have been trying to read his lapel badges from a distance, and I now know what they say. In 1992—hon. Members will remember that that was the year when the Labour party failed to get into government—I remember wearing a badge saying "Don't blame me, I voted Labour", but the wearing of lapel badges is a practice that I am happy to have grown out of.

The hon. Gentleman brought several serious points to the debate, particularly with regard to how capital gains tax reform might hit small business. Entrepreneurs'

[Jane Kennedy]

relief will deliver a 10 per cent. capital gains tax rate for the vast majority of small business owners and material investors, and overall the UK continues to be an excellent place in which to do business. He asked how another 28 pages of CGT legislation could possibly constitute simplification, but it is what they do that will provide the simplification. They will sweep away layers of complex rules built up over many decades, and the legislation as drafted is necessary to ensure that the various changes are made and followed through correctly. The end result will be a substantially simpler regime.

The hon. Member for Taunton asked whether the 18 per cent. CGT would lead to all sorts of avoidance. As he will be aware, there are already numerous rules in the tax code to prevent individuals from disguising income as capital gains for tax purposes. The Government have a clear track record of blocking tax avoidance if it arises, and they are consulting on options to strengthen the anti-avoidance machinery in respect of that issue.

Mr. Newmark *rose—*

Jane Kennedy: As I am about to turn to one of my final points, which is about a comment made by the hon. Member for Braintree, I happily give way to him.

Mr. Newmark: I hear what the Financial Secretary has said about simplification. However, can she explain how four volumes—more than 1,000 pages—of explanatory notes simplify the tax system?

6.30 pm

Jane Kennedy: I have been interested to read the criticism that the tax code is getting ever longer. In truth, a lot of that has resulted from the tax law rewrite work, which has introduced simplification and clarity. It has also resulted in greater explanation within the code, which is therefore longer. The language is simpler, but reading it takes longer. The hon. Gentleman's criticisms are not worth taking seriously.

Mr. Newmark *rose—*

Jane Kennedy: I see that the hon. Gentleman does not accept that point, and is coming back.

Mr. Newmark: I cannot accept the Financial Secretary's premise when the evidence is clear: "Tolley's Tax Guide" has doubled in size to 10,000 pages or so in the past 10 years. How could that be the result of tax simplification?

Jane Kennedy: We will probably return to the issue several times in Committee. I do not accept what the hon. Gentleman is saying; we are introducing serious and welcome simplifications.

I do not accept the hon. Gentleman's suggestion that the changes discourage long-term investment. When concerns are raised, it is always sensible to listen to them, but I say to him that the Government's success in delivering macro-economic stability has created the conditions in which individuals can plan for the long term. The reformed CGT regime removes distortions and will be more sustainable and straightforward for taxpayers and help everyone to plan for the future. The new entrepreneurs relief is targeted to reward business owners and material investors, who have worked hard to grow their businesses.

I reiterate the importance of certainty for businesses and investors. I am well aware that there are differing points of view on the merits of capital gains tax reform, but I hope that all parties will recognise that the uncertainty that would result from the abandoning of the 6 April 2008 start date would be highly disruptive and must be avoided. I hope that the hon. Member for Dundee, East will withdraw the amendment, although I do not believe that he will. If he presses it to a Division, I urge hon. Members to reject it.

Stewart Hosie: I thank the Financial Secretary for her consideration of our amendment. Early in her reply, she said that our party, which is governing in Scotland, and Plaid Cymru, which is jointly governing in Wales, needed to take responsible decisions. I thank her for pre-empting the day when we take decisions on these very matters in Scotland and Wales.

The amendment is not irresponsible. It does not offer up a cost and it does not add confusion or uncertainty. We have had the uncertainty since the decision announced last autumn. The amendment seeks clarity.

I turn to some of the points made by the hon. Member for Runnymede and Weybridge (Mr. Hammond), who was sensible on this issue. He said that the Government's measure was a home-grown own goal, which it is; he said that the Government had sacrificed business to short-term political advantage, and they have; and he said that we needed a properly thought out package of capital gains tax, and we do. He criticised the Financial Secretary for the Government's bringing forward of their CGT changes with no advance warning or discussion, and I agree entirely. He went on to say that schedules 2 and 3 will need detailed scrutiny upstairs in Committee, and I can hardly contain myself in anticipation of the glorious hours when we will do just that.

The hon. Gentleman said that the amendment might still allow elements of schedule 2 to be proceeded with. I am sure that he will agree—in fact, I am also sure that the Financial Secretary would—that schedules 2 and 3 are opaque, long and impenetrable. Without the assistance of the civil servants or advisers that other parties have, I am unable to go into as much detail as I would have wanted to on schedule 2. However, I have presented a principled amendment that seeks the clarity that the Government have failed to provide so far. I wish to press amendment No. 8 to a Division.

Question put, That the amendment be made:—

The Committee divided: Ayes 68, Noes 302.

Division No. 153] **[6.34 pm**

AYES

Alexander, Danny	Burt, Lorely
Baker, Norman	Cable, Dr. Vincent
Barrett, John	Campbell, rh Sir Menzies
Beith, rh Mr. Alan	Carmichael, Mr. Alistair
Brake, Tom	Clegg, rh Mr. Nick
Breed, Mr. Colin	Davey, Mr. Edward
Brooke, Annette	Davies, Mr. Dai
Browne, Mr. Jeremy	Farron, Tim
Bruce, rh Malcolm	Featherstone, Lynne

Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Huhne, Chris
Hunter, Mark
Kennedy, rh Mr. Charles
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rogerson, Dan
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Smith, Sir Robert
Spink, Bob
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Sammy
Younger-Ross, Richard

Tellers for the Ayes:
Pete Wishart and
Hywel Williams

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon

Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Tony Cunningham and Siobhain McDonagh

Question accordingly negatived.

Motion made, and Question put, That the clause stand part of the Bill—

The Committee divided: Ayes 303, Noes 212.

Division No. 154] [6.48 pm

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Colley, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John

McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Tony Cunningham and Siobhain McDonagh

NOES

Afriyie, Adam
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Knight, rh Mr. Greg
Kramer, Susan
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew

Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. John Baron and
Mr. Brooks Newmark

Question accordingly agreed to.

Clause 6 ordered to stand part of the Bill.

Clause 21

AMUSEMENT MACHINE LICENCE DUTY

Justine Greening (Putney) (Con): I beg to move amendment No. 16, page 11, line 17, at end add—

'(3) The amendment made by subsection (1) ceases to have effect on 1st April 2009 unless the Secretary of State has made regulations under the Gambling Act 2005 which permit up to one-fifth of the gaming machines in bingo halls and arcades to be Category B3 machines (as defined in regulations made under section 236 of that Act).'.

Amusement machine licence duty is important not only to the many small businesses that are involved in gaming arcades up and down the country, but, further up the supply chain, to the various manufacturers and companies that service gaming machines. It is also important to the Treasury. It raised around £208 million in tax revenue for the Treasury in the financial year 2006-07, according to the British Amusement Catering Trade Association. Indeed, the association estimates that the industry's overall contribution through gaming arcades and the gaming machines that are also in bingo halls, for example, is even greater. The industry employs 26,000 people directly, so when employment taxes—for example, national insurance and PAYE—are included, the estimated total tax revenue from amusement arcades is a substantial £600 million.

Against that backdrop, the industry described the further increase in this year's Budget in amusement machine licence duty as a "missed opportunity", given the pressures that it faces as a result of the Gambling Act 2005, which was effected last September. The amendment is intended directly to assist an industry that is under pressure, and to strengthen the Treasury's ability to ensure that we retain a successful gaming and arcade industry, which can continue to contribute to the Exchequer.

The amendment would enable gaming arcades to have up to one fifth of their gaming machines as B3 machines, and unless the provision was in place by April next year, this year's Budget increases in amusement machine licence duty would lapse. The amendment would force the Government to revisit allowing more B3 machines per establishment than the current rules in the Gambling Act permit. The new rules restrict establishments to a maximum of four machines, irrespective of the venue's size. The Act also introduced a further change, reducing the maximum stake on B3 machines from £2 to £1, which has meant a dramatic fall in the turnover of gaming arcades.

Although the debate is about amusement machine licence duty, to explain my amendment properly and so that hon. Members at least understand my rationale for tabling it I need briefly to outline the dramatic effects of the Gambling Act. I could have tabled a further amendment on increasing the current limited stake from £1 to £2 for a £500 maximum prize on B3 machines, which the Gambling Act reduced. However, I believe that the amendment will give me the chance to make plain my concerns about the viability of the gaming arcade industry and the impact on the economies that it supports.

Many people who are involved in the gaming arcade industry have serious concerns about even its short and medium-term viability, if my amendment is not accepted. Those anxieties are especially prevalent in seaside communities, where a much larger base of the local economy is linked to tourism and the entertainment industry generally.

John Penrose (Weston-super-Mare) (Con): I assure my hon. Friend that I have received numerous representations from people in my constituency who run establishments such as those that she describes. They are all suffering greatly. Many have experienced catastrophic falls in revenue and many wonder for how long they can continue. My hon. Friend is right and I cannot emphasise enough the seriousness of the position of that sector of the industry.

Justine Greening: My hon. Friend makes a helpful contribution, which illustrates the two key points that I want to make today. First, now is not the time to increase tax further on the industry through raising the amusement machine licence duty. Secondly, it is ironic that a fair amount of the Exchequer's tax revenue, which it already, and no doubt willingly, takes from the industry is under threat because the businesses are threatened. The concerns that my hon. Friend expressed are reflected in early-day motion 840, which 155 Members from all parties have signed.

The British Amusement Catering Trade Association has assessed that, since the introduction of the Gambling Act, revenues have collapsed by an average of 21 per cent. year on year. The amendment aims to ensure that the trend in collapsing revenues has a chance of being reversed by the Government well before the planned review of the impact of the Gambling Act, which is likely to be long drawn out. That review is currently planned to start in 2009. It could take many months—

perhaps longer—so we will probably not see any action until 2010. As the hon. Member for South Thanet (Dr. Ladyman) said in a recent Adjournment debate:

"We cannot afford to wait for a six-month review, or even a three-month review. My constituents' businesses are going under now. We need to send a signal now."—[*Official Report*, 22 February 2008; Vol. 472, c. 744.]

If the Committee supports the amendment, we would send that signal, which businesses need to give them hope that they can keep going until their problems are properly tackled.

Without the changes that the amendment proposes, the risk to Treasury revenues is significant. However, let me be clear: for Conservative Members, it is more important that those tax revenues are based on economic success and jobs. I am worried that, by the time we who raise our concerns tonight are proved right, it will be too late to protect those gaming arcade businesses and bingo halls, which are also affected by the changes that the Gambling Act introduced, and they will be lost.

Unfortunately, the reality is that many of those businesses, which are the lifeblood of many of our most loved seaside and coastal towns, are under pressure and are going to the wall. I am talking not only about gaming arcades that form the very identity of places such as Margate, Blackpool, Portsmouth, Hastings, Great Yarmouth and Ramsgate—I could continue—but about family businesses that have been passed down from generation to generation.

Such businesses are the lifeblood of their local economies and are often committed to those economies, alongside providing employment, too. They deserve to be supported by the Government. Instead, they are being undermined. The Government will not take note of their cries for help, even though the Under-Secretary of State for Culture, Media and Sport, who has responsibility for gambling, admitted only in February that there was a "serious problem". Ministers seem more concerned with saving face than with saving jobs and supporting local communities. My amendment challenges that most damaging attitude.

Gaming arcade businesses are being asked to compete with betting shops and casinos with one hand tied behind their back. The stakes and prizes of their machines cannot compete, and such businesses cannot have the number of machines that they need to stay profitable. My amendment aims to challenge that by removing the excessive control over the number of B3 machines to which an establishment is limited, and allowing up to 20 per cent. of any establishment's machines to be B3 machines.

Without my amendment, there is a danger that the Treasury's tax revenues will fall, not just because of lost amusement machine licence duty but from lost employment taxes from long-standing, often family-run, businesses. My concern is that such businesses are under so much pressure that many are in danger of going to the wall, as we have heard. My amendment seeks to prevent a lose-lose situation—in which everybody loses, not just, most importantly, the businesses concerned, but the Exchequer.

Rob Marris (Wolverhampton, South-West) (Lab): Why one fifth?

Justine Greening: I am grateful for the hon. Gentleman's intervention. That suggestion was supported by the British Amusement Catering Trade Association. Our party supports the proposal, along with the association's other suggestion, which is to reverse the reduction in the maximum stake from £2 to £1. Our amendment is fully supported by the industry that we seek to help.

Gaming arcades and the economies that they support are fundamental parts of their local communities. Indeed, the adult gaming centres in which B3 machines are often found support family entertainment centres, which support the wider communities and economies of which they form part. Nick Harding of BACTA says that there is already evidence to suggest that

"at this rate, half the industry will be gone in six months."

He also said that seaside operators are

"dying on their feet as a result of the Gambling Act."

My amendment seeks to challenge that.

Although the trigger for the problem was created by another Department—the Department for Culture, Media and Sport—the consequences are Treasury-related. They include small family-run businesses potentially going out of business and local jobs being lost.

Mr. Mike Hancock (Portsmouth, South) (LD): I for one will be supporting the hon. Lady in the Lobby on this issue. I am delighted that she has quoted BACTA's comment about half of all amusement arcades going out of business in six months. However, arcades have lost more in the past six months than they have lost in the past 10 years. The damage done by the Gambling Act is already apparent not only in the amusement arcades but in the manufacturing industries that support them.

7.15 pm

Justine Greening: Again, we are hearing from hon. Members with direct experience of the communities affected and the stresses that the 2005 Act is putting on them. Based on the contributions that we have heard tonight, it would appear to be only a matter of time before the economic damage being done to the industry is transferred to Treasury revenue.

My amendment aims to challenge the Government's drive to continue raising the amusement machine licence duty against a backdrop of economic problems that put so much more underlying tax revenue from the broader gaming industry at risk. I am sure that many hon. Members in the Chamber will be aware of the Select Committee on Communities and Local Government report published back in February 2007 called "Coastal Towns". Even then, before the devastating impact of the 2005 Act, that Committee said:

"A number of coastal towns suffer from deprivation and their economic regeneration is of critical importance."

As I have said, the Minister with responsibility for licensing accepted in an Adjournment debate earlier this year that there was a "serious problem". My amendment is an attempt to address that problem. It would mean that those underlying causes, which are so badly holding gaming arcades back, preventing them from competing with other gambling businesses, would have to be addressed. Even if those causes were not addressed, however, there would at least be no raising of amusement machine licence duty, as the Budget proposes.

[Justine Greening]

Instead, the rates would be frozen. Without addressing the more fundamental issues—not just the number of B3 gaming machines allowed, but the need to increase the B3 machine stake from £1 to £2—this is no time for the Government to put further pressure on an industry that is already on its knees.

Even if the Department for Culture, Media and Sport is unwilling, the Treasury must listen to the pleas of the thousands of small gaming arcade businesses facing ruin. The 2005 Act is sucking the economic lifeblood out of seaside communities, bingo halls and gaming arcades throughout our country. Treasury Ministers must take the necessary steps to make their colleagues in the Department for Culture, Media and Sport listen and take action before it is too late for those economies and communities.

It is time that the Government started supporting local economies, especially in the seaside towns that form so much of our valued national heritage. Today the House has the chance to join the Conservative Opposition in voting to stand up for those seaside communities. I hope, too, that we will have the support of all those hon. Members who signed early-day motion 840. For the sake of the communities affected, I hope that we can all take that opportunity.

Mr. Colin Breed (South-East Cornwall) (LD): On the face of it, clause 21 is fairly innocuous in terms of raising revenue, but it has obviously raised huge concerns in many parts of the gambling industry. I represent a constituency with coastal resorts, and although the adult gaming centres and amusement arcades in those resorts are small they form part of the entertainment that many such resorts provide.

Acceptance of those facilities is slightly mixed. Not all my constituents have gone to the planners saying that they would like more of them. Indeed, demonstrations and campaigns have been mounted to stop certain businesses starting up. We need to strike a balance. Tourists like to use such facilities when they visit, but they are not necessarily the flavour of the month with local residents.

Nevertheless, such facilities have been around a long time and are, in the main, small family businesses. In the ordinary run of things, merely raising the duty by the rate of inflation would not be particularly onerous. However, as the hon. Member for Putney (Justine Greening) pointed out; a combination of the Gambling Acts, in some cases the smoking ban and the increase in alcohol duties has begun to put a lot of pressure on such businesses.

It is not only arcades that are affected; small pubs and bingo halls are also affected. I was interested to learn about the restriction to four B3 machines in bingo halls, because some such halls are rather large establishments that hold quite a few people. During breaks, people rush to use the machines, but if there are only four machines, there will be queues of people waiting to use them. Four machines might be an acceptable number in a small establishment, but it is not reasonable in a large bingo hall.

The Government should consider the whole situation and the effects of different aspects of their legislation and policy. Together, those measures have put particular pressure on such businesses, and it is time to pause and consider the situation in the round. They must consider the effects on businesses and coastal towns, which have many such businesses, and particularly the effects on revenue and jobs. A significant number of jobs are affected; I was surprised to learn how many people are directly or indirectly involved in this large industry. There are great concerns that our efforts to modernise the industry and squeeze a bit more revenue out of it are going to kill the goose that lays the golden egg.

John Penrose: One of the original ideas that led to the changes was the trade-off whereby super-casinos were to come in and ambient gambling was to be reduced. Does the hon. Gentleman agree that that plan has evaporated because super-casinos are not going to happen, but that ambient gambling is still being hit? The Treasury therefore risks losing revenue from ambient gambling because those business are all going under, but without getting the extra uplift in revenue from super-casinos.

Mr. Breed: I could not agree more. That is exactly what has happened. Some of the smaller businesses involved in the gambling industry might have breathed a sigh of relief that the super-casinos were not going ahead, but they have suddenly realised that the panoply of Government policy on this issue is having almost the same effect of potentially putting many of them out of business.

There is time to address this issue. We support the amendment in the sense that it gives us the chance to pause, consider the matter in the round and see whether there is a better way of dealing with it. The duration of licences could be considered, as could the opportunities for rebates that the industry has proposed. The industry has put forward some very constructive ideas and does not seek to have things all its own way. It seeks a fairer way of dealing with these matters so that businesses can carry on and continue to provide employment, and so that attractions at resorts, including small family businesses, can continue. That would also mean that revenue would continue to come to the Treasury.

Unless we consider those issues, there will be a rapid demise in many of those areas. Some people who do not support the concept of gambling might think that is a good thing, but many people would be substantially affected by the demise of such businesses. It is time that the Government paused to consider the whole issue, including the effects of the Gambling Act 2005 and other measures that will be devastating for a significant number of businesses.

Rob Marris: I find the hon. Gentleman's position somewhat contradictory, unless he was making a speech on the clause stand part debate. The amendment does not ask for a pause, to use his word. It sets out a way forward, as perceived by the hon. Member for Putney (Justine Greening). It does not ask the Government to pause and consider the evidence to see whether anything needs to be done and whether there is a problem; which seems to be what the hon. Gentleman suggests. That is not what the amendment asks for and I urge him to reconsider his support for it. As a result of that reconsideration, he might decide to vote against clause stand part, which would be a more logical position and would be commensurate with his earlier remarks.

Mr. Breed: I was trying to suggest that accepting the amendment, which relates specifically to B3 machines, would, with the reviews that are taking place, provide an opportunity to reconsider the particular aspect that the amendment covers. It would necessarily have to cover other areas as well.

Rob Marris: I suggest that the reviews are taking place and that that is not what the amendment would do. It states what the outcome should be, and does not say that we will look at the results of the review.

My difficulty with the way in which the hon. Member for Putney spoke to the amendment is that most of her speech was a series of assertions. I am not an expert on the gambling industry, although of course it exists in my constituency in Wolverhampton—we have bingo halls, casinos and a new venue coming on stream shortly—but given that we are making technical legislation in the Finance Bill, I would prefer to hear a little more evidence rather than simply being told that this is what the industry wants. The industry might be right, but we have been given that assertion without any evidence. I understand the concept of potential damage to the industry, but I should like to have a little bit of evidence.

Justine Greening: The evidence that we have is that revenues have fallen 21 per cent. year on year, and I am trying to avoid there being further evidence through more job losses.

Rob Marris: Again, the hon. Lady might be right, but the evidence provided in table C6 on page 187 of the Red Book envisages flat revenues of £1.5 billion this year and next year.

Mr. Tobias Ellwood (Bournemouth, East) (Con): I suggest that the hon. Gentleman should come here armed with the necessary information. He says that he does not have it, but the Government do. BACTA has made it clear that it has had many meetings with the Minister with responsibility for gambling and that it has tried to speak to members of the Treasury. The evidence is clear that the industry is suffering. It needs support, but is not getting it from the Government.

Rob Marris: It is not for me to produce evidence, as I have not moved the amendment. I seek to find out the reasoning behind it, and it is quite in order for a Member to ask for the reasoning behind an amendment. It is also in order to ask the Member who moves an amendment for evidence to support it, and to be put out if such evidence is not produced—*[Interruption.]* It was not produced by the hon. Lady in her speech, except tangentially. Neither did she explain the mechanics of what the amendment would do, apart from the £1 stake going up to £2. That may be all that would happen, but it behoves a Member who moves an amendment on a technical issue such as this—it is also very sensitive because it affects seaside communities—to produce a little more evidence.

Mr. Breed: Does the hon. Gentleman accept that this technical clause may work with other legislation to have a detrimental effect on a particular industry?

Rob Marris: I do not know because I have not been given the evidence. Perhaps the Minister will explain it if she catches your eye, Mr. Cook.

Finally, I find it sad that the hon. Members for Putney and for South-East Cornwall have said nothing—unless I missed it, and I stand to be corrected—about the potential problems of gambling, which is not a risk-free activity. There is a beneficial side to gambling in that many people enjoy it, but there is also a downside. A minority of people get into trouble with it, and hon. Members should always bear that in mind when considering the regime, and should mention it rather than being silent on the problems that gambling can cause.

Mr. Ellwood: It is a pleasure to follow the hon. Member for Wolverhampton, South-West (Rob Marris). He has raised several important questions, but many of them have already been answered. We have been here before and the relevant information is in the public domain. I suggest that following his comments today, he will be deluged with information from BACTA and its secretary, Lesley MacLeod-Miller, to convince him and to show him the state that the gambling industry is in.

Rob Marris: Will the hon. Gentleman give way?

Mr. Ellwood: I should like to make a little progress, but I will give way shortly.

I commend my hon. Friend the Member for Putney (Justine Greening) for introducing the amendment—an important amendment for the industry—and it is good to see that the shadow Treasury team is willing to listen and talk to other Departments. There is a dilemma in that the Treasury team is not willing to see the consequences of tax rises for the industries involved, so I am pleased that we are putting forward a proposal to remove the limit on B3 machines not only in adult gaming centres but in bingo halls. I underline my support for the removal of the £1 stake limit and its return to £2. To place that in its historical context, we had the same situation before the Gambling Act 2005, but there was no problem. They were called section 16 machines—that was old money—but they are now called section B3 machines.

7.30 pm

The hon. Member for Wolverhampton, South-West wanted evidence, so let us look at the Gambling Commission's prevalence study on areas of problem gambling. If we do so, we find that when it comes to machines under the banner of soft gambling, the figure is about 2.5 per cent. If we compare that with FOBTs—fixed-odds betting terminals—found in bookies up and down the country, the prevalence study report shows an addiction to gambling of 11.4 per cent. That is a huge difference, and that is perhaps where we should focus our attention, rather than the soft form of gambling.

Speaking as the shadow Gambling Minister, let me state the Conservative view that we need the right level of regulation for every type of gambling, whether it be penny arcades, the Crockfords casino or, indeed, internet gambling—another area that we have not even touched on, but I know that you, Mr. Cook, would correct me if I wandered down that road. Let us be clear: where is the evidence from this Government to justify hitting the

soft forms of gambling such as bingo and the penny arcades? I do not like the term "adult gaming centres", which has a seedy ring to it. I see the Minister smiling and I hope she agrees that perhaps another term could be used.

These soft forms of gambling are part of our community, whether in seaside towns such as those in my Bournemouth constituency or some of the other places mentioned in our debate. May I place on record my sadness that so few Members are in their places, suggesting that they are not supporting their local tourism industries? That applies particularly to those who signed early-day motion 840, which calls for exactly the changes that we are debating today.

Another consequence of the Gambling Act 2005 is that we have seen a 21 per cent. downturn in the trade of adult gaming centres. That is what has happened. People are migrating out of the arcade centres and, indeed, the bingo centres and going across the road to the bookies, where there is a different and harder form of gambling, which now meets their desires. I have already mentioned the FOBTs, where £100 a bet can be put down every 20 seconds and scant regard is paid to what is actually being done. That is the consequence—the unintended consequence—of the Gambling Act 2005, which we have an opportunity to amend today. That is why we are proposing the amendment.

Mr. Graham Stuart (Beverley and Holderness) (Con): My hon. Friend is making a very powerful case on behalf of, for example, businesses in Hornsea and Withernsea in my constituency. They are coastal towns facing many economic challenges, and getting taxation correctly positioned on arcades and other such businesses is essential to maintaining their economic well-being.

Mr. Ellwood: I am grateful for my hon. Friend's intervention. His comment has been repeated up and down the country.

Mr. Hancock: I just want to correct the hon. Gentleman. He referred to the move towards fixed-odds betting terminals as one of the unforeseen consequences of the Gambling Act 2005. They were well foreseen, particularly by those who now operate that sort of gambling; they saw it as an absolute cash cow in the making. The Government were told that that would be the consequence, but they did not listen.

Mr. Ellwood: The hon. Gentleman makes a valid point. I was being generous to the Government in using that term. We have called for a review of the use of FOBTs. They are here to stay, but if people can walk into these bookies up and down the country and place a £100 bet without anyone even taking a look at what is being done and if about 11.5 per cent. of people are addicted, the Government should clearly be looking into that problem, rather than making changes that affect bingo halls and penny arcades.

Rob Marris: May I caution the hon. Gentleman? I did not say that I was against the amendment, which he seems to assume I was. I was merely questioning whether there was evidence for it. I am grateful to him for supplying some of that evidence, which his Front Benchers singularly failed to do. The import of the earlier part of his speech was that we have been here before, but I can assure him that I have sat on six Finance Bill Committees in a row, so I have some idea of what has and has not been discussed in this regard.

Mr. Ellwood: I do not wish to challenge the hon. Gentleman's claim to being an intellectual tower when it comes to financial matters. What was clear from his intervention was that he was here either to delay proceedings—though I am sure that that was not his intention—or perhaps simply to learn, but it seemed that he was unaware of the impact of this legislation and its important consequences if passed. Now that the hon. Gentleman has heard the arguments, I certainly hope that he will join us in supporting the amendment, which is crucial to helping our communities, particularly our seaside towns. If you visit any of these places, Mr. Cook, whether they be bingo halls or arcades, you will see them boarded up; they are closing down at a colossal rate of knots. The last six months has seen more of these establishments closed than ever before, as the hon. Member for South-East Cornwall (Mr. Breed) mentioned. That is what is happening to this important industry and it needs Government support.

We cannot wait for the standard review to take place. A review of stakes and prizes takes place about every two years, and the next one is due in 2009. We are delighted with the Conservative policy that we have heard today, but we cannot wait for a general election. We need action now, so the Minister has a fantastic opportunity to stand up and show some support for seaside towns, for the bingo halls that are closing all over the country and for the communities that rally round the soft form of gambling. That would be preferable to the continuing trend towards the harder forms of gambling.

I ask the Minister to consider and look further into the evidence that she has received. I know that the Under-Secretary of State for Culture, Media and Sport is keen to support this measure but feels that his hands are tied, so I hope that the Exchequer Secretary will be able to stand up today and say, "Watch this space."

Mr. Hancock: May I first congratulate the hon. Member for Putney (Justine Greening) on what I thought was an excellent speech, putting the case on behalf of an industry that has been badly let down? Throughout the negotiations on the Gambling Act 2005, including the pre-consultation, the Government promised to listen to the case that BACTA and others were putting forward not just to safeguard themselves but in an attempt to work with the Government. When the Gambling Bill came out, it was clear that the Government had totally ignored all that advice and guidance. Labour Members voted gladly to support that, without realising the damaging consequences to the industry. I am grateful to the hon. Member for Wolverhampton, South-West (Rob Marris) for his advice not only to vote for the amendment but, if it fails, to vote against the clause stand part. I think that we should take that good advice.

If I look around my part of the south coast and south Hampshire I see that Portsmouth, Hayling island, Fareham, Gosport and the Isle of Wight have seen a decline in the arcade industry. Many establishments have already closed or been converted and some are in

the process of conversion now. I do not share the concerns of my hon. Friend the Member for South-East Cornwall (Mr. Breed) about people demonstrating or campaigning—it is more about campaigning against new practices, as I do not believe there is a campaign in the country to try to close these operations. The Government are doing an effective job on their own bat by doing that.

The amendment offers an opportunity for the Government to say that they realise that the industry is important in employing tens of thousands of people—not just in the front line in the arcades, fairgrounds and on piers, but in the manufacturing industry in respect of servicing the machines. Countless thousands of people will lose their jobs. If they were all concentrated in one or two constituencies, there would be a national outcry and the Government would be forced to take action. Because those people are mainly dispersed around the coastline and in the city centres, the Government can choose to ignore the problem—there may only be a few dozen here or there, perhaps 50 in a city such as Portsmouth, so they can ignore it. I would say, however, that the Government ignore it at their peril. They not only disadvantage the industry when those arcades are closed down, as many people who enjoy the facilities offered there will be equally disappointed when the bingo halls are forced to close, like the arcades that are already closing.

The different parts of this industry all have families and voters, so I urge the Government to listen carefully to tonight's debate. They have an opportunity to go some way to start to listen to the industry. They promised that they would, but ignored it in the Gambling Act. If we see what the hon. Member for Bournemouth, East (Mr. Ellwood) talked about—people migrating from arcades to the real danger of heavy gambling, which the hon. Member for Wolverhampton, South-West mentioned; lots of people share his concerns—there will be an even bigger increase in the problem.

The hon. Member for Bournemouth, East mentioned a figure of 11.2 or 11.4 per cent., but the report says that the figure is 11.4 per cent. and rising. That is the dilemma that the industry has to combat.

Mr. Ellwood: The hon. Gentleman is making a powerful speech and I am pleased that he supports the amendment, but is he aware that bookies are opening in the north of England and elsewhere with a licence to be a bookmaker even though people cannot bet on a horse on those premises? They are opening so that the four FOBTs can be based there. Those are the money-making machines.

Mr. Hancock: I agree entirely, and I think that that pattern will quickly be followed around the country, because word will spread that that is a way to make money. The Government are truly cutting off their nose to spite their face. If the Treasury could calculate how much revenue it has lost in tax take from the closures over the past 12 months, it would be surprised and would see that it has already lost more than it will ever gain over the next two or three years.

Mr. John Gummer (Suffolk, Coastal) (Con): Does the hon. Gentleman agree that the problem is as bad if not worse in smaller towns such as Aldeburgh and Felixstowe in my constituency? These arcades have been hugely important because, on wet days, families have been able to spend a short time together at little cost; they have been able to have family enjoyment. Such activity is wholly different from that which goes on in places of the sort being talked about.

Mr. Hancock: The right hon. Gentleman comes late to the debate, but he comes with a pertinent point. That is the added quality that such amusement arcades—in city centres and small towns, as well as in the coastal cities of our country—offer to the family. In many areas, those arcades are one of the last places where the family can go on a wet day, having planned to do something else, and not have to spend a lot of money to have some fun as a family. That is what the Government have not recognised.

I will be delighted if the Minister says that she welcomes the amendment and will accept it. Perhaps she can persuade her colleagues to support it, because that would start the process of honouring their commitment to the industry, recognising its importance and giving those who see such arcades as one of the small pleasures in their life the opportunity to see that continue.

The Exchequer Secretary to the Treasury (Angela Eagle): It is a pleasure to make my first contribution to what will be a long process. I am sure that we will all get more than used to listening to contributions from all parts of the Committee as we consider the Bill upstairs following two days of debate in the House. I for one am looking forward to it.

The hon. Member for Putney (Justine Greening) moved amendment No. 16 on gaming machines. I want to spend a little time taking the Committee through the current situation to set it in context. Gaming machines are subject to amusement machine licence duty, which is payable in respect of a licence that entitles a person to make a machine available for play.

AMLD taxes dutiable gaming machines and is charged at different rates based on machine type and the duration of the licence, which is what the B3 category mentioned by the hon. Lady refers to.

It may help the Committee if I briefly outline the background to AMLD. In 2006, we aligned the categories of AMLD with the Gambling Act categories. Aligning machine categories with the Gambling Act was a simplification measure because it gave operators more consistency between the tax and regulatory regimes.

The hon. Lady's amendment would make tax changes contingent on changes to the social law. Traditionally, the social law is a matter for the Department for Culture, Media and Sport and the Gambling Commission. The taxation of all gambling is clearly a matter for the Treasury. I would have some worries about mixing up the two.

During the alignment with the Gambling Act, which does not regulate non-gaming machines, we removed AMLD from non-gaming machines—for example, pinball and video machines, which are more than likely to be in amusement arcades of the kind that hon. Members have been talking about in today's short debate. Quite a lot of those machines have been exempt since 2006. We also exempted from AMLD many of the small-stake and small-prize machines. Those are the ones that are found in family oriented seaside arcades.

7.45 pm

For the purpose of this tax, there are six categories of gaming machine—A, B1, B2, B3, B4 and C—which are determined by reference to the stake limit of the machine and the maximum prize available from the gaming machine. The cost of an annual licence ranges from £760 to £5,160, depending on the category. The cost depends on the category of machine and the duration of the licence applied for. Licences can be taken out for any period of between one and 12 months. Rebates are available in monthly chunks for licences that cease to be useful for gaming machines that are no longer in use.

AMLD is a fixed cost, so, because of inflation, the value of revenue raised for any given number of machines will diminish over time. Clause 21 makes a routine revalorisation for all rates of AMLD. That is not an increase; it merely maintains the real value of the licence.

Amendment No. 16 would lead to a reduction in the cost of all amusement machine licences on 1 April next year—not just for B3s, but for all of them, including those at the higher end, which people were objecting to so much earlier in the debate—unless the Secretary of State for Culture, Media and Sport made regulations that allowed a fifth of the gaming machines in bingo halls and arcades to be category B3 machines. It would return AMLD in April 2009 to the level of August 2006, which would cost £15 million.

Mr. Ellwood: Will the Minister expand on why it would cost £15 million to make that change? We probably all agree that this is perhaps not the right domain for her to make it, but she has heard—I hope—a convincing argument as to why it should be introduced. We have taken the opportunity to put the case. Will she now have words with her counterpart in the DCMS and say that, unless there are changes, she will receive less revenue from bingo halls and amusement arcades?

Angela Eagle: Clearly, we keep those issues, as well as those of the effect of taxation, under close review, but the hon. Gentleman is right to point out that the DCMS is the Department that deals with the social law. The changes that he wants to be made in relation to the number of category B3 machines allowed in bingo halls and amusement arcades are a matter for my DCMS colleagues.

David Taylor (North-West Leicestershire) (Lab/Co-op): The Minister has heard from Members on both sides of the Committee various descriptions of the trends that have long been in place regarding the run-down in the number of bingo halls and amusement arcades. How relaxed is she about that run-down in fiscal and social terms? Not everybody who was once a user of amusement arcades will migrate to the heavy end of the spectrum. For a lot of middle aged and elderly people, amusement arcades represent a social outing and a small piece of enjoyment while they are out shopping. By no means are they problem gamblers.

Angela Eagle: I agree with my hon. Friend that people who use amusement arcades or go to bingo halls are not necessarily problem gamblers; I suspect that few of them are. As hon. Members have said, a series of changes has taken place under the Gambling Act, which, after all, has been working only since October 2007. Hon. Members are calling for a review. Clearly, there will be a review, but we must remember that the major changes to social law have been working for only a short time and it may be slightly early to have a full review of the Act.

Mr. David Heathcoat-Amory (Wells) (Con): The Government have just conducted a very panicky emergency review of their ill-judged proposals on the taxation of low-paid people. Why can they not attribute the same urgency to a review of the destruction of a seaside industry, about which the Minister has been warned in the past and which has now taken place? A very serious situation faces hundreds, or even thousands, of businesses employing very many people. Will the Minister show the same urgency over that as she showed over the 10p tax rate?

Angela Eagle: If the right hon. Gentleman had been listening to what I was saying, he would know that it is not for the Treasury but for the Department for Culture, Media and Sport to conduct such a review. I will not say from the Dispatch Box that I will do things that are properly a matter for colleagues in another Department.

Mr. Gummer: I find it a little difficult to understand what the Minister is saying about the distinction between community action and taxation. When the Chancellor of the Exchequer announces that the cost of cigarettes is to rise considerably, he always says "I am doing this to safeguard the health of the nation." It is not possible to distinguish between the two issues. All we are asking is for the Minister to promise that she will tell her colleagues that the review must take place, otherwise she will lose money.

Angela Eagle: My colleagues in the Department for Culture, Media and Sport are keeping these matters under review, as they keep the social law relating to gambling under review. Even as we speak, they are examining issues relating to specific gaming machines and stakes. It is not for me to announce what my colleagues in the Department for Culture, Media and Sport are going to do. The fact is that gambling law and the social law relating to it are a matter for them and for the Gambling Commission, while taxation is a matter for Her Majesty's Treasury.

Mr. Hancock: If taxation is indeed the responsibility of Treasury Ministers, accepting the amendment would demonstrate that they recognised the damage that this change would do to the industry, and that they would be denying themselves revenue rather than increasing it. That in itself would put down a marker for the Minister's colleagues elsewhere in Government, indicating that she for one is prepared to listen, to recognise the size of the problem, and to act.

Angela Eagle: The hon. Gentleman has raised two issues. Of course we are sensitive—I am sensitive—to the health of particular industries and how their activities are affected, but he seems to be suggesting that this industry is in difficulty because of the revalorisation of amusement machine licence duty. Although he may well have a point, the issues affecting the industry range

more widely than whether we revalorise amusement machine licence duty as a tax. They also involve some of the changes resulting from the gambling legislation, and the changes in the social law. However, that is a matter for my colleagues in the Department for Culture, Media and Sport.

Category B3 machines are high-price gaming machines with a maximum stake of £1 and a maximum prize of £500. As we were told by the hon. Member for Putney, adult gaming centres and licensed bingo halls are permitted a maximum of four such machines. My colleagues in the Department for Culture, Media and Sport are considering the case for assisting bingo halls and arcades, but the Government's underlying approach to gambling regulation is rightly a precautionary one. We must weigh the industry's demands that we help it through economic difficulties against any danger that higher-stake, high-prize machines may pose to the public.

As I have said, amusement machine licence duty is a fixed cost, so because of inflation the real value of revenue raised by it will diminish over time. Reducing AMLD rates in 2009 to their August 2006 levels would cost £15 million. The Department for Culture, Media and Sport has said that it is considering the industry's case for assistance, and it would be wrong to pre-empt the process by making an explicit link between the social regulation of gaming duties and levels of amusement machine licence duty.

I hope that, given that explanation, the hon. Member for Putney will withdraw her amendment.

Justine Greening: If we were ever in doubt over whether this is a joined-up Government, we have just discovered the truth: they definitely are not. The Minister can hardly be bothered to talk to her colleagues in the Department for Culture, Media and Sport. She says that we should not mix up social law and Treasury law, but I am afraid that this is a social law which is having an economic impact. To say that it has nothing to do with the Treasury is an entirely inadequate response to the fact that companies are going out of business at this moment. The Minister ought to be willing to act. This is no way in which to treat the businesses that are so vital to seaside communities, and I therefore wish to press the amendment to a vote.

Question put, That the amendment be made:—

The Committee divided: Ayes 221, Noes 309.

Division No. 155] **[7.56 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark

Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Stuart, Mr. Graham
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Brooks Newmark and Mr. John Baron

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick

Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Siobhain McDonagh and Tony Cunningham

Question accordingly negatived.

Clause 21 ordered to stand part of the Bill.

Clause 3

ABOLITION OF STARTING AND SAVINGS RATES AND CREATION OF STARTING RATE FOR SAVINGS

Mr. Philip Hammond: I beg to move amendment No. 18, in page 2, line 21, at beginning insert 'Save as provided in subsection (6A),'.

The Temporary Chairman (Frank Cook): With this it will be convenient to discuss the following: Amendment No. 19, line 22, at end insert—

'(6A) The amendments made by this section shall cease to have effect at midnight on 5th January 2009 unless the condition set out in subsection (6B) has been satisfied.

(6B) The condition referred to in subsection (6A) is that the Chancellor of the Exchequer shall have laid before the House of Commons a statement setting out the measures taken to mitigate the effect of the amendments made by this section and by section 1 (when taken together) on those for whom such effect is a net increase in income tax payable and the House of Commons shall, by resolution, have approved such statement.'.

Clause 3 stand part.

Mr. Hammond: Clause 3 has dominated debate on the Finance Bill. The policy changes that it contains have unravelled, and they have unravelled for the same reason that the Government are unravelling; they are incoherent, inconsistent and driven by short-term political expediency rather than a long-term strategy. The problems that the clause has created are the Prime Minister's problems. He announced these measures in his last Budget, measures that he knew—even when taken together with all the other measures that he announced—would have the effect of making 5.3 million low-earning households worse off. So why did he do it? Various theories have been advanced, the most generous—and, I have to say, the least probable—of which is that he did not appreciate the effect the measure would have on the poorest.

I bow to no one in my enthusiasm for identifying flaws in the Prime Minister but stupidity and innumeracy are not two that even I would suggest. Was it, as I have previously suggested, a move designed to establish his credentials ahead of a Labour leadership election and a honeymoon general election as the successor to Blair, able to reach out to middle England? Or, as my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) suggested in the debate last Monday, was this entire elaborate strategy—announced in the way it was, with the abolition of the 10p rate concealed in the Budget small print and the reduction in the basic rate trumpeted in the final paragraph—nothing more than a tactical manoeuvre to try to wrong-foot the Leader of the Opposition in his reply? Whatever the motive, it was a cynical and short-term one, abandoning a long-term Labour party objective and a 1997 manifesto commitment.

Lembit Öpik (Montgomeryshire) (LD): Regardless of what the Government's motives were in changing the policy, the absolute wage rates in my constituency have decreased by 4 per cent. in the last 12 months—and they started off at 25 per cent. below the national average—so this change is having a practical negative effect in my constituency. It is reducing the average standard of living in Montgomeryshire and in many other constituencies, too.

Mr. Hammond: The hon. Gentleman makes a good point. This tax change, which has had a negative impact on 5.3 million of the poorest households, comes at a time when earnings are stagnant and prices are soaring, leaving the average family squeezed in a vice-like grip. This measure is all the Government can offer them; at a time when those households need a hand up, all the Government offer them is a tax increase.

Mr. Julian Brazier (Canterbury) (Con): My hon. Friend is being too generous to the Prime Minister. The clear reason for this measure is that the only category of the poor that count in the eyes of the current Administration are those who are part of the client state. The point is that this measure is heavily hitting people who are not in receipt of benefits.

Mr. Hammond: My hon. Friend is right in that the people who will be worst hit will be those who are working. I accept his criticism; I have clearly been too generous to the Prime Minister, and I promise my hon. Friend that I will try to do better in future.

Kate Hoey (Vauxhall) (Lab): I rise to ask a question in a spirit of genuine openness. This time last year, my right hon. Friend the Member for Birkenhead (Mr. Field) moved an amendment, which eight of my colleagues and many Liberal Democrat Members—and, I think, one Conservative—voted for. Why did the hon. Gentleman not vote for this last year, when we had the opportunity that was led by eight of my colleagues—and myself, I have to say?

Mr. Hammond: I will answer that question genuinely—as, in fact, I answered the same question last Monday. We flagged this tax on the poorest within an hour of the then Chancellor sitting down at the end of his 2007 Budget speech. The amendment in question sought to impose an ongoing restriction on Governments, Chancellors and the Treasury in dealing with income tax changes. We felt that that was not the best way to deal with the problem. This specific issue is in this year's Finance Bill, and we are addressing it by tabling amendments that will deal with the problem before the House today.

Mr. Jim Devine (Livingston) (Lab): If the Conservatives were in power today, would they reintroduce the 10p rate?

Mr. Hammond: We have not said that we would introduce the 10p rate, and it is clear that the Labour Members whose position was critical in forcing the Government's climbdown were not necessarily seeking to reinstate the 10p rate. *[Interruption.]* The hon. Gentleman says, "Ah", but perhaps he would care to ask the right hon. Member for Birkenhead (Mr. Field), who is sitting not 3 m along the Bench from him. Those Labour Members were seeking to get the Government to go away and look at this package again, and make sure that those on the lowest incomes who lose out from the proposals were compensated. That is also our objective tonight.

Lyn Brown (West Ham) (Lab): Will the hon. Gentleman give way?

Mr. Hammond: No, I shall make a little progress now, if I may. *[Interruption.]* Well, let me tell the hon. Lady what the Labour party manifesto of 1997 said. It said:

"Our long-term objective is a lower starting rate of income tax of ten pence in the pound."

When the then Chancellor introduced it in 1999, he described it as a measure

"that will make work pay and help people, especially those who are low-paid, to keep more of the money that they earn"

and he went on to say:

"When we make promises, we keep them".

I was therefore surprised to see in what can only be described as the "slippery letter" of the Chancellor to the Select Committee Chairman issued last Wednesday, that the 10p rate championed by Labour in 1997 as a long-term objective is now described as having been

"introduced in 1999 as a transitional measure."

8.15 pm

My hon. Friend the Member for Worthing, West (Peter Bottomley) also noticed that change of tone, and asked the House of Commons Library to check whether there had ever been any reference to the 10p rate being transitional prior to the 2007 Budget. The Library's answer was clear:

"No. It does not appear to have been described that way."

Therefore, it is not any longer a "long-term objective", and not any more a step

"that will make work pay and help people...to keep more of the money that they earn",

but now, after the Government have abolished it, it was apparently a mere transitional measure. This is not so much a question of,

"When we make promises, we keep them",

but more a question of, "When we make promises, we'll spin and we'll twist and we'll duck and we'll weave to cover our tracks as we break them."

In fact, the statement that the rate was introduced in 1999 as a transitional measure is, to put it bluntly, a terminological inexactitude. If it had been uttered in this Chamber, rather than in a letter, the Chancellor would have been forced to withdraw it. It is a rewriting of history that would make Stalin blush; a long-term policy objective has been airbrushed out to become a mere footnote—a transitional measure of no lasting importance.

Mr. Philip Dunne (Ludlow) (Con): My hon. Friend is giving a forensic analysis of the machinations that the then Chancellor, now the Prime Minister, has had to go through to get this proposal through the House. Is my hon. Friend aware that earlier this afternoon, in response to some penetrating questions from a Labour Member, the permanent secretary was forced to admit that the Treasury was, as long ago as the Budget of last year, completely clear about and aware of who would be losers under the abolition of the 10p rate?

Mr. Hammond: I was not aware that that admission had occurred this afternoon, but I am not surprised by what my hon. Friend says and I can tell him this: 5.3 million low-income households know to their cost that the Prime Minister does not keep his promises, and that he was prepared to betray them for his own short-term political interests.

Lyn Brown: Will the hon. Gentleman give way?

Mr. Hammond: Yes, I will give way to the hon. Lady.

Lyn Brown: I am very grateful to the hon. Gentleman for giving way. About 40 per cent. of my constituents earn less than £19,000 a year. That means they will lose out from the 10p rate. However, the vast majority of them will gain substantially because of the way in which the moneys have been redistributed through working family tax credits, child care tax credits and housing benefit. *[Interruption.]* No, not clients of the state; people who work hard for the state, and who receive only the minimum wage in return for their labour.

Mr. Hammond: From what the hon. Lady says, it appears that she represents a constituency where earnings are below the national average. The figures, from the independent Institute for Fiscal Studies, are clear: 5.3 million households will, after taking into account all the other factors in the Budget package, be worse off.

That is the group of people we are addressing today. Also, in addition to those 5.3 million people, there are millions more people—including some of her constituents—who have benefited from this package and who are equally disgusted that a Prime Minister, especially one who poses as the protector of the poor, could so cynically betray those who have placed their trust in him.

What is the Prime Minister's response? As recently as a week last Friday, he was insisting that there was no problem and that no one would be worse off, despite the independent evidence mounting all around him, the threats of resignation from some within his own Government, the comments of his own senior Ministers, the figures produced by the Institute for Fiscal Studies and the rising tide of public anger reflected in the views and mood of his Back Benchers.

Instead of listening and responding as the furore mounted, the Prime Minister and the Chancellor dug in with their few remaining loyalists in the bunker. The Prime Minister said that there was no problem and that no one would be worse off, the Chancellor said that he could not reopen the Budget and the Secretary of State for Children, Schools and Families told *The Daily Telegraph* that the tax rise on the poor was part of the process of

"taking forward the fairness agenda."

The Minister for the Cabinet Office dismissed the fate of the 5 million or so losers as a "matter of regret".

Senior Downing street sources were briefing like mad to *The Guardian* on Saturday 19 April, saying:

"The idea that someone is going to stand up...and pull a rabbit out a hat is just not possible".

On 20 April, *The Sunday Telegraph* reported having been told:

"We are not doing anything. We are not going to change our policy".

The Exchequer Secretary was slapped down when she dared to suggest—with some prescience, as it now seems—that there might be some movement, and the Chief Secretary's Parliamentary Private Secretary, the hon. Member for Sheffield, Hillsborough (Ms Smith), got a blast of transatlantic vitriol when she sought to express her constituents' concerns.

The position was clear: the Prime Minister out of touch—and, indeed, out of the country at the critical time—was on top of it. He said:

"I am satisfied that once people understand the scale of the good things that we've been able to do in reforming the tax system ...then whatever questions people have about these changes can be answered".

Everybody else—Members who were reading their e-mails, opening their postbags, doing their surgeries and talking to their constituents during the recess—were all, apparently, hopelessly out of touch. Alternatively, in the view of those in the bunker, the others were perhaps just too stupid to understand what the great genius in Downing street had achieved.

Mr. Gummer: Is not the real sin of this the Government's failure to admit that people were worse off? How does my hon. Friend think the Prime Minister would explain things to a pensioner involved in the Royal National Lifeboat Institution who, at the opening of a new lifeboat in my constituency, pointed out that she would be £2.50 a week worse off because of the proposals?

The thing that really made her angry was that the Government in general, and Ministers on the Treasury Bench in particular, pretended that that was untrue. She objected to being told that she was a liar.

Mr. Hammond: Once again, this is a case of the Prime Minister treating people as if they were fools. He knew exactly what he was doing, as did we, and, in the end, as did Labour Members. The Government only last Wednesday came kicking and screaming, dragged to admit the truth.

Every parent explains to their children that the only way to deal with a bully is to stand up to him. This Prime Minister is a bully, make no mistake—one need only ask the hon. Members for Sheffield, Hillsborough or for Hyndburn (Mr. Pope) about that. To their credit, a significant number of Labour Back Benchers rallied behind the initiative of the right hon. Member for Birkenhead in demanding compensatory measures for those who were to lose out, before the measures were implemented. I am not talking about a scrapping of the plan to double the 10p rate, but a revisiting of the wider package to restore the £700 million or so that was going to be taken from the pockets of those on the lowest incomes. They stood up to the Prime Minister and, true to form, he bottled it.

The Prime Minister offered no apology, no explanation and no recognition of the enormity of the policy that he had pursued, defended and sought to justify. The protestation that everything was cast in stone, that nothing could be revisited and that it was all in the long-term best interest of the country was forgotten in an instant. Faced with defeat, he ran up the white flag. He did so not because he had been persuaded of the argument or because he acknowledged that he was wrong, but simply to avoid a humiliation on the Floor of the House tonight. His was a tactical manoeuvre, and the right hon. Member for Birkenhead promptly claimed a victory—a victory it certainly was. The Prime Minister was humiliated. He was forced to climb down on a key proposal in the Budget that he had introduced a year earlier and in respect of which he had refused to countenance any form of compromise.

However, the top-level message that the demands of the rebels would be met, is not supported by the wording of that "slippery letter" from the Chancellor to the Chairman of the Select Committee, which is full of prevarication and procrastination. It talks about

"taking forward work to look at how we can help families without children"

and

"actively looking at ways to help these groups".

It also mentions putting

"in hard work to see if those households who have lost out.. .can be helped through the mechanism that already exists"

and focusing

"on potential changes to the tax credits system to allow the average losses from the removal of the 10p starting rate ... to be off-set".

It also spoke of reporting

"on what changes could be made to the minimum wage regime."

The right hon. Member for Birkenhead sent an e-mail to those Back Benchers who had supported his amendment, telling them that the Prime Minister had committed to compensation in full for all those who lost out and that

[Mr. Philip Hammond]

compensation would be backdated to the beginning of this tax year. We know what it said because Jeremy Paxman helpfully read it out on "Newsnight" to the Chief Secretary, who then pointedly refused to confirm that all those affected would be compensated, that they would be compensated in full or that compensation would be backdated.

The following morning on the "Today" programme, the right hon. Member for Birkenhead, in magnanimous mood, put the Chief Secretary's prevarication down to a lack of briefing on the deal. I find that unlikely, given her usual diligence and attention to detail and given the fact that this was the life-critical issue for her Government at that point in time. We note with interest that she has decided this evening that discretion is a more attractive option than valour.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): On prevarication, will the hon. Gentleman remind the House whether his party has finally arrived at a decision about whether it will restore the 10p tax rate?

Mr. Hammond: We have already dealt with that one; the hon. Lady was obviously thinking about something else at the time.

The hon. Members for Norwich, North (Dr. Gibson) and for Merthyr Tydfil and Rhymney (Mr. Havard) both popped up on our television screens expressing the slightly heretical thought that perhaps the right hon. Member for Birkenhead had been a little too hasty in accepting the Prime Minister's vague assurances. They have clearly both noticed, as have Conservative Members, that when shaking on a deal with the Prime Minister, it is a sensible precaution to make sure one has got all one's fingers back in one's possession before counting the deal as done.

There is no doubt that the combined determination of the Opposition and a core of courageous Labour Back Benchers scored a great victory last week and exposed the Prime Minister, once again, as weak and indecisive. Nothing will detract from that achievement, but now it is our job, as the Opposition, to ensure that what has been promised is delivered. Today, the Prime Minister has not exactly reassured those of a nervous disposition, saying at lunchtime:

"We have sorted out the problems that existed which were the under-65s and we are sorting out the low-paid by looking at what we can do to help them".

I must have blinked, because I missed the announcement on how precisely the under-65s are to be helped. For the Prime Minister's information, "looking at" how to help someone is not the same as "sorting out the problem".

Mr. Devine: Will the hon. Gentleman give way?

8.30 pm

Mr. Hammond: No, I am going to make some progress. The hon. Gentleman has already had one go.

Let us remember that this is the Prime Minister who was going to restore trust in politics. Well, promising anything to buy off a rebellion four days before an election and then failing to deliver on those promises is not the way to restore trust in politics in this country. Nor is it the way for the Prime Minister to dig himself out of the hole he has dug himself into.

So the amendment that we have tabled is designed to underpin the deal that was done last week, not to undermine it. It should be as acceptable to those who are convinced of the Prime Minister's sincerity as to those who doubt it, and as acceptable to those who wish to live in hope as to those who prefer to learn from experience.

The amendment would introduce a sunset provision for the changes made by clause 3—principally, the abolition of the 10p rate. It would give the Government the rest of this year to take action and come back to Parliament and report on the measures that they have taken to mitigate the effects of this clause on those who will pay more income tax as a result of the combined effects of clauses 3 and 1—the clause reducing the basic rate of tax. When they had done so, it would require a simple resolution of the House that it is satisfied with the statement made to lift the threat of the sunset provision.

The amendment is deliberately not prescriptive. It does not seek to tell the Government how they must address this problem; whom they must compensate and to what extent, or by what means. The requirement for approval of the statement by a resolution of the House is intended to ensure that the package the Government deliver addresses the reasonable concerns that have been expressed in the House.

Steve Webb (Northavon) (LD): The logic of the hon. Gentleman's position is that it would be satisfactory to get rid of the 10p rate, provided that the House was satisfied with a complex compensation package. Surely it is a crazy idea to get rid of the 10p rate and try to compensate various groups through ever more complex means, only to end up spending public money on other groups who did not lose but cannot be separated from those who did. The whole idea is nonsense, and it would be far better simply to retain the 10p rate—*[Interruption.]*

Mr. Hammond: As I have just been reminded, the Liberal Democrats' policy was to get rid of the 10p rate, so the hon. Gentleman might be a little off message.

In practice, because of the arithmetic in the current Parliament, the only way the Government could fail to secure such a resolution would be to fail to secure the support of the 46 Labour Members who signed the amendment tabled by the right hon. Member for Birkenhead and those other Labour Members of like mind who had not quite summoned up the courage of their convictions by last Wednesday. If the Government deliver those Members what they promised them, or at least a package that they accept as being a fair and reasonable solution in all the circumstances, they will get their motion, whatever the Opposition parties do. But the provisions of the amendment would be the House's insurance policy against the Government who, with the rebellion off and the elections behind them, could renege on the commitment they have made.

Such an insurance policy is necessary, because the Government's body language, within hours of the deal apparently being done, signalled evasiveness. There was no clarity as to whether everyone would be compensated. There was no confirmation that they would be fully compensated. There was no commitment on backdating—

except for 60 to 64-year-olds who will receive a winter fuel payment, where backdating is irrelevant in any case, as the qualifying date is in September. There was a shabby attempt to shuffle part of the burden on to employers by a political interference with the rate of the minimum wage. Perhaps the Financial Secretary will provide some specific and concrete assurances in the course of this debate. If so, that will be yet another change of direction, albeit a welcome one. In the absence of such details and concrete assurances, the House must have its insurance policy.

This is a problem of the Prime Minister's own making, quite literally. It was his Budget; his betrayal of 5 million households on low earnings; his refusal to listen to the advice and counsel of his own party supporters; his arrogance and intransigence in rejecting the possibility that he could be wrong; and his weakness and indecision in first squaring up to the rebels, and then climbing down. He has a track record now. Over the last decade or so, we have seen many offerings from the Prime Minister that do not quite match the fine rhetoric with which they were presented. We have all learned—and it takes a conscious effort now to remember that this was not the case before 1997—not to take what we hear in the Budget speech at face value, but to wait until we have trawled through the mountains of small print and press releases before passing judgement. Now the Prime Minister has to live with the consequences of that track record and recognise that many in the House will have been alarmed by the gap between the right hon. Member for Birkenhead's version of the deal and the Chief Secretary's comments on "Newsnight" last Wednesday. They will have been alarmed that they might have sold the pass too quickly, without a clear Government commitment on the extent of the compensation, the amount and how it will be backdated. I hope that they will support amendments Nos. 18 and 19 in the spirit in which they have been tabled—as an insurance policy to guarantee that the Government act in good faith.

Without such a guarantee, my hon. Friends and I cannot support clause 3. The Labour Members who displayed such courage last week, and who have now retreated from that position, will carry a tremendous weight on their shoulders if the end result is a package that delivers less than the right hon. Member for Birkenhead has led us to believe that it will.

Mr. Jeremy Browne: Let's get this show on the road.

We all remember 21 March 2007, the final Budget delivered by the longest serving Chancellor of the Exchequer in the past 100 years. Labour Members behind him waved their Order Papers and celebrated the fact that they would finally be rescued from the torment of Tony Blair's leadership, to go instead into a sunlit upland of socialism with a leader who both connected with their base and understood, uniquely, and even better than his predecessor, the instincts of middle England—a leader who would return them for a fourth term in this Parliament. They all went off excitedly to the Tea Room to discuss the triumph that was inevitably theirs.

The leader of the largest Opposition party in the House got to his feet and said, "At last, we have been given a tax cut." He completely failed to notice that the trade-off was that millions of the poorest people in this country, far from getting a tax cut, would see their taxes rise substantially.

The one eminent figure in that debate—the one party leader—who spoke most clearly on the subject was the then Liberal Democrat leader, my right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell), who pointed out precisely the point that has concerned so many Labour MPs in the past few weeks. It just goes to show that there is nothing like an opinion poll or two to concentrate the minds of Labour Members of Parliament. The warning was there and had they stayed to listen to the speeches made by the Liberal Democrats, they would have known that their constituents would be the main losers from that Budget.

Lyn Brown: Does the hon. Gentleman not accept that the number of people who will lose through the cutting of the 10 per cent. band has been over-hyped? Does he accept that some of the poorest people in this country are those who are on low wages but fall outside the benefit banding? The cut from 22p to 20p helps that most vulnerable group.

Mr. Browne: I do not accept that argument. If the hon. Lady had been present for our extended debate this time last week—she was not, and I appreciate that she has been brought in as the one person on the Labour Benches who is willing to defend this policy, apart from the Parliamentary Private Secretary, the hon. Member for Sheffield, Hillsborough (Ms Smith), who does so under duress—she would know that the Labour Chairman of the Treasury Committee made the point that more than 5 million taxpayers would be net losers as a result of measures in the Budget and that the 2p cut in the basic rate would not be sufficient to offset the doubling of the 10p rate. We must not make the mistake of ever talking about the abolition of the 10p rate as, for our constituents, the rate has doubled.

Mr. Gummer: Is it not obvious that the hon. Member for West Ham (Lyn Brown) is wrong? If she were right, the Government would not have been panicked into making the decisions that they have made.

Mr. Browne: The right hon. Gentleman attributes a degree of rational and strategic thinking to the Government that probably does them an exaggerated service.

Mr. Stephen Dorrell (Charnwood) (Con): Is it not remarkable that the hon. Member for West Ham (Lyn Brown) should say that the figures are inaccurate, as they come from the Government themselves at column 1267 on 18 October last year?

Mr. Browne: Indeed; the Institute for Fiscal Studies and the Treasury's own answers have both confirmed figures in the region of 5.3 million losers. I do not think that that is a matter of debate; what we are discussing is how those people can be assisted and how the Government got into this mess in the first place.

Jo Swinson (East Dunbartonshire) (LD): Does my hon. Friend agree that it was entirely unjustified of the Government and, indeed, of the vast majority of Labour Back Benchers completely to ignore and deny the impact of the doubling of the 10p tax rate on the incomes of the low-paid, when the hardship that the measure would cause was crystal clear a year ago?

Mr. Browne: I very much agree. It does not seem difficult to work out that for people who pay 10p in the pound as a marginal tax rate, a doubling to 20p would end up costing them more in tax than if the measure had been left in place, but it obviously took 13 months for that finally to become clear to Labour Back Benchers, which is highly regrettable.

The Prime Minister is a man of massively diminished authority. Last week, he was pacing around the White House pleading with the hon. Member for Sheffield, Hillsborough, who is appropriately dressed in black for this occasion, urging her not to resign from her post as PPS and further humiliate him. Last week, one can only imagine the atmosphere in his private meeting with the right hon. Member for Birkenhead (Mr. Field), who has a long track record of making keen observations about his qualities or otherwise. Who can forget the observation:

"Allowing Gordon Brown into No 10 would be like letting Mrs. Rochester out of the attic"?

The right hon. Gentleman went on to say:

"He has no empathy with people."

[HON. MEMBERS: "More."] There are many choice observations by the right hon. Gentleman on the subject. He told ePolitix website a year or so ago:

"One of the reasons I favour a leadership contest is that once you're in a contest a person's full qualities can be judged in a way that they never are in normal circumstances...A contest would enable us to judge people's competence not just as Chancellor of the Exchequer but as Prime Minister, which is a totally different position."

That has been shown to be very much the truth, so I can only imagine how the Prime Minister responded to that intimate and cosy chat when a gun was held to his head by the right hon. Gentleman, who threatened to humiliate him.

I imagine that the atmosphere was less than perfect, but that does not justify the euphoria in the Labour ranks. Perhaps something happened in that conversation, and the right hon. Gentleman may tell us what it was when he gets to his feet. I read the letter from the Chancellor of the Exchequer to the Chairman of the Treasury Committee, and I could not understand why Labour MPs were in such a buoyant and euphoric mood last Wednesday afternoon. There are many questions—and many of them have been touched on by the hon. Member for Runnymede and Weybridge (Mr. Hammond)—that remain unanswered, and I shall go through some of them.

First, what is going to be backdated in this package of proposals? As I understand it, the specific measures aimed at trying to assist pensioners between the ages of 60 and 64 will be backdated, but there is dispute—and it remains unresolved—as to whether other people will receive backdated compensation. Indeed, the right hon. Member for Birkenhead said that the Chief Secretary was "badly briefed" on the backdating of the compensation package. I wonder whether the right hon. Lady, even though she is not speaking for the Government in this debate, has had time to swot up. It is extraordinary that she should have to be briefed at all on these matters, as one would think that she was at the centre of trying to decide the Government's taxation policy.

Secondly, even if those measures are backdated for everybody, there is the issue of cash flow. There are many people on low and low-to-middle incomes, and if they receive money in November that is backdated six months, it will not pay today's supermarket, gas or council tax bill, and those are the problems that the Government have not identified or addressed.

Annette Brooke (Mid-Dorset and North Poole) (LD): I should like to take the example of one of my constituents, who is £30 worse off, and is already facing mortgage arrears. Just what are people such as my constituent going to do?

Mr. Browne: My hon. Friend makes an excellent point, which no Treasury Minister has so far adequately addressed, but we await with interest to see whether a rabbit will be pulled out of a hat. We were told to watch this space. We are still watching, but the picture is yet to become fully clear.

Susan Kramer (Richmond Park) (LD): Has my hon. Friend seen in any of the Government responses a solution for my constituent, a young, single, working mother, who has vowed never again to claim tax credits because of the cycle of overpayment and clawback, who now sees that there is no way out from paying a higher tax rate on her very meagre income, and who may not work again?

Mr. Browne: My hon. Friend makes a valid and related point about the fiasco and complication that is the tax credit system. One of the issues that the Government will have to address is that they are replacing a simple mechanism to reduce the tax burden on people on low incomes with a series of far more complex and complicated alternatives. Many of those people may not be adequately compensated, but some will be theoretically compensated, because I will bet the House that the Treasury will budget so that the take-up is not 100 per cent. for those who are eligible to be compensated as a result of the 10p rate being doubled.

8.45 pm

Mr. Frank Field (Birkenhead) (Lab) *rose—*

Mr. Browne: I give way to the star of the show.

Mr. Field: Do the Liberal Democrats propose to reintroduce the 10p rate, and if so, where will they find the £7 billion?

Mr. Browne: It is our intention to reduce the tax burden on people who earn the lowest salaries, and we will do that in a number of ways. We propose to reduce the basic rate of income tax, and I would like to see us bring forward measures for the next general election that will also raise thresholds in a progressive way. Tax-cutting can be extremely progressive if the taxes cut are for those on the lowest incomes, who at the moment pay tax to the Government even if they are on the minimum wage and then become eligible to try to claim large parts of it back in the form of various credits and other rewards from the Treasury, which is extremely bureaucratic and inefficient, and many people fall through the net. Our objective is to try to make it both simpler and fairer.

Mr. Field: The hon. Gentleman is making a good speech, but there was a simple question to answer so that the country would know where the Liberal Democrats stand. It is clear that, while the Liberal Democrats might want to introduce all sorts of things to make our

tax system fairer, there is no commitment to reintroduce the 10p rate. The message goes out from the debate that none of the major parties is proposing its reintroduction, so we are looking at compensation packages.

Mr. Browne: Let me make this clearer. The Liberal Democrats' objective is to ease the tax burden on people with very low incomes who cannot afford it at present. The Government propose to double the 10p rate to 20p for those people, going completely in the wrong direction. We could choose to use the 10p mechanism to assist those people, or it could be done some other way. A millionaire pays less as a result of the 10p rate decision, so I appreciate that it is not a very focused tax reduction for people on low and low-to-middle incomes, but it is a hell of a lot better than what the Government are proposing, which is that that tax burden should be doubled for those people.

Mr. Field *rose—*

Mr. Browne: I have given way twice, so I will try again. It is nice to have a question and answer session on Lib Dem policies, but we are meant to win a general election first. I will give way for a final time.

Mr. Field: So although there are all sorts of measures that the Liberal Democrats may introduce, reintroducing the 10p rate is not on the cards—yes or no?

Mr. Browne: I have explained so many times. We will vote against the clause this evening, and I hope that, if the right hon. Gentleman shares our instincts to help some of the lowest income households, he will join us. I see that many, many Labour Members have come here, I hope for the same purpose.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I have been enjoying my hon. Friend's vivisection of those on the Treasury Bench. I brought up this matter in the Treasury Committee, particularly with regard to pensioners in my constituency, because they have the double whammy of not only losing out on tax but facing increased costs against which they can do nothing. Is not the fairest way to deal with those pensioners and others who lose out in that way to raise tax allowances, so a policy that we may well contemplate might be the raising of tax allowances, combined with a lowering of the basic rate, which would achieve as good, if not better an objective than simply putting back the 10p rate?

Mr. Browne: I am grateful to my hon. Friend, who has made an extremely attractive proposition. We already know the parameters of the debate at the next general election: the Labour party is committed to its tax and spend proposals and the Conservative party is committed to matching them entirely. The Liberal Democrats belong to the only party with the freedom of manoeuvre to consider exactly the sort of progressive and attractive tax policies mentioned by my hon. Friend. However, let us not get too diverted.

We have talked about some of the unanswered questions, such as who will get the backdated proposals and those about the issue of cash flow, and we have not yet heard an answer, although we hope that we will later. Furthermore, we have not heard about how long the compensation packages will last. Will they apply for one year only, as some Government measures do? For the people affected, losing the 10p rate is not just for Christmas, but for life.

Not only low earners are involved. Many in the London media commentating classes make the mistake of thinking that anybody who earns £14,000 to £17,000 a year is a low earner. For many constituents of mine, that is a typical wage. People who work as hotel receptionists or on farms or who have secretarial jobs do not regard themselves as low earners or as people who need to be beneficiaries of the largesse of the state. They want to get on with paying a reasonable proportion of their salaries in tax to fund public services, but they also want to be able to provide for themselves and their households. The issue affects millions of people—including, but not exclusively, the poorest.

Stewart Hosie: I thank the hon. Gentleman for giving way; he is being very generous. He has been talking a lot about Liberal Democrat policy and what might happen at a general election in two years' time, but my constituents are struggling now. The reason for the concern on the Labour Benches and elsewhere was that all our constituents are struggling now. No one is going to reinstate the 10p band at a cost of £7 billion; we are looking for mitigating procedures that cost about £700 million. Will the hon. Gentleman support the Conservative amendment, which seeks a guarantee that the right hon. Member for Birkenhead (Mr. Field) got the guarantee that he thought he got, and that as much as possible is done as quickly as possible for the people who are struggling today?

Mr. Browne: Yes, is my answer to that. *[Interruption.]* Well, I have never claimed anything else. People were asking what the Liberal Democrats were going to propose at a general election in two years' time, and I was doing my best to say that our instincts are that people with low earnings should be assisted and pay a lower proportion of their wages in tax than they currently do.

The Government have not addressed a fourth point to our satisfaction. They have all this talk about compensating people who are "average" losers, which seems an entirely nebulous concept. If one person has no money and another is a millionaire, their average wealth is £500,000, but that figure does not reflect the circumstances of either person. The Government talk about "average" losers, but some people may be overcompensated and end up with more money as a result of the package than if the 10p rate had been kept in place. Other people will not be adequately compensated. We need to hear further details about precisely how the compensation will work.

Furthermore, we need to know how the mechanisms will work—full stop. We seem to have a new concept for compensating pensioners called the summer fuel allowance, which will run from April until September or October and make sure that pensioners stay warm enough in July and August. That seems a strange and blunt instrument. The minimum wage is talked about as a way of addressing problems, but that is not necessarily entirely in the Government's hands to deliver. The Low Pay Commission has a say, and the burden is borne by employers and not by the Government in the form of the taxpayer.

On face value, the package of proposals put before us as a result of the lively meeting between the right hon. Member for Birkenhead (Mr. Field) and the Prime

[Mr. Jeremy Browne]

Minister leaves far too many questions unanswered to be satisfactory to any self-respecting Labour MP.

David Howarth (Cambridge) (LD): Another problem with using the minimum wage is that it will not help two obvious groups of people: first, those whose overall pay is low because they are part-time, even though their hourly rate is greater than the minimum wage; and, secondly, self-employed people such as jobbing builders and low-paid freelancers of various sorts—window cleaners, for example—who will not be benefited by an increase in the minimum wage.

Mr. Browne: My hon. Friend is right in both regards. The hundreds of thousands of people who fall into those categories will not be satisfied with the proposals that have been put forward, despite the fact that so many Labour MPs instantly leapt at them as the solution to all their woes.

Mr. Ian Taylor (Esher and Walton) (Con): The hon. Gentleman is making a good case against the Government. Does he accept, first, that movement of the minimum wage would not have an impact until 2009 in any event; secondly, that it is an unwarranted interference with the Low Pay Commission by the Government; and, thirdly, that it is an attempt to make industry pay for the Government's cock-up?

Mr. Browne: I will make this short by saying that I agree with all three points that the hon. Gentleman makes.

Susan Kramer: Is my hon. Friend aware that the proposal will not help many people in London, because firms have gradually been encouraged to move to the London living wage of just in excess of £7? A movement in the minimum wage does nothing for those people, who are in effect living close to the poverty line because of London prices.

Mr. Browne: My hon. Friend makes an excellent point. The national minimum wage has less effect in London, where wages and the economy as a whole are geared at a higher level because the cost of living is greater. Raising the minimum wage by, for example, 50p will therefore have a less profound impact in this part of the country than it would elsewhere.

Many questions remain unanswered. The truth is that Labour MPs have been fooled twice on the 10p rate. They were fooled on 21 March 2007, when they waved their Order Papers and decided that the Prime Minister was somebody they could place their faith in to lead their party, and they were fooled again last Wednesday when the Prime Minister wobbled in the face of their threats and they thought that they had achieved a victory, which has turned out to be built entirely on sand.

Two claims were made about the Prime Minister prior to his taking office, one of which was that he cared deeply about the poor. We now discover that his main obsessions are positioning and political manoeuvring. He is making fumbling attempts to appeal to middle England, which he does not understand. Let us have no doubt about this. After all, what was the motivation for cutting the basic rate from 22p to 20p, paid for in large part by doubling the 10p rate? It was so that the Prime Minister could say to the *Daily Mail* and to other representatives, as he saw it, of middle England, "Don't believe for a moment that Tony Blair leaving as leader of the Labour party means that new Labour is dead as a concept. I am still able to carry new Labour—the election-winning coalition that has got us through the last three general elections and can still be held together with me as leader of the Labour party. My demonstration of that is that I am able to trump the Conservative party on the basic rate of tax." That was the motivation—it had nothing to do with the poor.

David Taylor: Will the hon. Gentleman carefully consider what he has just said and retract it in the interests of accuracy? He is repeating what the hon. Member for Runnymede and Weybridge (Mr. Hammond) said a few days ago—that the cost of reducing the standard rate from 22p to 20p was being met largely by the impact of the reduction of the 10p rate on the less well-off. That is not the case. The cost of reducing the standard rate is £7,000 million or thereabouts; the cost, and the impact on the 5.3 million people affected, is £600 million or thereabouts, which is less than 10 per cent. of that.

Mr. Browne: I am grateful for the hon. Gentleman's intervention, but it is based on an inaccuracy. It is not often that I stand up for those on the Conservative Front Bench, but their analysis is right. The people who are net losers from the doubling of the 10p rate—

David Taylor *indicated dissent.*

Mr. Browne: Listen, and I will explain. Compensating only the people who are net losers because of the doubling of the 10p rate would cost about £700 million—the figure mentioned by the hon. Gentleman. The total increase in revenue from doubling the 10p rate is far greater than that because someone who is earning £100,000, £150,000 or £200,000 a year will also be affected by the 10p rate. We are talking about two separate measures. The 2p reduction in the basic rate was paid for in large part—I did not say entirely—by the doubling of the 10p rate. A lot of people are net beneficiaries of that change because the 2p reduction in the basic rate more than compensates them for the doubling of the 10p band, which is quite narrow. However, some people on lower incomes—those who are, depending on their circumstances, earning up to £18,000—are net losers. The hon. Gentleman is confusing two separate points.

9 pm

I will, however, meet the hon. Gentleman halfway on this point. I find it galling to listen to the Conservatives professing great concern about the poorest in our society. We remember, in March 2007, the current Prime Minister's final Budget as Chancellor of the Exchequer, and the misplaced euphoria of the Labour MPs who thought that this was a man capable of winning a general election. We remember the heightened excitement in the autumn of last year, when there was a possibility that a general election would take place and when it still seemed plausible that the Prime Minister could deliver a victory for the Labour

party. The Conservatives had their conference at that time, and the shadow Chancellor made a speech that was extremely well received by large parts of the media.

Mr. George Osborne (Tatton) (Con): And the Treasury Front Bench!

Mr. Browne: I am being generous to the hon. Gentleman—to some extent his speech changed the political dynamic. Many people felt that it had a significant effect on the Prime Minister.

The shadow Chancellor identified in his speech what the priorities for the Conservatives would be, were they able to cut taxes. We have to cast our mind back and ask ourselves who the beneficiaries of the Conservative tax-cutting package were. Were they the people I mentioned a while ago—those on typical wages, such as people working on farms, hotel receptionists or secretarial staff? No, they were completely overlooked. Were they pensioners on modest incomes between the ages of 60 and 64? No, they were completely overlooked. Were they people on low wages under the age of 25 without children? No, they were completely overlooked, as well. The people whom the Conservative party thought had the most acute needs in our society, and were therefore most deserving of an easing of their tax burden, were people who lived in houses worth somewhere in the region of £1 million, who had entirely paid off the mortgage on their house. I regarded that as an extraordinary prioritisation, although I do not doubt that it was effective in preventing the Prime Minister from calling a general election.

Mr. Osborne: I am grateful to the hon. Gentleman for giving way, and for talking about my conference speech. One of the consequences of that speech was the introduction by the Labour Government of clause 8, which increases the inheritance tax allowance available to married families. I presume that since the hon. Gentleman has mounted such a vitriolic attack on helping people with inheritance tax bills, his party will vote against clause 8.

Mr. Browne: I am not launching a vitriolic attack on anything. I think that there is a place for inheritance tax, as does the hon. Gentleman, because he does not want to abolish it altogether. At the moment, because of rising house prices the threshold at which people start to pay inheritance tax is too low. The point of dispute is whether it should be raised as high as the hon. Gentleman is proposing, or whether there are people who need that assistance more. I would argue that my constituents and others who earn £11,000, £12,000, £13,000 or £14,000 a year are more deserving of Government assistance than those who live in houses worth £1 million who have paid off their mortgages entirely. We shall have to agree to differ on that.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): In the interests of clarity, do the hon. Gentleman's colleagues who represent London constituencies agree with his views on inheritance tax and the limit at which it should come into effect? Do they agree—

The Chairman of Ways and Means (Sir Alan Haselhurst): Order. It is an interesting little diversion, inheritance tax, but we should return to the subject of the amendment before the Committee.

Mr. Browne: I have not checked with all my hon. Friends, but I am sure that they agree with me on the matter. Given that our position is logical, consistent and principled, it would be odd if a lot of logical, consistent and principled people did not agree with it. However, I shall move on, as instructed.

There were two myths about the Prime Minister before he took office and was exposed. The first was that he put the needs of the poor at the top of his agenda. That has been proved emphatically not to be the case. He is far more interested in political positioning and manoeuvring, especially if he is trying to outmanoeuvre the Conservative party, even if some of the poorest people in our society constitute the collateral damage.

The second myth about the Prime Minister was that he was the master strategist, a chess player who thought several moves ahead. That claim now appears laughable. Indeed, the Secretary of State for Justice, who was the Prime Minister's campaign manager when he stood in the uncontested election for leader of the Labour party, now apologises for the Prime Minister's errors. He said—in a way that I suspect has led to another icy meeting behind the scenes—that the Government's "best brains" had not managed to work out that there would be more than 5 million losers as a result of doubling the 10p rate. The best brains are clearly not good enough to help those on the lowest incomes.

At the weekend, Lord Levy told us that Tony Blair is alleged to have said that the Prime Minister did not have the necessary skills to win a general election and that he lacked the personality and the strategic skills necessary to be in No. 10—

The Chairman: Order. The hon. Gentleman has been dilating considerably beyond the terms of the amendment. He has been speaking for more than half an hour in a debate, for which the time, I understand, is likely to be limited. Perhaps he will now conclude.

Mr. Browne: I am sorry, but I was distracted in part by a wide range of interventions.

The point I was seeking to make about the motivation behind the doubling of the 10p rate was that we have a Prime Minister who lacks the necessary moral compass and strategic skills to have a policy that is consistently able to help—

The Chairman: Order. I thought that I had encouraged the hon. Gentleman to desist from that line of debate. We must come back to the substance of the amendment.

Mr. Browne: I will conclude, Sir Alan, by saying that Labour Members have an opportunity to show this evening that they have not been fooled by the concessions that were made on Wednesday, which will not achieve what the Government claim: that millions of people on low to middle incomes who have been adversely affected by the doubling of the 10p rate will be compensated. Those hon. Members who have expressed their concerns through early-day motions, media interviews and other forums need to put their money where their mouth is and vote accordingly.

Mr. Frank Field: Mr. Haselhurst—

Hon. Members: Sir Alan.

The Chairman: "Chairman" will do.

Mr. Field: Chairman Haselhurst, thank you for calling me.

It has already been an extraordinary debate in that the public have learned something that they did not know before today—that no party proposes the reintroduction of the 10p tax rate. The debate is about the way in which we compensate those on low incomes who have lost out through the abolition of the 10p rate. It does not help matters for hon. Members to get up and declare that they were always against or always in favour of the 10p rate. We are dealing with the reality that the amendments do not try to overturn the Budget but are massively concerned about how it protects the poorest who lose out.

The second issue that we have to decide tonight is whether we accept the line that the Conservative Opposition are following in their amendments, which is that they are greatly concerned about the circumstances of our poorest constituents. Again, it does not help very much that, as I remind the Committee, when we debated whether we should bring forward a package of amendments to last year's Budget that would have given the Government a whole year to work out how it might work, only one Conservative Member supported the lead amendment. Since then he has been expelled from the Conservative party—he is the hon. Member for Castle Point (Bob Spink). We are assured, as the right hon. Member for Suffolk, Coastal (Mr. Gummer) will no doubt confirm, that there is great rejoicing in heaven over one sinner who repents. There are 192 of them repenting tonight, so clearly there will be a great big party up there at the results of this conversion.

Given the length of the debate already, it would be helpful if I outlined what I thought the agreement was that was made by the Prime Minister and the Chancellor. It would also help if that could be confirmed by my right hon. Friend the Financial Secretary when she speaks. We all know that if we are not to be beguiled by the Tory Opposition, we have a right to take the measure back into our hands when the Bill comes back on Report.

Jeremy Corbyn (Islington, North) (Lab): I commend my right hon. Friend for his work on the matter. Despite whatever is said this evening, does he feel that the reintroduction of the 10p rate would be a better and fairer way of ensuring that the lowest paid pay less in tax than a complicated form of compensation through a multiplicity of means?

Mr. Field: No doubt, but I still long to see a simplified tax system that abolishes all allowances other than the personal allowances and that gets the standard rate way below 15 per cent. and heading to 10 per cent. for us all. That would send out the most powerful message; indeed, I offer that proposal to the Opposition, who like to say that they will be radical. If they start sniffing at that one, I am sure that those on the Treasury Bench will become more interested in it.

Mr. Gummer: In asking that of those on his Front Bench, will the right hon. Gentleman also ensure that the Financial Secretary accepts that she was wrong to give the impression in an earlier debate that there were not significant numbers of people who were affected by the measures? She specifically said that she did not accept the figures that were presented by our party. However, the Government now admit that the right hon. Gentleman and the Opposition were right, and have had to change their views.

Mr. Field: I thought it was quite clear to us all that the Government now accept that there are significant numbers of losers. Because the Treasury Committee is starting an important inquiry on this point, it would help us all, when we think of the evidence that we wish to give that Committee, if the Government at some stage—perhaps not tonight, but soon after this evening's debate—brought us up to date on how many losers they expect. What is the age of those losers? Where are the losers in the totality of the income distribution? How many of those losers are in households in which the other member gains from the cut from 22 to 20 per cent., so that the household is better off, although that individual loses?

Before any of us thinks that that is a satisfactory way of advancing, I would remind my colleagues that we are committed to individual taxation. To be told that husbands might gain from the measure but wives lose is not much comfort, either to the wives or to those of us on the Labour Benches.

David Taylor: Does my right hon. Friend agree that the suggested method of reimbursement for sizeable groups using the working tax credit is seriously flawed, given that fewer than one in four households without children that are entitled to the working tax credit actually claim it? That has to be taken into account.

Mr. Field: I shall come to that point in a moment.

9.15 pm

Paul Holmes (Chesterfield) (LD): Before the right hon. Gentleman tries to pin the Government down on their vague promises, will he give his opinion on how we got into this appalling state? He mentioned that the proposals were put forward by the then Chancellor just over a year ago; 13 months later, the Prime Minister has said several things within the space of a week. First, he said that nobody would lose out, then he said that some people would lose out, but that the Budget was too complicated to unravel. Then he said that people would lose out and that the Government would try to unravel it, but that it would take six months to work out what to do. Is that the result of staggering incompetence or of outright cynicism and their belief that they could treat the poor as badly as they liked and those people would still vote Labour?

Mr. Field: That is a very good question, which the hon. Gentleman should ask the Prime Minister. Much as I would like to be answering from the Dispatch Box, I am not; I am speaking from the Back Benches.

I want to get on to what I understood the agreement to be about. The first and most important point was that the Government wished to devise a package of

compensation that was as comprehensive as possible. There may be doubts about the numbers, but I did not doubt for a moment that once the Government adopted a new position, there would be compensation. My understanding was that they were not going to take a mean-minded approach that excluded people, and that there would be efforts to make the package as comprehensive as possible. They were going to consider two ways in which to achieve that: through tax credits or using the Revenue.

I agree with my hon. Friend the Member for North-West Leicestershire (David Taylor) that there are real difficulties with using the tax credit structure as a means of achieving that objective. The Government were to look at the Revenue and national insurance systems to see how packages of compensation could be paid, and the compensation package was to be made up of several factors. There is clearly a definable group of people who will be affected—those aged over 60 but under 65. In the Budget, the Government have substantially increased personal allowances for those aged 65 and over, which covers that group for losses owing to the abolition of the 10p rate. Some of the funds in relation to the reduction of the rate from 22p to 20p will also be used.

Ms Sally Keeble (Northampton, North) (Lab): Does my right hon. Friend agree that that 60 to 65 group concerns women pensioners in particular, especially those who have made provision for private pensions, which is a minority of women? Does he agree that those who have made provision for their retirement will feel particularly aggrieved about losing it?

Mr. Field: I agree totally. They are one of the many groups whom we should wish to salute, rather than kneecap, when we pass measures in this place. The Government are considering compensating that very group, which my hon. Friend has mentioned on a number of occasions. One mechanism for paying that group might be the one that is used to pay the winter fuel allowance. That is not to say that it would be a winter or summer fuel allowance, but that such a mechanism might be one of a number of ways in which the Government could reach and compensate groups that have suffered.

Joan Walley (Stoke-on-Trent, North) (Lab): Does my right hon. Friend agree that another group that we need to ensure is represented to the Treasury Select Committee is people in manufacturing areas and heartland constituencies who have taken early retirement? Many of them are ex-miners from our former coalfields, and they are particularly concerned about how they will be identified and how their tax increase of about £240 per annum will be compensated in full and backdated.

Mr. Field: I agree totally. That leads neatly to my third point. My understanding is that there will be an effort to seek out people who are aged under 60 but in work, and to find means by which to compensate them. That brings me back to the point made by my hon. Friend the Member for North-West Leicestershire that there are different ways of doing that. Once again, however, let us not kid ourselves that this is going to be an easy exercise; but when we say that, let us also remember that no party is advocating the reintroduction of the 10p rate. We are in difficult terrain and I, for one, do not doubt the Government's wish that the final package—it may be produced in stages—should be as comprehensive as possible.

Steve Webb *rose—*

Mr. Dunne *rose—*

Mr. Field: I give way to the hon. Member for Northavon (Steve Webb).

Steve Webb: I am grateful to the right hon. Gentleman, who is hugely respected on these issues. On the issue of 60 to 64-year-old women, will he tell the Committee his understanding of what he was promised? In principle, that is the simplest group to deal with, so if it has lost, say, £200 in round figures, is it sufficient for the right hon. Gentleman if the winter fuel payment or whatever it is called is £200, or should it be the average loss of the group? What is he expecting?

Mr. Field: I am about to come on to that very point, as I think we need to grow up on that aspect of what we can realistically expect from the Government.

The fourth part of the package was—

Mr. Philip Hammond: I am grateful to the right hon. Gentleman for giving way; my point is directly pertinent to what he was saying. Will he tell the Committee more about what he was promised in respect of time scale? A few minutes ago, he said that his hon. Friends would have an opportunity to revert to the matter on Report, the implication being that that would happen if the Government failed to deliver. Does that mean that the right hon. Gentleman has a commitment that the concrete proposals will be available before the House considers the Bill on Report?

Mr. Field: If only hon. Members would let me conclude, Sir Alan, I could answer all these questions.

The fourth part—not necessarily a central part—of the package is that the Government will look further into the minimum wage. That does not necessarily mean, as many people have interpreted it, changing the rates. The hon. Member for Esher and Walton (Mr. Taylor) talked about imposing costs on employers, but I suspect that all hon. Members who are avid readers of the reports from the minimum wage commission will know that a number of recommendations were made, including lowering the age at which the adult rate should start. Recommendations have already been made, which the Government have not accepted in the past, so it is not true to say that somehow the Government are going to go in with their boots to the minimum wage commission and make it set rates or change its attitudes. The Government may be just a little humble, read the reports and act on them.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Does my right hon. Friend agree that that could well address the concerns of some students in constituencies such as mine? They work part time for the minimum wage at the moment, so their needs would be addressed if the age level were raised.

Mr. Field: I am always pleased to give way to my hon. Friend, who reminds me that people might benefit from more than one part of the package. Some will benefit if, as we hope, there is movement on the minimum wage, while others might benefit from revenue changes or tax credits if that route is followed.

Mark Lazarowicz: Will my right hon. Friend give way?

Mr. Field: No. I am sorry, but I am anxious for others to contribute to the debate.

The fifth part of the package was about the payments. I have always understood—I apologise if I have misled anyone—that a Government starting from scratch and trying to affect 5.3 million people would not be able to strike an overall deal on the basis of 5.3 million personalised deals; whatever is done will be done to groups and to averages. The hon. Member for East Dunbartonshire (Jo Swinson), who is no longer in her place, spoke earlier, but what she said about the extent of the losses was not true, unless there are more weeks to the month in Scotland than we have south of the border.

If hon. Members look at the evidence given to the Treasury Select Committee, they will see that the distribution of losses is narrow and that many losses are of about £2 a week. Therefore, I was under no illusion that—starting from scratch—there could be a personalised losses service. Average payments would be made to groups. Some would gain marginally and others would marginally lose, but for most people it would be practically the sum that they lost. That is what the agreement would be about.

As important as that, I understood that all the different components of the package, when they were announced—they may be announced at different times during the year, as the Government are able to do so—would be backdated to 1 April this year. Those are the six points that I thought were in the package and that I believe will be in the package.

My concluding comments are to tell the Committee that I have no intention of voting for the Tory amendment. I am not beguiled by it; I am not fooled by it. Although I am pleased about the Tories' new position in defending our poorer constituents, the move to ensure that the Government developed their policy—let us euphemistically put it like that—came from this side of the House. We should remain in possession of this package.

I know that the Financial Secretary to the Treasury, my very right hon. Friend the Member for Liverpool, Wavertree (Jane Kennedy)—who was the first person from the other side of the river to stand up publicly and fight Militant and who was not scared at all of some of the worst fights that we have had to face in our region and beyond—does not need any threatening from our side.

My final comment is not a threat. I want to say that any Minister, however good, needs as much force as they can have behind them when they are dealing with officials. We on this side would hope to have quite a lot of the information available before we reach consideration on Report. We will have the Select Committee reporting by then. We should have the outlines of how the Government are going to develop that. My right hon. Friend can be as tough as possible with her officials and say that we have another chance to return to our amendment, although I do not expect someone as tough as her to be overcome by any resistance in the Treasury. Should she be, we will be behind her and moving that amendment on Report.

Dr. Richard Taylor (Wyre Forest) (Ind): It is a pleasure to follow the right hon. Member for Birkenhead (Mr. Field), for whom I have a very high regard.

The problem of the abolition of the 10p band was brought home to me with devastating clarity at my constituency surgery just last Friday. How is a single childless disabled man, unable to work and under the age of 60, on an income of less than £8,000 per annum whose tax has gone up from just £4 to nearly £10 a week—from £200 to £500 a year—to be compensated immediately? That is why I support the remark made by the right hon. Gentleman that we need answers now for those of our constituents.

I was pleased to hear a Labour Member moot the possibility that perhaps it would be right to go back to the 10p band. One need only have read yesterday's edition of *The Sunday Times* to be aware that under the present Government the richest people in the country have become astoundingly richer, and to feel that it must be possible to find the money from some of our richest people to compensate people such as my constituent, on a pitiful wage.

9.30 pm

Mr. Kenneth Clarke (Rushcliffe) (Con): I find this an extremely unhappy debate. It follows a period in which we have seen several Budgets dominated rather more by politics than by any great economic common sense or sense of social justice. In a way, two of them have been conflated. The Budget that introduced the 10p rate was, in my opinion, based on a mistake, and the Budget that has tried to remove it has made a mistake as well. Listening to today's debate, I find myself uncertain about how the House as a whole—if there is, temporarily, a majority in the House that wants to repair the damage—will emerge from this, and what exactly is supposed to result from the Government's package to restore the position.

I always opposed the introduction of the 10p rate, and I therefore do not think that we should argue for its reintroduction. It was introduced in 1999 because the Government had got themselves into a political commitment to reduce the starting rate of tax to 10p in the pound. That was a mere electoral slogan, produced to give the impression to people paying the standard rate that they would all start paying the 10p rate, because then, as now, the Government—particularly the present Prime Minister—constantly ran scared of the Conservatives' reputation for tax-cutting. Although the present Prime Minister was not going to cut taxes, he gave the impression that the 10p rate would be the new starting rate and introduced it, which caused unnecessary complication to the tax system and did not benefit anything like the number of people that some Labour speeches had given the impression it would.

I always worried about how some Government would manage to get rid of the 10p rate. I assumed that sooner or later a Labour Government would get rid of it—just as a Conservative Government would: we do

not want too many income tax rates, because it over-complicates the system—but I thought that it would be difficult to get rid of it, because it would not be possible to raise taxation on precisely the group who have been hit now. I must admit that the only solution that occurred to me was that over the years it might be possible to fix, and not raise, the ceiling for the 10p rate and let the threshold creep up over time, so that one day, mirabile dictu, it would vanish; but it might have taken a very long time to do it in that way.

What I never expected was that the very Chancellor of the Exchequer who had introduced the 10p rate would, many years later when faced with another political imperative, abolish it in the most clumsy and insensitive fashion by trying to bury it in a Budget dominated—he hoped—by other headlines, and smartly increase the effective tax rate on some of the lowest earners in the country. That brings me to last year's Budget, which was the cause of our problems.

Mr. Philip Hammond: Their problems.

Mr. Clarke: The country's problems, and, as my hon. Friend correctly points out, the present Government's problems.

The Chancellor wished to go out on a grand note. As we now know, he was contemplating a possible general election in the autumn after he had established his leadership. Given his alarm about our party—which I am glad to say I think we currently justify, although there have been times in the past when his permanent fear of the Conservative party as an Opposition has been a little exaggerated—he was worried last year, and decided to pull off the master coup of cutting the standard rate of income tax, stealing all the Tory clothes and running away with them, as he saw it, with considerable enthusiasm.

The trouble was that because of the state of the public finances, the Chancellor could not conceivably afford to cut the standard rate. It was not sensible to do so when he was presiding over deteriorating public finances and a borrowing requirement that he was not even capable of forecasting correctly, let alone financing in any responsible way. So he did not find all the money from the 10p rate; he found some from business. He presented as a tax-cutting Budget what of course turned out to be a tax-raising Budget. That was a frequent performance of the present Prime Minister when he was Chancellor of the Exchequer. Too much of the money was raised by abolishing the 10p rate, so there was an extraordinary transfer of money from some of the poorest earners in the country to quite a lot of the better-off.

The reason was obvious; the better-off were thought to be more valuable voters in any forthcoming electoral conflict. The low paid, if they vote at all, tend to be safe Labour voters, and anyway they might not notice. Looking back, I can think of no other reason why part of the Budget proposed that the change would not come into effect for 12 months. It was not even legislated for at the time. The only reason for that was, as we all know, that the groups about whom we are talking do not follow the details of Budgets; 90 per cent. of the public do not follow the details of the Budget. People catch up with the Budget when they see the change on their pay slip. They sometimes turn up to their MP's surgery and ask why their tax has gone up because they never grasped the news that they were the victims. That is what has happened. Unfortunately for the Prime Minister, this Bill has come in a year later.

In this House, a lot of people noticed the measure last year. It took about 24 hours for them to do so because it had not been clearly flagged up. The then Chancellor had tried to bury it, but the debates erupted and the issue got into the press. People began to talk about not a tax cut, but a tax con, one of the popular phrases that rapidly got into the political debate. But none of us at that time came up with a proposal, apart from the right hon. Member for Birkenhead (Mr. Field). There was a very simple problem. I have looked up my own speech to make sure and I did state that as someone of pensionable age and reasonably well off, I had benefited considerably from the Budget. I was suitably grateful; it was very nice of the then Chancellor to put me and one or two of my hon. Friends in a rather better position. I did ask why this was at the expense of some of the lowest earning people in the country, as that did not seem to be very sensible. But none of us had a remedy.

If my analysis is right—that the real problem was that the then Chancellor was cutting the standard rate when he could not afford to do so—the logical explanation would be not to cut the standard rate by quite so much. But in this Chamber we appreciate that all of us, including me, did not have the nerve to get up and say "You should not cut the standard rate until you can afford to do so. Why don't you put it back again?" We ruled that out, but now comes the uncertainty.

The right hon. Member for Birkenhead, not for the first time, has achieved an absolute triumph by mobilising what was, I suspect, a much more considerable body of support in his own party than the ones who had the nerve to sign the relevant motion to make the Government do something about it. But he is plainly extremely unclear exactly how the measures will be delivered and, let us be clear, he is talking about a considerable amount of public expenditure.

We keep talking about how much it would cost to put back the 10p band. I have no idea what sum the right hon. Member for Birkenhead is visualising will be spent on compensating all these people. I will not be so churlish as to ask how this will be paid for, because it could not be paid for at the time of the 2007 Budget. The Treasury sometimes finds itself hit on the head with public expenditure that it cannot afford so the next pre-Budget report or Budget will presumably contain some means of raising the revenue.

Meanwhile, the difficulty is that all the mechanisms that we have identified are extremely complicated and unsatisfactory. I regard the winter fuel payment as an electoral bribe paid to most pensioners. The money is taken from the right-hand pocket and put in the left-hand pocket at Christmas with a clear message; pretend this is for your fuel bills and spend it wisely. Many Members of this House receive it, as do most Members of the House of Lords, who regard it as a tax rebate. If it is given to everybody between the ages of 60 and 65, those of us who, sadly, have just crept past the age of 65 will be very indignant because most of those people will not be on a 10p marginal rate and quite a lot will be young pensioners, many with full-time occupations and good incomes. It is not very satisfactory.

[Mr. Kenneth Clarke]

The tax credit system is a most unsatisfactory way to proceed. The errors are too great. It greatly benefits some low-earning people, but it also causes great hardship to many low-earning people because of the errors that are made and the pain of recovering overpayments. So, how on earth will we target effectively the people we have in mind? I will vote for the amendment because it puts in concrete form the only thing that matters: that the Government, having agreed to do this, have to come back and produce something that delivers the goods.

I listened to the Chief Secretary last week, and I can well understand why she has ducked out of the debate today, because last week she did not have the first idea how this undertaking would be honoured. I understand the difficulty: Prime Ministers have a habit of making sweeping promises and then turning around to the Treasury and saying, "Carry on sergeant-major; now deliver what I have promised a majority of the House of Commons we are going to do." So I wish the Financial Secretary well, when she rises to speak.

I share some of the suspicions that have been raised, however. I read the Chancellor's tax letter to the Select Committee Chairman. The recipient, the right hon. Member for West Dunbartonshire (John McFall), is present; I see that he is nodding, and I am sure he agrees that the letter does not cast a great deal of clarity on exactly where we are now going to go. I am also worried that weasel words are already getting in, in the context of what the right hon. Member for Birkenhead has just related to us or has ever said on the subject. In particular, although the letter talks about the pensioners—those over 60—being, perhaps,

"helped through the mechanism that already exists to pay the Winter Fuel Allowance"

and says

"all the changes will be backdated to the start of this financial year",

when it goes on to talk about the other categories of people affected, there is no suggestion of anything being backdated to the start of the financial year. Therefore, the idea that people will be compensated in full, or even on average, did not even get as far as the Chancellor's letter. As one of the Liberal Members rightly pointed out, all Members are meeting people, so we can all cite people who are—sometimes in the most elaborate, but unfortunate combination of circumstances—hit by this. People come to us and say, "My income has gone down," and they will all have to wait for some period of time before any changes are even announced that will address that, and only the people between the ages of 60 and 65 appear to have got any undertaking of a backdate even by the time the Chancellor wrote this letter.

We are now all facing up to the fact that, even since the 2007 Budget, things have got much worse for the people we are concerned about. Since the announcement but before the change came into effect, while earnings have not been moving significantly, utility bills and council tax have increased and food bills are rising very rapidly, so everybody's discretionary income is being squeezed and the current situation of the people concerned is worse than we could have contemplated when this measure was first announced. Therefore, the sums—comparatively small, though they might sound to us—that they complain about when they come to see us are a big blow to those people's budgets at a difficult time.

We need an amendment to hold the Government to what the right hon. Member for Birkenhead thinks they have committed themselves to, but we cannot just take that on trust. The fact that it is almost impossible to conceive of an easy mechanism for achieving this means that we must make sure that the whole thing does not slip away and get lost so that by the time we reach the pre-Budget report in November we are again having obscure arguments with Treasury Ministers who are trying to persuade us that, really, when we look at this carefully, quite a lot of what they said happened.

This is an appalling episode. Some long nights of work are required in the Treasury to sort out how to compensate most of these people and, equally importantly, how to make sure they are helped fairly quickly this year to deal with the consequences now. If we just let this go today simply on the basis of the assurances we have been told about, and when we find that those assurances are almost impossible to understand—we cannot get hold of them and do not know what the mechanisms will be—it would be a great folly.

I therefore urge the right hon. Member for Birkenhead to vote for the amendment, which just ties the Government down to introducing specific things. The House has risen as a body and said to the Government, "This is not a fair way of paying for the point you wanted to make in the Budget at the time." We must ensure that they come back with a fairer way or a system of compensating those who are about to suffer. I do not envy the Financial Secretary to the Treasury—I see her poised to get up, so I shall allow her to do so in a moment—as she has one of the more ridiculous and impossible briefs to present to us. I hope that she can assure us at least that she will use her best endeavours, and perhaps she will allow the amendment to hold her to things and make her deliver something concrete.

9.45 pm

Steve Webb (Northavon) (LD): Before the Minister rises, I wish to make a brief contribution about one of the groups that is losing out from this package—people in the 60 to 64 age bracket. My contribution is inspired, first, by the fact that this group has been in contact with me and with many other hon. Members in largish numbers, and, secondly, by what the right hon. Member for Birkenhead (Mr. Field) said. There is a sense that the House is being asked to accept a pig in a poke for this group and that what those constituents want, above all, is certainty. I do not believe that that certainty has so far been provided.

I raise the issue of women in the 60 to 64 bracket, in particular, because one of them contacted me having heard the Prime Minister give an interview in which he said that people should not worry because pensioners have been compensated. This lady said, "Last time I looked I was a pensioner, but I am losing out by more than £200 a year". That is because women in that age bracket, although pensioners, do not qualify for the pensioner tax allowance. Such people have contacted me and other hon. Members in large numbers.

The first question is: what compensation can such people expect to receive? Amendment No. 19 refers to

the compensation package and suggests that the 10p rate is reversed unless we are happy with the compensation package. I am not convinced that we will get the very precise answers that women in the 60 to 64 age group want—I shall shut up and sit down shortly so that the Minister can tell us her response.

When I intervened on the right hon. Member for Birkenhead, I asked what these people will get. What can they expect, supposing that they have lost up to £200 net of other changes? If I understood him rightly, he said that they could expect average compensation. If the group, on average, has lost £100, I take his understanding of what he has been promised to mean that the people involved will get £100. If, for the sake of argument, there were 300,000 losers in this age group, half would still gain and half would lose. Clearly people would lose less than they would otherwise have done, but there would still be a significant number of losers. The first point is, thus, that women who have read in the press that the Government will compensate them might discover, at some point, that the Government will not compensate them in full—they may compensate people in part at some point.

The second question is: when will such people be compensated? This group ought to be the most straightforward of all to deal with, because if the winter fuel payment mechanism is used, that is probably one of the simplest things that could be done. If we have to wait until the pre-Budget statement, which is traditionally made in November, and then, presumably, for legislation, because we will need to define, in a new way, a very specific group, people will not get their money until 2009. The reason the winter fuel payment has a September cut-off date is that it takes three months to give everybody the money. Let us assume that the pre-Budget statement is made in November, and legislation is made over Christmas and the new year. If we add three months on top of that, it could be well over a year before those women receive partial compensation. That is not what they will have perceived they were going to receive.

Mr. Frank Field: Two things are now clear from this debate. The first is that no party is proposing the re-introduction of the 10p rate. The second is that nobody yet has any ideas about how to compensate people. A judgment must be made as to whether we believe that the Government, in good faith, will strive to find as many of the people involved as possible. Nothing on tonight's Order Paper gives the pensioners that the hon. Gentleman is talking about any more reassurance than we have heard from those on the Treasury Bench or from me.

Steve Webb: I agree with the right hon. Gentleman on his second point; it is a question whether we believe in the good faith of the Government. Given that the root of this problem was an attempt to deceive people and to portray something in one way that came across in another, the worry is that the presentation of this compensation package is already being spun. I simply do not have confidence that the Government will act in good faith in this regard. On his first point, I suspect that we will divide later on whether the clause should stand part of the Bill. The Liberal Democrats will clearly and unambiguously vote against the Government's measure.

The right hon. and learned Member for Rushcliffe (Mr. Clarke) made a point that I wish to reiterate. Let us suppose that the package costs around £1 billion—because we cannot identify the losers and just give them back their losses—and we end up paying, for example, men in the 60 to 64 bracket who may not have lost out in the first place. Where would that £1 billion come from? Would it come from another tax, thus creating a whole new set of losers? Can we be confident that the compensation package really will compensate people, or will it just create a new set of unjustified losers? The right hon. Member for Birkenhead would be the first to acknowledge that that money will have to come from somewhere. Someone will have to pay the bill for this incompetence and we may find that it is other vulnerable people, unless it is achieved through a progressive mechanism. This Government are not known for using progressive mechanisms.

Those who heard the news last week may have hoped that they would be compensated. It would be a cruel deception if, having found out only this month that they have lost out, the compensation was not paid until next year and did not even then compensate them for their losses. That is why the compensation package, as so far outlined, is wholly inadequate.

Jane Kennedy: I am sorry if the right hon. and learned Member for Rushcliffe (Mr. Clarke) thinks that I am a sorry substitute for my right hon. Friend the Chief Secretary, but it is normal for the Financial Secretary to respond to such amendments.

The two amendments that have been tabled are intended to allow the tax rates announced at the Budget to stand only until the beginning of January, when the Chancellor would be required to make a statement, for approval by the House, about measures taken to mitigate the impact of the removal of the 10p rate. The amendments are unnecessary and would effectively freeze clause 3 if they were accepted. They are, in the time-honoured phrase, wrecking amendments.

The result of these amendments would be to change fundamentally clause 3 and would mean that Budget resolution 4, which enables HMRC to collect tax between the start of the tax year and Royal Assent to the Finance Bill, would fall. We would be left in the position in which HMRC would have no legal power to collect any tax on the first £2,320 of taxable income from the start of the tax year. Most employers, because they would require changes to their payroll systems, would also be unable to deduct the correct amounts from their employees.

Alongside those administrative issues, the amendments proposed would impose huge burdens on all taxpayers to finance these changes. I am sure that the Opposition did not set out to achieve that. I had hoped that they would use this amendment to discuss the wider issues in relation to the removal of the 10p rate.

It may be useful if I remind the House of our record in tackling poverty and helping the low paid since 1997, through a comprehensive programme of reform to the tax and benefits system. It would not be right to allow to go unchallenged the idea that all poor households were hurt by the removal of the 10p rate. In discussing those in poor households who are beneficiaries of this Budget, I do not seek to dismiss the concern about the proposed change, but our work to tackle poverty has

[Jane Kennedy]

focused on getting as many people back into work as possible, as we believe that work is the best route out of poverty. We are committed to making work pay through improving financial incentives to work.

The new deal has focused on creating programmes to help certain sectors find and maintain jobs. Employment is now at record levels, at 74.7 per cent. with over 29 million people in work—a rise of more than 2.9 million since 1997. Alongside this, in 1999, the Government guaranteed the lowest paid a minimum income for the first time. Since its inception, the national minimum wage has risen by 59 per cent., while median earnings have risen 37 per cent. That has brought to an end the long-term trend of wages at the bottom of the income distribution growing far more slowly than average earnings. That reform is very precious to me, as I used to work as trade union organiser for the then National Union of Public Employees and campaigned on the issue throughout the 1980s, when it was not universally supported by the Labour movement. I am proud of that achievement.

Mr. Devine: My right hon. Friend will remember the mid-1980s, when public sector workers—domestics who had worked in the national health service for five, 10 or 15 years—were sacked and told to bid for their jobs. They bid £2, £1.50, £1.20, £1—and then, "Sold to the lowest bidder!" The Conservative party called it efficiency savings. We called it exploitation of low-paid workers, particularly women.

Jane Kennedy: I am grateful to my hon. Friend for those comments, and I agree entirely. He will remember who was in power at that time.

On working tax credits—I can see the pained expression on your face, Sir Alan. *[Interruption.]* It is not a pained expression. That is good. Working tax credits have benefited 6 million families, with the average working family now £60 a week better off in real terms since tax credits were introduced in 1999. Some 3 million of Britain's 7 million families with children will receive more in tax credits and child benefits than they pay in income tax. That will effectively wipe out their tax liability altogether. For those without children, the average award in 2005-06 was more than £1,900 a year. That is why I encourage all those who come into contact with people on low incomes, particularly single people, to tell them that they should consider whether they would be eligible for working tax credits.

Over the past 10 years, the Government have also focused on long-term support for all pensioners to provide security in old age.

Sir Robert Smith: Will the Financial Secretary give way?

Jane Kennedy: If the hon. Gentleman will allow me to make a little progress, I will be happy to give way later. I am coming to the 10p tax rate in a moment. If he will contain himself, a number of assertions were made and it is right and proper that I should respond to them.

All pensioner households are now, as has been said, supported by winter fuel payments. Nearly 60 per cent. of all pensioners will not pay any income tax at all in 2008-09. Pension credit has guaranteed a minimum net income of £119 for a single person. While the Conservatives talk about tackling poverty with pretend concern, we have tackled it. It might be of interest to the House to learn that, way back, the right hon. Member for Witney (Mr. Cameron) made a very revealing comment. He said:

> "I long for a chancellor who stands up and introduces a Budget which abolishes all of Brown's endless reliefs and credits—and uses the money to cut tax rates at the same time. 'My Budget has no title', the peroration would go, 'it's your money, spend it as you choose.' Am I alone?"

We now know that he is not alone, as my right hon. Friend the Member for Birkenhead (Mr. Field) would agree with a lot of those statements, but we would not. We do not accept that that is the way to help the poorest families in this country.

As the next stage in the process, the package announced in the 2007 Budget changed the tax and benefits system to offer further support for work, families and pensioners. The changes removed the 10p starting rate of tax, reduced the basic rate of tax to 20p, increased the allowances for pensioners aged 65 and over, increased working tax credits to help low-income households and increased child tax credits to provide additional support to families with children. As a result of the changes, child poverty will affect 200,000 fewer than otherwise and households with children in the poorest fifth are, on average, £340 a year better off. Some 600,000 fewer pensioners will pay income tax.

In the 2008 Budget, the Government were able to go even further, with additional increases in child tax credit and child benefit that remove another 250,000 children from poverty. We will provide additional support to pensioners through the winter fuel allowance.

I know that the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith) wanted to intervene. Perhaps he would like to do so now.

Sir Robert Smith: Some time ago, when I attempted to intervene, the Financial Secretary was making the point that under the Government's system it is crucial to encourage people where possible to take up the means-tested benefits, such as tax credits and pension credits. However, it is sometimes difficult to persuade someone to apply after they have been through the nightmare of the seesaw between reclaims, overpayments and underpayments. As others have said, if the Government are going to rely on that encouragement as the safety net and think that it will solve the problem, that is quite a dangerous presumption.

Jane Kennedy: The tax credit system, as a result of changes made as long ago as 2005, is vastly improved, and I continue work, as does Her Majesty's Revenue and Customs, to improve customer experience of the service. The hon. Gentleman will know, because he will have heard me say so on previous occasions, of the changes that we are working to introduce that will help claimants, particularly those who have had problems in the past. We know who they are, and we can work with them to make their experience better.

10 pm

Joan Walley: In the few minutes that remain, will my right hon. Friend give us assurances on the proposals from my right hon. Friend the Member for Birkenhead (Mr. Field)?

Jane Kennedy: I am going to turn to the points that have been made.

The 10p starting rate of tax to be removed in clause 3 was introduced in 1999 as part of long-term reforms, and was part of the initial process to help support low-income households. However, with the measures that have been introduced since 1999, particularly the introduction of the national minimum wage and the subsequent introduction of tax credits, we can now better target our resources on low incomes.

Mr. Peter Bone (Wellingborough) (Con) *rose—*

Mr. Gummer: *rose—*

Jane Kennedy: I want to respond to the points made in the debate, but I shall give way to the right hon. Member for Suffolk, Coastal (Mr. Gummer).

Mr. Gummer: In our discussions over the past 10 days, the Minister told my hon. Friend the Member for Mid-Sussex (Mr. Soames) that she did not accept his figures for people who would lose out as a result of the changes. Will she now give confidence to the House by admitting that he was right, and she should have accepted those figures, which the Government now accept are correct?

Jane Kennedy: It was not clear at the time exactly what the figures were to which the hon. Member for Mid-Sussex was referring. I have dug out the answer I gave in the House in October to my right hon. Friend the Member for Birkenhead. It set out in detail those people who would benefit from the changes and those people who would lose: it set out the numbers, and the amounts per week anticipated for changes in income. That is quite clear, and I have never sought to deny it, so I do not know what the right hon. Member for Suffolk, Coastal is referring to.

Mr. Gummer: In that case, why did the Minister not make sure that the Prime Minister had those figures when he said that nobody would suffer in that way?

Jane Kennedy: I am trying to make progress, to reach the point where I can reply to the genuine concerns expressed by Labour Members.

Removing the 10p rate has enabled us to introduce further measures that reduce child poverty and remove pensioners from tax, but we have also produced a tax system with only two main tax rates applying to the same income as the two main rates of national insurance. This is now one of the simplest personal tax systems in the developed world. Having set out the benefits of the changes that we have made, I acknowledge that, as a consequence of redirecting resources as I have described, some households have less income as a result, and that those households are often on a low income. I regret that that is an effect of those changes, which is why we would have looked to help such households in the future anyway, and we intend to do that very thing in the next days and weeks.

I am grateful to my right hon. Friend the Member for Birkenhead for his kind comments, particularly his thoughtful and constructive contribution to tonight's debate. He has rightly put Ministers on their mettle, and he will want to see that progress has been made, as will other right hon. and hon. Friends. I can assure him and others listening that that work is being taken forward with great seriousness, and we are looking to respond to the concerns that have been expressed.

Mr. George Osborne: Will the Minister answer a specific point? The right hon. Member for Birkenhead (Mr. Field) said that he received an assurance from the Prime Minister and the Chancellor in private that compensation for all the groups affected would be backdated. The Chief Secretary and the Chancellor have been unable to give that commitment in public, but can she now do so?

Jane Kennedy: I do not wish to be drawn on the outcome of this further work. I say that advisedly, not intending in any way cynically to avoid the question that is being put, but it is only right and proper to undertake the work of reviewing what can be done properly and seriously, and to ensure that the Government can bring forward their commitment to do more, in particular for low-paid workers without children and pensioners under 65.

Mr. Frank Field: When my right hon. Friend reports back on the debate, I am sure that she will report that Labour Members attach huge importance to the fact that all groups will be compensated back to 1 April, and that is an issue that we hope we will not have to return to on Report, but if need be we will.

Jane Kennedy: As I have said, my right hon. Friend made a thoughtful and constructive response to the debate. I am grateful to him for the way in which he has contributed, and we will be working with him and others to take the work forwards. The Chancellor made a commitment in his letter that there are households that we want to do more to help. It would not be appropriate for the Government to commit at this stage to the detail of what measures we may consider before the report is delivered. However, I have taken note of the concerns that have been raised on the issue today and I will ensure that they are considered as part of the progress.

The results of the reforms are already there to see. As I have said, this is a wrecking amendment that would have the most serious consequences—

Mr. Ian Taylor: Will the Minister give way?

Jane Kennedy: I am sorry not to give way to the hon. Gentleman, but I really want to conclude.

We know that there is still more to do for the future. The measures in the Finance Bill, including the removal of the 10p rate and the review that is now under way are part of that continuing process. I ask the House to reject the amendment and I commend the clause to the House.

Mr. Philip Hammond: As the right hon. Member for Birkenhead (Mr. Field) said, we have had some clarification in the debate, but unfortunately none of it has come from the Financial Secretary, who has treated us to a history lesson and not much else. My right hon. and learned Friend the Member for Rushcliffe

[Mr. Philip Hammond]

(Mr. Clarke) commented on the right hon. Gentleman's achievement in that the Government have agreed to do something. The problem for the House and the right hon. Gentleman is that no one is clear what that something is. The right hon. Gentleman, in his e-mail to his fellow Members who signed the amendment last Wednesday, said that the deal involved everyone being compensated in full and would be backdated to 6 April.

Mr. Frank Field: Let us be quite straight about this. The Government have changed their position and they are starting to work. Had the hon. Gentleman and his colleagues supported the Labour amendment last year that we should work for the whole year on a programme of compensation, we would not be having this debate now.

Mr. Hammond: I am sorry that the right hon. Gentleman keeps raising the issue of his amendment last year, because it was not specific to the problem. It was an attempt to impose an ongoing constraint on the Treasury and future Chancellors of the Exchequer for all time.

Mr. Field *rose—*

Mr. Hammond: If the right hon. Gentleman will just allow me to make the point that his clarification tonight makes it clear that that package is not what has been promised to him, let alone what has been delivered. Although he was clear tonight that he has been promised backdating to 6 April for all this compensation package, the Financial Secretary, by contrast, was unable to confirm the Government's commitment to that aspect of the package.

Mr. Field: The amendment last year was about the House instructing the Government to bring forward a package of compensation to take effect with these tax changes in this Budget. That is what the Opposition did not vote on.

Mr. Hammond: As I recall the amendment, it required the Government to bring forward a package of compensation measures whenever they made proposals that negatively affected the tax position of the lowest quintile—and to do so not just once, but every time.

Mr. Field *rose—*

Mr. Hammond: If the right hon. Gentleman will allow me, I shall address some of his other points. As I understand his comments this evening, he has said that the average loss for the group of people losing as a result of the measures is £2 per week, but the maximum loss is £256 per year. However, as I understand his comments this evening, the commitment that he thinks he has achieved from the Government now is to compensate only at the average loss of £2 per week. So there will still be people out there who have lost as much as £152 a year as a result of the measures, even if the Government deliver on the possibility of compensating them all at the average rate.

The right hon. Gentleman hoped that quite a lot of the information would be available by Report, but nothing that we have heard from those on the Government Front Bench gives us any confidence that we will have a clear picture of the total package of compensation by that time. He has urged Labour Members not to be beguiled by the Conservative amendment, which the Financial Secretary has referred to as a wrecking amendment. I say to her and the right hon. Gentleman that it is not a question of being beguiled and that it is not a wrecking amendment.

The amendment should appeal as much to those who have confidence in the Prime Minister as it does to those who do not. It is an insurance policy for the House. It is a mechanism that would allow the House a guaranteed way of coming back to this issue if it is not resolved satisfactorily. The amendment would require the Government to tell the House what they have done, and they will not be in a position to do that by Report. I suggest to the House that it needs this insurance policy to ensure that the deal that the right hon. Gentleman, to his great credit, sought to do with the Prime Minister is delivered on by the Prime Minister and is not reneged on by the Government once this week's elections are out of the way and the immediate inconvenience of a Labour Back-Bench rebellion is off the books.

We need to hold the Government to account and it is the job of the Opposition to put in place the mechanism for holding them to account. That is what the amendment does, and I urge my right hon. and hon. Friends to vote for it this evening.

Question put, That the amendment be made:—

The Committee divided: Ayes 264, Noes 307.

Division No. 156] **[10.12 pm**

AYES

Afriyie, Adam	Burt, Alistair
Ainsworth, Mr. Peter	Burt, Lorely
Alexander, Danny	Butterfill, Sir John
Amess, Mr. David	Cable, Dr. Vincent
Ancram, rh Mr. Michael	Cameron, rh Mr. David
Arbuthnot, rh Mr. James	Campbell, Mr. Gregory
Atkinson, Mr. Peter	Campbell, rh Sir Menzies
Bacon, Mr. Richard	Carmichael, Mr. Alistair
Baker, Norman	Carswell, Mr. Douglas
Baldry, Tony	Cash, Mr. William
Barker, Gregory	Chope, Mr. Christopher
Barrett, John	Clappison, Mr. James
Beith, rh Mr. Alan	Clark, Greg
Bellingham, Mr. Henry	Clarke, rh Mr. Kenneth
Benyon, Mr. Richard	Clegg, rh Mr. Nick
Beresford, Sir Paul	Clifton-Brown, Mr. Geoffrey
Binley, Mr. Brian	Conway, Derek
Blunt, Mr. Crispin	Cormack, Sir Patrick
Bone, Mr. Peter	Crabb, Mr. Stephen
Boswell, Mr. Tim	Curry, rh Mr. David
Bottomley, Peter	Davey, Mr. Edward
Brady, Mr. Graham	Davies, Mr. Dai
Brake, Tom	Davies, David T.C. *(Monmouth)*
Brazier, Mr. Julian	Davies, Philip
Breed, Mr. Colin	Davis, rh David *(Haltemprice and Howden)*
Brokenshire, James	Djanogly, Mr. Jonathan
Brooke, Annette	Dorrell, rh Mr. Stephen
Browne, Mr. Jeremy	Dorries, Mrs. Nadine
Browning, Angela	Duddridge, James
Bruce, rh Malcolm	Duncan, Alan
Burns, Mr. Simon	Duncan Smith, rh Mr. Iain
Burrowes, Mr. David	
Burstow, Mr. Paul	

Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Opik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. John Baron and Mr. Nick Hurd

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John

Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Wayne David and Mr. Sadiq Khan

Question accordingly negatived.

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 304, Noes 262.

Division No. 157] **[10.26 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz

Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
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Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Mr. Wayne David and Mr. Sadiq Khan

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Durkan, Mark
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Salmond, rh Mr. Alex
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. John Baron and Mr. Nick Hurd

Question accordingly agreed to.

Clause 3 ordered to stand part of the Bill.

To report progress and ask leave to sit again.—*[Alison Seabeck.]*

Committee report progress; to sit again tomorrow.

Stephen Pound (Ealing, North) (Lab): On a point of order, Mr. Deputy Speaker. Many London Members will have been greatly disturbed to see in our local papers last Friday an advertisement placed by the Electoral Commission in connection with Thursday's mayoral elections. The advertisement shows a facsimile of a ballot paper, and suggests that the voter's mark be placed against candidate No. 6, who happens to be the hon. Member for Henley (Mr. Johnson). May I ask whether Mr. Speaker has received a request from the Justice Ministry to make a statement to the House to clear up this extremely disturbing business?

Mr. Deputy Speaker (Sir Alan Haselhurst): I am not aware at the moment of any request for a Government statement to be made. Naturally, there will be concern throughout the House—divided, no doubt, between hope and despair—as a result of the news that the hon. Gentleman has imparted.

DRAFT CONSTITUTIONAL RENEWAL BILL (JOINT COMMITTEE)

Motion made,

That this House concurs with the Lords Message of 20th March, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on any draft Constitutional Renewal Bill presented to both Houses.

That a Select Committee of eleven Members be appointed to join with the Committee appointed by the Lords to consider the draft Constitutional Renewal Bill (Cm. 7342).

That the Committee should report on the draft Bill by 17th July 2008.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Alistair Carmichael, Mr Geoffrey Cox, Michael Jabez Foster, Mark Lazarowicz, Martin Linton, Ian Lucas, Fiona Mactaggart, Mr Virendra Sharma, Emily Thornberry, Mr Andrew Tyrie and Sir George Young be members of the Committee.—*[Alison Seabeck.]*

Hon. Members: Object.

BUSINESS AND ENTERPRISE

Ordered,

That Mark Hunter be discharged from the Business and Enterprise Committee and Mr Mark Oaten be added.—*[Rosemary McKenna, on behalf of the Committee of Selection.]*

PETITIONS

Post Office Closures (Taunton)

10.40 pm

Mr. Jeremy Browne (Taunton) (LD): I rise to present a petition on behalf of residents of Taunton constituency and others on the subject of post office closures. Literally thousands of my constituents have signed this petition. It reads as follows:

The Petition of residents of the Taunton constituency and others,

Declares that the Post Office is proposing to close seven Post Offices in Taunton Deane, including Shuttern, West Monkton, Bradford-on-Tone, West Buckland, Kingston St Mary, Churchinford and Lydeard St Lawrence, all of which constitute a vital service to the residents of Taunton Deane, and whose closure will be extremely damaging to the fabric of the County of Somerset and the well-being of its communities in social, economic and environmental terms; that these Post Offices provide a lifeline for many vulnerable or disadvantaged people, and are particularly valued by pensioners and those without private transport; and that their proposed closure will risk or precipitate the closure of village shops in Somerset.

The Petitioners therefore request that the House of Commons urges the Government to reverse the Post Office's proposed Network Change Programme in Taunton Deane.

And the Petitioners remain, etc.

[P000179]

Nurses' Pay

10.41 pm

Mr. Jeremy Browne: My second petition is about the conditions experienced by nursing staff in my constituency. Once again, it has been signed by many of my constituents. It reads as follows:

The Petition of residents of the Taunton constituency and others,

Declares that the Government's refusal to backdate the pay settlement awarded to NHS nurses by the independent Pay Review Body in 2007 constitutes a broken promise to a profession that has been unfairly neglected in recent years; that the recent offer of 8 per cent. over 3 years is insufficient and vulnerable to current inflationary turmoil; and that the nurses of Taunton Deane are highly skilled and dedicated public servants who have earned a fair and rewarding pay settlement.

The Petitioners therefore request that the House of Commons urges the Government to increase the rate of pay for NHS nurses beyond the current settlement.

And the Petitioners remain, etc.

[P000178]

Single Use Plastic Bags

10.42 pm

Hugh Bayley (City of York) (Lab): Last year, more than 1 billion plastic bags were issued free of charge to shoppers in Britain, and I share the views of 1,400 of my constituents who have signed a petition asking for action to be taken drastically to reduce the number of bags. The petition reads as follows:

To the House of Commons

The Petition of Councillor Ruth Potter of City of York Council and the people of York,

Declares that the petitioners support a plastic bag free City of York and calls upon the Council to achieve this aim.

The Petitioners therefore request that the House of Commons urges the Government to introduce legislation to ban or tax single use plastic bags.

And the Petitioners remain, etc.

[P000181]

Local Bus Services (Dorset)

10.43 pm

Mr. Christopher Chope (Christchurch) (Con): I beg to present a petition signed by well over 1,000 residents of West Moors in my constituency who are bewildered by the reductions in bus services, including the loss of the direct service between West Moors and the Royal Bournemouth hospital. Specifically, they express a concern that

one of the justifications for the rescheduling is the requirement of the Bus Company to reduce the length of its routes to less than 31 miles so that it can use vehicles without tachographs which would otherwise be required under the Community Drivers' Hours and Recording Equipment Regulations 2007.

The Petitioners therefore request that the House of Commons urges the Government to reduce regulatory burdens and review the impact of the latest regulations upon local bus services.

It is then signed by the petitioners, particularly Mr. and Mrs. Roger Long.

Following is the full text of the petition:

[The Petition of customers and residents of West Moors in the Christchurch constituency,

Declares that they deplore the decision of Wilts, and Dorset Bus Company to reschedule local bus services in such a way as to remove the direct services between West Moors and Bournemouth and Bournemouth Hospital and express their concerns that one of the justifications for the rescheduling is the requirement of the Bus Company to reduce the length of its routes to less than 31 miles so that it can use vehicles without tachographs which would otherwise be required under the Community Drivers' Hours and Recording Equipment Regulations 2007.

The Petitioners therefore request that the House of Commons urges the Government to reduce regulatory burdens and review the impact of the latest regulations upon local bus services.

And the Petitioners remain, etc.]

[P000180]

NHS Services (York)

Motion made, and Question proposed, That this House do now adjourn.—*[Alison Seabeck.]*

10.44 pm

Hugh Bayley (City of York) (Lab): The past 18 months have not been easy for NHS staff in North Yorkshire and York. Despite the Government's substantial real-terms funding increases each year—including this year's increase of £51.7 million to the North Yorkshire and York primary care trust, which, for the first time, took its allocation to £1 billion—clinicians and managers in York and other parts of North Yorkshire had to close beds and restrict access to some treatment such as assisted conception and stripping varicose veins in order to reduce deficits built up by some acute trusts and, principally, by the PCT.

The frequently critical but not inaccurate press coverage of those events over the past two years or so obscures the fact that the North Yorkshire and York area is one of the healthiest places in Britain to live, with some of the best health services. We have the longest life expectancy and the lowest cancer death rate in Yorkshire. The stroke death rate, for example, has fallen 60 per cent. over the past 11 years, from 28 deaths per 100,000 to 11. That is the lowest stroke death rate in Yorkshire. The coronary heart disease death rate has fallen 50 per cent. over the same period, from 90 deaths per 100,000 to 45.

Treatment rates in North Yorkshire and York are generally good. The percentage of patients treated within 18 weeks of referral is better, at 71 per cent., than that in the Yorkshire region as a whole, at 67 per cent. Those figures are from January 2008. The treatment rate in North Yorkshire and York is better than that in nine of the 13 other PCTs in the strategic health authority area.

In my PCT, the rates for the replacement of joints and for vein stripping are both in the top quartile. In other words, more patients as a proportion of the population receive those operations than is the case in most other parts of the country. Our PCT is in the top 25 per cent. of PCTs in that respect. Overall, NHS services in North Yorkshire and York are significantly better than they were 10 years ago.

I pay tribute to the clinicians and managers in North Yorkshire and York who have worked together to reconfigure services to overcome the deficit while protecting essential services to patients. They have had to make some difficult decisions to deliver more than £20 million of savings in the year just passed. I believe that they need to be rewarded for how they made those difficult decisions to stabilise and improve health services in North Yorkshire.

The Department of Health needs to provide incentives to encourage clinicians to deliver a turnaround strategy when it is needed. North Yorkshire and York PCT faced the biggest PCT deficit in England. If there is a need for incentives anywhere in the country, they are certainly needed in my PCT area.

The PCT came into being on 1 October 2006, and it inherited a deficit of £35 million from the four predecessor PCTs in North Yorkshire and York. It is important to realise that that deficit was inherited from other managers of other health authorities, not built up by the PCT itself.

In 2007-08, the PCT turned a financial deficit of £13 million from the previous year into a surplus of £14 million at the end of March this year. In the past year, the PCT has achieved run-rate balance. That is to say that in the past year its expenditure each month was less than the income it received. That is a remarkable achievement—a remarkable turnaround for the PCT that had the worst deficit in the country. It is an achievement by the clinicians and managers who have worked together to deliver that result. It means that North Yorkshire and York PCT is no longer drawing resources away from other areas in Yorkshire with a lower life expectancy or a greater burden of disease.

I understand and support the Department of Health's policy requiring health trusts that overspend to bring their books into balance. I recognise that without that discipline every trust would overspend, and the Government would lose the financial control that they exercise on behalf of the taxpayer. However, now that North Yorkshire and York PCT is in recurrent balance, I think the Department should consider modifying its policy to a limited extent and write off the remaining historic deficit, which is about £19 million.

This year the regional authority—the strategic health authority—is expected to deliver not a deficit but a surplus of some £200 million to £300 million, so it could afford to write off some, or all, of the North Yorkshire and York deficit from a much larger region-wide surplus. It could do so without drawing resources away from other areas, because those other areas currently do not have the capacity to spend all the money that they are allocated. I hope very much that they will develop the capacity to spend their allocations in full in future years, because they have health needs that demand it. However, North Yorkshire and York will not inhibit higher spending elsewhere in future years, because its spending is now in balance

I realise that I am asking for a change in Government policy and I accept that that is unlikely to happen on the Floor of the House this evening, but I ask my hon. Friend the Minister whether she, or one of her ministerial colleagues, would meet me to discuss my proposal.

There is another matter that I should like to discuss at such a meeting: the NHS funding formula. North Yorkshire and York PCT currently receives less funding per capita than any other PCT in Yorkshire and the Humber. Last year it received £1,306 per person, compared with £1,621 per person in the best-funded PCT in Yorkshire, and an average of £1,484 per person in Yorkshire as a whole.

One other PCT in Yorkshire receives almost the same level of funding per capita as North Yorkshire and York. East Riding of Yorkshire PCT receives £1,316 per person, just £10 more than North Yorkshire and York. Both PCTs receive substantially less funding per capita than any of the other Yorkshire PCTs, and they are the only two PCTs in Yorkshire that are in deficit. I believe that there is a connection between those two facts. The better-funded PCTs are unable to spend their higher allocations, which is why there is such a significant surplus across the strategic health authority as a whole. Although they spend more per person than the north and east Yorkshire PCTs, with good reason—they have a greater burden of ill health in their areas—the north and east Yorkshire PCTs remain in deficit, at least partly because of the lower allocations per head in those areas.

Some of the costs that are directly related to rurality, such as transport costs, are not reflected in the current funding formula. North Yorkshire and York is a very big area. I can tell my hon. Friend, who is a London Member of Parliament, that from east to west is 110 miles, as far as from her constituency to Bristol, and from north to south is 90 miles, as far as from her constituency to Leicester. It is a very big area indeed. Whereas in urban areas an ambulance might travel 3, 4 or 5 miles from the ambulance station to a patient and then to a hospital, in North Yorkshire and York it might be a 50 mile trip. Given the level to which fuel prices are rising, it is easy to see why the cost of the ambulance service in North Yorkshire is rising faster than the cost in other parts of the country.

It is not just the ambulance service and ambulance staff who have to travel. My hon. Friend the Under-Secretary will know very well from her professional background in the NHS that district nurses, health visitors and Macmillan nurses travel to see patients in their own homes. Their fuel costs will of course be higher than in urban areas but, significantly, the time they spend travelling, which may be half an hour to see a patient in a rural part of north Yorkshire, is time that has to be backfilled by additional members of staff. We have, for a population of around 1 million, four district general hospitals that are 30 or 40 miles apart. We have 10 community hospitals, which would not be needed in a less rural area. All that adds to the costs of the PCT. I hope that we can discuss the funding formula if my hon. Friend the Minister agrees to meet.

York itself has within its boundaries some areas of severe deprivation—wards that are among the 20 per cent. most deprived wards in Britain—yet those areas do not receive the same level of funding per person as equally deprived areas or, indeed, less deprived areas in west and south Yorkshire. The PCT wants to use the growth money it is receiving from the Government to improve services, as they are being improved in other PCT areas in Yorkshire, and to provide additional resources for the most deprived communities in York—and, indeed, in Scarborough, where there are also some very deprived wards. However, it cannot do so at the moment because the growth money is used to deal not with the service improvements that are expected by patients across the country, but in clearing the deficit.

York's practice-based commissioning is very significantly improving primary and community care services in York. The PCT's strategy for clearing the deficit has depended heavily on reducing provision in hospitals and transferring some services to community and primary care settings where those services can be provided better and closer to patients. The York health group—that is to say the practice-based commissioning team—and the local medical committee have worked with the PCT to enable that reconfiguring of services to take place for the benefit of patients, while contributing significantly to the savings that the PCT has made in the past 18 months, which in the past year have led to its getting back into recurrent balance.

York has some very good GPs and some very good GP practices, and many of the services that Lord Darzi proposes in the new polyclinics, such as minor surgery, dermatology, audiology and some ophthalmology services,

[Hugh Bayley]

are already provided by GPs in practices in York. It is important for the Government to recognise that the health needs of all areas of the country are not the same and that a one-size-fits-all health strategy would not be appropriate in relation to polyclinics. A polyclinic provided by an independent contractor will certainly be the right response to health needs in some places, but if our PCT ended up top-slicing the resources for GP surgeries in York in order to pay for a polyclinic, it could undermine the very services that are now provided in primary care by GPs and practice nurses that have enabled the PCT to get its budget back into balance.

I ask the Minister to ensure that there is not a quick move within York to a polyclinic, and particularly not to one provided by an independent contractor, which would disrupt the reconfiguration of services that, by means of a strong partnership between the clinicians, PCT managers and managers and clinicians at the acute trust, has done so much to improve services and reduce costs in York.

11 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I congratulate my hon. Friend the Member for City of York (Hugh Bayley) on securing this Adjournment debate on funding for NHS services in his constituency. He has long been a champion of health services in York, and I commend him for the dedicated way in which he serves his constituents' interests. I had the pleasure of working with my hon. Friend on health issues even before we came into the House, and I know of his commitment, in particular to the economics of the health service.

My hon. Friend is aware that North Yorkshire and York primary care trust has faced significant financial pressure since its inception in October 2006, and by the end of that financial year it had recorded a deficit of £32.1 million, the largest in the country. However, at quarter 3 of the 2007-08 financial year the trust had significantly reduced its debt and was forecasting a deficit of approximately £19 million. The trust has also reached a position in which it is now operating financially within its means on a month-by-month basis. That demonstrates a sustained and concerted effort by the PCT to address its financial problems, and I congratulate all involved.

That progress is to be commended, but I must point out that all PCTs have a statutory duty to live within the resources allocated to them. My hon. Friend has raised a genuine point about using some of the financial surplus which has been forecast by Yorkshire and the Humber strategic health authority for the benefit of PCTs such as North Yorkshire and York PCT, which is having to tackle a sizeable deficit. I am sure my hon. Friend will not be surprised to hear that I remain of the view that NHS organisations must live within their means, but I do not underestimate how challenging it might be for those PCTs and NHS trusts that are having to pay back large deficits that have built up over a number of years. However, the Department of Health, and consequently the NHS, must live within the agreed level of resources in each financial year. That level is set by the Treasury, and voted by Parliament.

In order for the system as a whole to balance, a deficit in one organisation must be matched by a surplus elsewhere. Deficits must therefore be repaid so that the resources can be returned to the organisations that generated the offsetting surplus. My hon. Friend generously said that if that change were to be made this evening, it would mean my changing Government policy. Tempting though that might be in many instances for my hon. Friend, I feel I must show restraint, but I agree to discuss the issue with my ministerial colleagues and to meet my hon. Friend, as I am sure we would have an interesting and enlightening discussion, as is always the case with him.

At quarter 3 of this year, the forecasted net surplus for the NHS as a whole represents just 2.3 per cent. of total revenue expenditure. This surplus, all of which sits within NHS organisations, creates the necessary flexibility for the NHS to respond to fluctuations in demand, activity and cost, while maintaining sufficient funds for investment in new patient care and services. The forecast surplus is in line with our overall financial strategy and, when seen within the overall context, is a small percentage of NHS resources, but I can assure my hon. Friend that the Department is continuing to work through the strategic health authorities to performance manage the 17 organisations reporting a deficit at quarter 3 of 2007-08, in order to help to bring them into recurrent financial balance as quickly as possible.

In order to achieve financial balance in this case, North Yorkshire and York PCT agreed a service modernisation and financial recovery plan in April 2007. I believe this has now been given the full support of the local health community, and in view of this I support the action that has been taken. This set out the measures that the PCT is taking in an effort to return to financial balance in 2008-09 and deliver a 1 per cent. surplus from 2009-10.

Hugh Bayley: I accept that the primary care trust must live within its means, but does my hon. Friend accept it is right for patients in North Yorkshire and York to expect the same range of services, the same treatment rates, and the same response times and waiting times for treatment as other parts of Yorkshire and the Humber strategic health authority area? Will she send word back to the managers to ensure that the rate at which the deficit is cleared does not undermine our providing the same services in North Yorkshire as in other parts of the region?

Ann Keen: I thank my hon. Friend for that intervention. Of course it is of paramount importance that patients in that area have the standard of care expected throughout the national health service. As I mentioned, performance management is taken seriously at all times.

At the heart of all these changes, though, the PCT must not forget its primary aim, which is to commission high-quality services to meet the needs of the people of North Yorkshire and York. The commissioning of high-quality resources while addressing the financial deficit can reasonably be achieved only through the equitable allocation of funds, based on need and in comparison with PCT areas. Revenue allocations are made to PCTs on the basis of a fair funding formula, which rightly directs funding to areas of greatest need. I am advised

that although the funding per head of population for North Yorkshire and York PCT is the lowest in Yorkshire and the Humber SHA, that is accurate only when one looks at the raw population data. My hon. Friend might like to raise that point at a meeting.

A number of factors, including difference in the age of the population and in deprivation, as well as simply the size of the population, informs the weighting of NHS funding. When one examines the weighted population figure, one finds that spending per head of population in North Yorkshire and York is average among PCTs in Yorkshire and the Humber SHA area, and therefore it is not feasible to infer that North Yorkshire and York is inadequately funded.

In 2008-09, North Yorkshire and York PCT will receive, as my hon. Friend mentioned, nearly £1 billion, which is an additional £51.7 million on the previous year. That represents an above-inflation increase of 5.5 per cent., and the PCT will be 0.2 per cent. over its fair funding target in 2008-09. It will receive slightly more than required to provide services, based on the assessed needs of its population.

The allocation formula provides the best available measure of health need in all areas, and the issue of rurality has been considered on many occasions. Specifically, in calculating health need in rural areas, the formula takes account of the effects of access, transport and poverty. My hon. Friend made the point well about taking account of community workers, rather than just paramedics, and I have taken it on board. I am pleased to inform him that the Advisory Committee on Resource Allocation will, once again, address rural issues as part of its work programme. That piece of work will support revenue allocations to PCTs after the 2008-09 financial year, demonstrating our commitment to ensuring equitable funding for all areas.

I am pleased that the 2007-08 allocation has allowed North Yorkshire and York PCT to make significant progress against key national targets while addressing its financial struggles. Specifically, within my hon. Friend's constituency, York Hospitals NHS Foundation Trust should be commended on improving its Healthcare Commission quality of service rating from good in 2005-06 to excellent in 2006-07. Furthermore, I know that North Yorkshire and York PCT, like every PCT in England, is developing plans for a polyclinic in the region to improve access and better meet the needs of patients. Let me reassure my hon. Friend that the polyclinic will be funded by the Department of Health and that the PCT will not be expected to find funds from its own resources unless it chooses to commission extra services. There are no plans to close existing practices, which have often served their population well, or to force a model on to GPs, which appears to be my hon. Friend's concern.

The local configuration of health services will remain a local matter, to be determined by primary care trusts in partnership with local clinicians and patients. The overriding objective is that primary and community care should be organised around patients in ways that make sense to local communities and commissioners. Yorkshire and the Humber SHA advise me that North Yorkshire and York PCT scored an 86 per cent. satisfaction rate for overall GP opening hours in a patient satisfaction survey, and I hope that the development of any future clinics will help to improve those impressive results further.

The PCT has also addressed service provision problems, in spite of the financial challenges it faces. For example, it has commissioned 60,000 additional units of dental activity since April 2004, and more than 63,000 people have been allocated an NHS dentist across North Yorkshire and York.

I am confident that the local health economy is working together to ensure that the local population of North Yorkshire and York continues to get the best value services available. The health record of the area is commendable and my hon. Friend should be commended for raising this issue tonight and for the manner in which the debate has been conducted.

Question put and agreed to.

Adjourned accordingly at eleven minutes past Eleven o'clock.

House of Commons

Tuesday 29 April 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ST. AUSTELL MARKET BILL

Read the Third time, and passed.

TRANSPORT FOR LONDON BILL *[LORDS]*

Considered; to be read the Third time.

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Crime Reduction (Small Businesses)

1. **Mr. Philip Hollobone** (Kettering) (Con): What recent discussions he has had with the Secretary of State for the Home Department on sentencing and other policies to reduce crime against shopkeepers and small businesses. [202043]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): My right hon. Friend the Home Secretary and I take very seriously the need for the whole criminal justice system to be as effective as possible in tackling crime against shopkeepers and small businesses. The number of people convicted of theft from shops and sentenced to prison immediately has doubled in all courts in the past decade, while the average sentence length for all theft and handling cases tried at Crown court has increased from 11 months to 13 months. The Government will soon respond to the Sentencing Guidelines Council regarding its draft guidelines on theft and burglary from non-dwellings.

Mr. Hollobone: Shoplifting, theft, graffiti and vandalism and violence against small businesses and shopkeepers hasten business closures and are leading to the wider decline of our town centres and greater communities. The threat of jail for shoplifters and yobs must remain, but will the Secretary of State work with the Home Secretary to ensure that police forces, including that in Northamptonshire, use the powers that are already available to them to issue fixed penalty notices to offenders aged under 16?

Mr. Straw: I entirely share the hon. Gentleman's concern about levels of shop theft, burglary and robbery. He will be aware that in Northamptonshire there has, fortunately, been a decline in all those crimes in the past five years, particularly recently, as there has across the country. However, the levels are still too high. In answer to his specific question, yes I will work with the Home Secretary to encourage forces to issue fixed penalty notices to under-16s in appropriate circumstances, because the experience in my area, in Lancashire, is that FPNs work effectively.

Mr. Lindsay Hoyle (Chorley) (Lab): I welcome my right hon. Friend's comments that he will not treat this subject lightly and that there will be stricter sentencing. At least, I hope that that is what he is saying. Currently, small businesses and shopkeepers are suffering attacks, violence and robberies, whereas companies such as Tesco can get protection from Securicor and other security companies. Attacks on small businesses are also attacks on the people who work in them and the customers who use those shops, and simply lead to further closures.

Mr. Straw: Small shops are a vital part of local communities in urban and rural areas, so we take very seriously the need to ensure that the whole criminal justice system—from the police through to the courts—works effectively. As I have spelled out, we have been encouraging the courts to be tougher, as they have been, on theft from and burglaries of shops and other small businesses as well as large businesses. That is why the number of people sentenced to immediate imprisonment has more than doubled in recent years, and why sentence lengths at Crown court for more serious offences are rising.

Anne Main (St. Albans) (Con): Sentencing is extremely important to my constituents. Indeed, they like to read about the sentences that have been given by the local magistrates court, which is why I am disappointed to hear from my local newspaper, *The Herts Advertiser*, that for the past seven months the St. Albans magistrates court has not been providing the lists of offences to be considered in the court. What offices could the Secretary of State use to encourage the practice of making those lists more public? We have been assured that there is no data protection conflict issue, but the current situation means that local reporters cannot cover those cases and draw attention to the offences that are blighting the community.

Mr. Straw: I am not surprised that the hon. Lady is concerned about that. If I may, I shall arrange to meet her, perhaps after oral questions, to take down the relevant details and follow the matter up.

Mr. Ken Purchase (Wolverhampton, North-East) (Lab/Co-op): Has the Justice Secretary seen early-day motion 1358, tabled in my name and that of other hon. Members, about crime against small businesses? If so, he will know that it praises the campaign of the Federation of Small Businesses, which is extremely concerned that the under-reporting of crime might be leading local police forces to take it less seriously than they should. Given that less than 40 per cent. of crimes against small businesses are reported, what measures will the Secretary of State take to encourage businesses into full reporting? Every crime should be reported.

Mr. Straw: I have seen the early-day motion to which my hon. Friend draws the House's attention. It is vital that small businesses report crimes against them; in fairness to the police, they are likely to be aware of crimes only if they are reported. I think that levels of reporting are pretty consistent. The better news is that, across the country, crime against businesses, particularly shops, is going down. However, we need to do more. Along with reporting specific crimes, I encourage small business federations, at a local level, along with larger retailers, to work through community and crime reduction partnerships to ensure that there is more effective policing and that other work is undertaken to reduce crime in their areas.

Angela Watkinson (Upminster) (Con): The Havering chamber of commerce and industry has long been concerned about the level of crimes against Upminster's many small businesses and it would like to see these statistics recorded separately. Will the Minister agree to record crime against business separately so that its real level can be acknowledged and greater steps can be taken to combat it?

Mr. Straw: I am very keen on ensuring that the data are not only accurate, but much more specific. I am not passing the buck, but this is the direct responsibility of my right hon. Friend the Home Secretary, and I will certainly raise the matter with her. Some specific business crimes are separately recorded—for example, robbery of business properties, shoplifting and burglary in other buildings, which in practice refers to businesses. I will certainly follow up the hon. Lady's point.

Youth Referral Orders

2. **Ms Sally Keeble** (Northampton, North) (Lab): What assessment he has made of the use of youth referral orders. [202044]

The Minister of State, Ministry of Justice (Mr. David Hanson): The referral order at 44 per cent. has the lowest reconviction rate of any court sentence for under-18s. It is the primary community sentence for young offenders appearing in court for the first time who plead guilty and comprises about a quarter of all juvenile community sentences.

Ms Keeble: I am very grateful for my right hon. Friend's response and for the good record in respect of youth referral orders. Is he satisfied that there are sufficient resources on the ground to ensure that these quite complex orders can be properly managed and that young people can get the services they need to become constructive and functioning adults?

Mr. Hanson: I am grateful to my hon. Friend for her comments. She will know that these orders have been successful and that some 28,722 were made in 2006-07. The question of resources is indeed important. Following some challenges in my hon. Friend's own area of Northamptonshire, the local authority has reversed funding cuts to youth offending teams recently—indeed, it provided £165,000 of additional funds to support the referral order process. As I say, the issue of resourcing is very important and there is a priority for youth crime prevention. In our forthcoming youth crime action plan, we will be looking to see what further steps we can take to support youth offending teams and their disposal at local level.

Mr. Graham Stuart (Beverley and Holderness) (Con): My constituents on the Swinemoor estate in Beverley want more effective action taken against the tiny minority of hooligans on that estate. I congratulate Inspector Alan Farrow and his team on their efforts to protect the public, but what assessment has the Secretary of State made of extending penalty notices for disorder to the under-16s?

Mr. Hanson: We are looking into that issue. The question refers specifically to the youth referral order. I commend the work of the police in such areas as Beverley. I was in Humberside only a few weeks ago, looking into how the probation service was working with the Prison Service and other community agencies to tackle antisocial behaviour and other related issues. I think that it is important to look into what further support we can give, and we are currently looking into extending prevention notices. The youth referral order has been a success with a 44 per cent. reconviction rate, which is a good figure for the Government, showing the performance in respect of this particular order.

Robert Key (Salisbury) (Con): It gives me no pleasure to say that right across the country, thousands of communities—especially the parishes of Downton and Redlynch in my constituency—are dreading the onset of summer. During warm, light summer nights, a minority of young people—many drunk and on drugs—will cause low-level crime, intimidation and harassment and use bad language across these communities. When people talk to the police, the league tables on the wall are pointed out and they are told that crime is dropping. When will someone get the point that people are no longer reporting low-level crime and are not bothering to tell the police because the police do not have the resources to respond? It is no good anyone in this House trying to convince my constituents that crime, particularly among young people, is falling, with or without the youth referral orders. The problem really must be tackled if there is to be continuity of confidence in our local police and justice system.

Mr. Hanson: I think the hon. Gentleman does a disservice to the work of the police in his own community. He will know that the police actually take these issues very seriously. Over the past 10 years, we have had a 30 per cent. reduction in crime and we have more police on the streets than ever before. I am happy to receive representations from the hon. Gentleman on these important issues. Such low-level crime is significant because it damages the quality of life of people not only in villages but throughout the community. The referral order is successful in bringing individuals to court. If the hon. Gentleman looks at the range of disposals we have introduced in the past 10 years, including antisocial behaviour orders and the power for police to take young people to their parents, he will see that a number of significant measures are in place. As I said, I am happy to receive representations from the hon. Gentleman, but if he looks at the facts he will see that the Government have done a tremendous amount of work in reducing the levels of such crime.

Civil Legal Aid

3. **Mr. David Kidney** (Stafford) (Lab): When he last met representatives of the legal profession to discuss the future of civil legal aid. [202045]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): My noble Friend Lord Hunt of Kings Heath has regular meetings with representative bodies and individual providers, including the Law Society, with whom my Department and the Legal Services Commission have recently reached an agreement over legal aid contracts. That agreement will give stability and certainty for civil legal aid providers, and heralds a strong commitment to a new collaborative working approach.

Mr. Kidney: I am grateful for that answer. The Minister will know that the Ministry, along with the Legal Services Commission, has just settled a damaging dispute with the legal profession about civil legal aid contracts. Can she confirm that as a result of settling that dispute there will be sufficient numbers of lawyers taking up civil law contracts for legal aid and there will be sufficient money to pay them for the contracts, and that we will not have more court disputes between the sides over the adequacy of the scheme for the future?

Bridget Prentice: I am happy to be able to say to my hon. Friend that I think I can with confidence state that those things will happen. As he will know, increasing provision is going into legal aid. The reaching of an agreement on these contracts has, obviously, been difficult at times, but it is very important that we have done so. That shows that we can work together and achieve an agreement that makes sure that the most vulnerable will receive the access to justice that they deserve.

Mr. Gregory Campbell (East Londonderry) (DUP): What steps can the Minister take to ensure that legal aid and other legal costs that will come about as a result of public inquiries that are currently under way in Northern Ireland do not spiral out of control as they have done in the Saville inquiry?

Bridget Prentice: The hon. Gentleman makes an important point, and we are very conscious of the effect that some past inquiries have had on the whole system. We monitor this very carefully, and we will ensure that we get proper value for money in every aspect of our legal aid budget.

David Lepper (Brighton, Pavilion) (Lab/Co-op): I welcome what my hon. Friend the Minister said about the agreement that has been reached. However, will she agree to monitor the provision of legal advice, particularly on immigration and family law issues, under the new financial arrangements, because there is a fear in my constituency that there will be an increasing shortage of that provision?

Bridget Prentice: My hon. Friend makes an important and serious point. Expertise and sensitivity are required in the two areas he mentions, and it is important that we make sure they are properly covered by legal aid provision. I welcome the support we get, particularly from the not-for-profit sector, in dealing with many such cases, and I will ensure that my noble Friend Lord Hunt monitors provision in those areas.

Mr. Henry Bellingham (North-West Norfolk) (Con): May I put it to the Minister that her replies so far have been incredibly complacent? Is she aware that law firms up and down the country are giving up legal aid work on housing, immigration, mental health and family law cases? All of that was predicted in a Select Committee report of last year, which the Government completely ignored. Does she agree that the end result will be legal aid deserts and some of the most vulnerable people in society being denied justice?

Bridget Prentice: No, I do not agree at all with the hon. Gentleman, and I am disappointed that he felt he had to ask that question in the way he did. He will know that the increase in spend from the Legal Services Commission has gone up by 73 per cent. in the six years to 2006-07. We have looked into legal aid deserts in the past, and the new way of commissioning and the new contracts are in place particularly to make sure that legal aid deserts do not occur.

The third thing to mention is that we want to ensure that legal aid gets to those most in need—those who are dealing with mental health or housing issues, or with the immigration or family law matters that my hon. Friend the Member for Brighton, Pavilion (David Lepper) mentioned. This Government's approach to this series of reforms has aimed to protect those most in need.

Mrs. Ann Cryer (Keighley) (Lab): Will a young person who is seeking an injunction against family members under the Forced Marriage (Civil Protection) Act 2007 be able to access aid from September when the Act comes into force?

Bridget Prentice: Again, my hon. Friend raises a very important issue. I want to be able to tell her and the House that yes, young people will be able to access legal aid in those circumstances. It is vital that we ensure that everyone is aware of the provisions of the 2007 Act, that people feel able to access aid, whether through the not-for-profit sector or through women's or youth organisations, and that, come September, young people will be able to get the protection that they deserve and need.

Court Buildings (Wales)

4. **Jessica Morden** (Newport, East) (Lab): If he will make a statement on funding for court buildings in Wales. [202046]

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): The former Lord Chancellor and Secretary of State for Justice Lord Falconer made a statement on 25 June 2007 about a £400 million investment in new courts in England and Wales. My hon. Friend might be interested to learn that Her Majesty's Courts Service asset management committee considered a strategic outline case for a new courthouse in Newport on 23 April 2008. Further work is now required before a final funding decision can be reached.

Jessica Morden: Newport has needed a new courthouse for 25 years, and an inspection in 2002 deemed the current facilities unfit for purpose. Please could the Minister talk to the Treasury about speeding up the financial approval for this project, as it is the No. 1 priority in terms of new court buildings in Wales?

Maria Eagle: I am very happy to discuss with my hon. Friend the details of the stage that we have reached in examining potential investment in that courthouse. I accept that Her Majesty's Courts Service, regionally and nationally, has decided that the magistrates court in Newport is the most pressing priority in that area. I am happy to discuss the matter further with her, should she wish to do so.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I congratulate the Government on changing their mind on the Llandrindod Wells magistrates court, which appears to be continuing. I believe there are plans for a new court, as an area that is almost the size of Greater London is being served—although rather fewer people live there. The criminal justice system is still not well served because the custody cells have been deemed unfit for purpose, so prisoners have to be taken 30 miles to Brecon or Newtown. While the new magistrates court is being built, can we also be given a new police station, because the area would then be well served by the criminal justice system? Will the Minister visit the area so that she can understand the situation?

Maria Eagle: I am happy to take up the hon. Gentleman's offer to visit his part of the world and to look at service provision across the criminal justice system. I congratulate him on his attempt to join up government from the Opposition Benches—that is not an easy thing to do even from the Government Benches. I would be happy to talk to my right hon. Friend the Home Secretary to see what plans there are to deal with the issues that he raises.

Prisoners

5. **Mr. Adam Holloway** (Gravesham) (Con): What proportion of prisoners were not in work or education programmes in the last period for which figures are available. [202047]

The Minister of State, Ministry of Justice (Mr. David Hanson): I do not measure the figures in the way in which the hon. Gentleman has requested, but I can tell him that provisional data for 2007-08 indicate that, on average, per prisoner, 7.7 hours of education and 12.5 hours of work activity were undertaken each week.

Mr. Holloway: Obviously that sounds absolutely marvellous, but the Minister will be aware that one of his colleagues said in a written answer that I believe was given yesterday that the average prisoner does 36 minutes a day of vocational training. We all know that prisoners are half to a third less likely to reoffend if they can get a job afterwards. How much more productively could the remaining 23 hours 24 minutes be used?

Mr. Hanson: On average, each prisoner will undertake more than 25 hours of purposeful activity each week. That does not include just work or education; it could include issues related to preparation for release or a range of matters concerned with assessment of their offending behaviour. A considerable amount of work is being carried out at local level. We are looking strongly at the idea of working wings and at working with private sector partners such as Cisco and Bovis to help to support employment.

As the hon. Gentleman recognises, employment, skill levels and training are key to helping people to get back into work on their eventual release from prison. Last year, we undertook some 12 million hours of work in prison industries, producing £30 million of goods, and thousands upon thousands of prisoners underwent vocational training to learn important skills for their release.

Mrs. Madeleine Moon (Bridgend) (Lab): Does my hon. Friend agree that finding opportunities to improve education and creativity in unique ways is essential? Will he join me in welcoming the opening on 22 May of the Hay literary festival in Parc prison? A 10-day literary festival will be launched, with two books written by past and present prisoners in Parc, so the Hay literary festival will be in the prison as an outreach. Is that not a unique opportunity to promote reading and writing among prisoners and to give them the chance to enjoy new literature?

Mr. Hanson: I am grateful to my hon. Friend for drawing that to my attention. As she knows, I visited Parc prison last year and found it to be an effective centre in addressing literacy, numeracy and vocational training. She will know the importance of community outreach: representing outside events in prison is an important way to maintain links between prisoners and the community. I commend the fact that some prisoners are using their time productively to learn new skills and to contribute to things that they may do when they leave prison. I hope to visit my hon. Friend's constituency again later this year.

Mr. Simon Burns (West Chelmsford) (Con): I pay tribute to the Minister and to the Under-Secretary of State for Innovation, Universities and Skills, the hon. Member for Tottenham (Mr. Lammy), for their commitment to helping to enhance the education of prisoners who suffer from dyslexia and dyspraxia. Will the Minister work with other Departments to seek to spread to other prisons the pilot scheme that has been going on in Chelmsford prison, from within the prison system, to reduce levels of illiteracy and to enhance the ability of those suffering from dyslexia to learn to read and write so that when they leave prison their enhanced educational capacity means that they are less likely to reoffend?

Mr. Hanson: I am grateful to the hon. Gentleman for raising that point in that way. He will know that I visited Chelmsford prison in July last year and met here in the House later in the year some of his constituents who are involved in schemes in the prison to help to raise literacy and numeracy levels. The work that is undertaken in Chelmsford, often by voluntary organisations, is key to helping the prison service to raise the basic level of literacy and numeracy for individuals in prison. The House will know that many prisoners enter prison with low levels of literacy and numeracy, and low levels of self-esteem as a result. One way to help prevent them reoffending is to ensure that we raise their skill levels, especially if they have conditions such as dyslexia. We focus especially on how to raise their skill levels to help them to obtain employment in the community.

David Taylor (North-West Leicestershire) (Lab/Co-op): Many constituents who write to me in support of longer jail sentences also favour effective forms of prison-based rehabilitation through work and education. However, while the problem with drug supply in prisons persists, the presence and menace of highly addictive narcotics militates against such provision. What role does the Minister think that the zero-tolerance approach to drugs in prison, advocated by the Prison Officers Association, has in offering all prisoners the real chance of rehabilitation and recovery from addiction and of benefiting from the sort of work and education programmes to which the main question refers?

Mr. Hanson: We have to do two things. The first is to try to prevent drugs from entering prison, and we have had great success with mandatory drug tests. Secondly, we must help prisoners to get off drugs while they are with us. Some 70 per cent. of prisoners enter prison with a drug problem, and there are always challenges with individuals trying to get drugs into prison. We have dogs, CCTV and the help and co-operation of the police, but we need to control it more, which is why we have recently commissioned a review to consider what else we can do.

Mr. Colin Breed (South-East Cornwall) (LD): Is the Minister aware that in Dartmoor recently a considerable number of prisoners who were undertaking education and rehabilitation programmes or who were out on work placements were summarily removed with virtually no notice and were moved to another prison hundreds of miles away? That undermined all the work that the prison officers had been doing and decreased the support of the outside companies that had been prepared to take people on work placements.

Mr. Hanson: The hon. Gentleman will know that that issue was raised at the previous Question Time by the hon. and learned Member for Torridge and West Devon (Mr. Cox) and another hon. Member whose name escapes me at the moment. I have written to them both recently, and will send the hon. Gentleman a copy of that letter. It explains the circumstances and what we are trying to do to compensate Dartmoor and to re-sort the arrangements.

Prison Work Programmes

6. **Anne Snelgrove** (South Swindon) (Lab): What progress has been made on increasing the number of private and third sector organisations involved in work programmes in prisons. [202049]

The Minister of State, Ministry of Justice (Mr. David Hanson): Since the launch of the Corporate Alliance for Reducing Re-offending, we have established links with many employers and, as was noted in the Ministry of Justice's prison policy update published in January, we want to expand and further develop these links. I will undertake a ministerial-led forum with the private, public and third sectors in May to discuss how we can further work together.

Anne Snelgrove: That is indeed good news. I am glad to hear of the work that my right hon. Friend is doing. Does he agree that it is a concern that the Prison Service might have to impose a core day on all closed prisons? That would mean less time for prisoners to carry out such activities, which are so vital to their rehabilitation. Will my right hon. Friend look into the matter and ensure that there is sufficient time for those excellent activities to take place?

Mr. Hanson: The proposals for the core day to which my hon. Friend refers try to reorganise the operation of the Prison Service to meet the needs of the prison and the needs caused by challenging financial circumstances. We are looking at how to ensure that the same amount of time is invested in prisoners' rehabilitation and employment and in developing their other skills, but in a different time frame during the course of the week. I do not expect that prisoners will lose out as a result of the changes.

Sir Nicholas Winterton (Macclesfield) (Con): Is the Minister aware that City livery companies—not least my own, the Worshipful Company of Weavers—provide considerable assistance to Her Majesty's prisons, particularly in the purchase of equipment that enables meaningful training and other work to go on in prison? Will the Minister further encourage the work of the livery companies of this country? They often do work in prisons, which is unheralded but worthwhile, to help those who need help.

Mr. Hanson: I pay tribute to the work of the livery companies and the many private sector companies that consider what help they can give to support the work of prison industries and to help with employment and training opportunities outside prison. I want to make links with livery companies, businesses, small businesses, local government and national Government to ensure that we can try to match skills acquired in prison with placements for employment outside prison. Employment is key to preventing reoffending.

Fiona Mactaggart (Slough) (Lab): Is the Minister aware of the work of Safe Ground, a voluntary organisation that works with prisoners' families to help them to plan their future after incarceration? Will he consider how families can be involved in helping rehabilitation and reducing reoffending?

Mr. Hanson: I would be grateful to learn more about that organisation from my hon. Friend. Her point is vital. Having links and maintaining contact with families, as well as hopefully maintaining that contact after people are released from prison, are extremely important. It is a sad fact that many children of prisoners go on to a life of crime. We need to do a tremendous amount of intensive work to maintain family links and to support families' contact with prisoners.

Tony Baldry (Banbury) (Con): Is it not the reality that the chief inspector of prisons has said that there is insufficient purposeful activity in prisons and that she assessed no closed male prison as performing well? Could the Minister provide or put in the Library the statistics on the amount of purposeful activity in each of our prisons so that we can see which prisons are performing well and which are not? These questions have a sort of "Groundhog Day" quality about them. Until we try to work out who is doing well and who is not, we will continue to go around this track.

Mr. Hanson: That is a very helpful suggestion, and I will certainly look at whether we can produce those figures for individual prisons. As I mentioned in an earlier answer, prisoners in the system in England and Wales spend 25.3 hours a week on average in purposeful activity, including education, training, work, preparation for release, effective courses and community work on a range of matters. I will look at the hon. Gentleman's suggestion, and if possible, I will take up his very helpful idea.

Criminal Justice System

7. **Mr. Mark Harper** (Forest of Dean) (Con): What assessment he has made of the effect of the Criminal Justice Act 2003 on public confidence in the criminal justice system. [202050]

The Minister of State, Ministry of Justice (Mr. Michael Wills): Between March 2003 and December 2007, public confidence that the criminal justice system is effective in bringing offenders to justice rose by 5 percentage points. Other measures of confidence have also increased: respect for the rights of the accused is up by 3 percentage points; witnesses being treated well, up 4 percentage points; victims' needs are met, up 6 percentage points; and effectiveness in tackling youth crime, up 3 percentage points.

Mr. Harper: I thank the Minister for that answer. He knows, because I gave this information to the Secretary of State's office, that my late constituent, Mr. Kevin Davies—a young man with learning disabilities and epilepsy—was imprisoned and tortured by criminals in a chain of events that ended in his death. As a result of the Criminal Justice Act 2003, passed by this Government, his three captors will be released from prison in just three years' time, after having served just half their sentence. Kevin's family feel very badly let down by the justice system. What can the Minister say today to help to start restoring their confidence in that system?

Mr. Wills: I start by expressing my sympathy for the tragic loss suffered by the hon. Gentleman's constituents. I am sure that I speak for the entire House in extending my condolences. We recognise that the criminal justice system cannot put right all the hurt caused to the victims of such tragic crimes and their loved ones. Of course, we must be sensitive, and we are. That is why we keep sentencing and offences under review, so that we can ensure the best possible outcomes and strive to seek to secure justice for all.

The changes that the hon. Gentleman referred to—I can understand the hurt and anger felt by his constituents—took place in 2003 and did not introduce the system of licensed release. For many years, long before that Act and long before this Government came to power, prisoners were eligible for release on licence from halfway through their sentences. I point out that, under a Conservative Government, prisoners were eligible from a third of the way through their sentence. We have tightened up procedures for supervision on licence. We continue to keep them under review. If offenders—

Mr. Speaker: Order. It is important that perhaps the Minister writes to the hon. Gentleman. We do not have the time.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Is not an even greater threat to public confidence the way that the system is administered? In the report on the appalling death of Richard Whelan, inspectors identified

"a lackadaisical or nonchalant approach within the criminal justice system"

to things such as enforcing bail conditions, communication between parts of the system and bailing to non-existent addresses. What is going to be done about that?

Mr. Wills: We recognise that the criminal justice system has failed in certain areas. We are setting up a working party to look at that, and I understand that the Solicitor-General will take charge of it. I am sure that we will report to the House in due course on the lessons to be learned.

Keith Vaz (Leicester, East) (Lab): In evidence to the Select Committee on Home Affairs, Helen Newlove and Paul Carne—both of whose very close relatives have been killed; they are therefore the relatives of the victims of crime—mentioned in particular their concern about the rights of victims and their relatives in respect of the granting of bail and even their position in courts, as there are no designated places for victims to sit in courts. Can something be done to address those concerns?

Mr. Wills: We recognise that, in the light of those cases, we need to look at the system again. Both the Prime Minister and my right hon. Friend the Lord Chancellor have expressed their determination to do that. The Lord Chancellor is carrying out a report at the moment, and I am sure that he will bring that report to the attention of the House shortly.

Mr. David Burrowes (Enfield, Southgate) (Con): The need for public confidence cannot be greater than when sentencing terrorists. Is it not therefore totally unacceptable that convicted terrorists who are serving determinate sentences under the 2003 Act are still eligible for automatic release at the halfway point of their sentences? How many more dangerous terrorists, such as Yassin Nassari, may not now be released up to 18 days early but will still be released automatically when only half their term of sentence has been served?

Mr. Wills: I point out that a gamut of offences are covered by the term terrorism; I am sure that the hon. Gentleman appreciates that. The most serious terrorists are generally sentenced to indeterminate sentences, so his concerns do not apply.

Party Funding

8. **Richard Ottaway** (Croydon, South) (Con): What recent discussions he has had with trade unions on party funding and rules governing donations to political parties. [202051]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): In my capacity within the Labour party—I lead on party funding—I have had, and continue to have, periodic meetings with the trade unions and, of course, all others, including the hon. Gentleman's party, whenever it wishes to meet me.

Richard Ottaway: During the Secretary of State's friendly chats with the trade unions, did he point out that it would be inconsistent to cap donations to political parties from individuals and businesses while allowing the trade unions to pour money into Labour party coffers through the device of the political levy?

Mr. Straw: I have been well aware of the complexities of the situation. Not least of the matters that made it much more complex is the way in which the Conservative party has dramatically shifted its position on the issue. Originally—just a year ago—it fully welcomed Hayden Phillips's proposals as the basis for agreement, but as was said by the hon. Member for Somerton and Frome (Mr. Heath), who used to speak on the subject for the Liberal Democrats, the Conservatives then "walked away" from those talks without any justification whatever. *[Interruption.]* It is a little bit of education for the Conservative party, which has a very short memory.

My position in respect of trade union funding is that which the Conservative party set out in its evidence to the Neill committee some years ago. It said:

> "The question of trade union funding of parties is not a matter of direct concern to the Conservative Party. We recognise the historic ties that bind the trade union movement with the Labour Party."

What I would like to know is what exactly has changed since then.

Tony Lloyd (Manchester, Central) (Lab): Does my right hon. Friend agree that the concerns of the hon. Member for Croydon, South (Richard Ottaway) are perhaps a bit misplaced? The system for trade union money is, of course, very well regulated and very open. By contrast, a recent Rowntree report said in respect of the 20 most marginal Tory and Labour constituencies in the 2005 election that £53,000 was put into Labour coffers by six trade unions, while a quarter of a million pounds was given by the shadowy, shady organisations of Lord Ashcroft and Lord Steinberg, and by the Midlands Industrial Council. Who is fooling whom on this one?

Mr. Straw: My hon. Friend is correct, and I hope that the Conservative party is taking serious notice of the Rowntree report, which includes the following rather stark conclusion:

> "Although the approach taken by the Conservatives in 2005 was fully within the law, it may be argued that it represents a challenge to the principles on which spending limits are based".

We want what was proposed by Hayden Phillips—an all-party agreement so that we deal with the issue across the piece. It remains a matter of great regret to me that at the eleventh hour the Conservative party walked away from the talks, and from the basis of a draft agreement that had been brokered with it in the months leading up to those talks.

Prisoner Suicides

9. **Mark Pritchard** (The Wrekin) (Con): How many suicides occurred in prisons in England and Wales between March 2006 and March 2007; and if he will make a statement. [202052]

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): There were 73 apparent self-inflicted deaths in prisons in England and Wales in the 12 months between 1 April 2006 and 31 March 2007.

Mark Pritchard: Does the Minister recognise that from Leeds to Lewes and from Cardiff to Chelmsford the number of prison suicides continues to rise? In 2007, there were 92 such deaths—an increase of 37 per cent. When will the Government take action to ensure that our prisons are appropriately staffed and that there are enough suicide-watch cells available, so that we can reduce that increasing figure?

Maria Eagle: Of course I take careful note of the trends that develop over time in respect of that issue. The hon. Gentleman will know that random fluctuations occur, and that year-on-year figures are not the best way of following underlying trends, whereas three-yearly figures are. However, one suicide in prison is one too many. All the staff in the Prison Service—everybody working on the issue—and I are doing our utmost to improve the capacity that we all have to defend and protect the people concerned, many of whom are extremely vulnerable, from the impulse to do themselves harm.

It should be remembered that good care and support from staff save many, many lives, but such instances are under-reported or unreported. Prison staff are at the front line in trying to make sure that we reduce the number of suicides and self-inflicted deaths in prison. They go a good job generally, but we deal with a difficult and vulnerable population, many of whom wish to do themselves harm. We must redouble our efforts, and that is my intention.

Mr. Edward Garnier (Harborough) (Con): The Secretary of State for Justice famously said recently that he was not losing any sleep over the parlous state of overcrowding in the prison estate. It is in the most overcrowded prisons that the suicides tend to happen. There were 800 suicides between 1997 and 2007. While the Secretary of State was not losing his sleep, individual prisoners were losing their lives. Will the Minister please apply her mind to breaking the back of overcrowding? Although prisoners deserve to be in prison, they should not be placed in such circumstances—about 75 per cent. of them have at least two mental illnesses—that they are driven to take their own lives or self-harm in huge numbers. It is no good this complacent Government displaying a complacent attitude while the criminal justice system is in the state that they have presided over.

Maria Eagle: I absolutely reject the charge that any complacency whatever is displayed by the Government or by Ministers in the Ministry of Justice in respect of prison suicide and self-harm. We are working extremely hard with the Prison Service staff and those in safer custody units across the prison estate to try to minimise

the impact of self-harm, sujcide and self-inflicted deaths on individuals, many of whom are extremely vulnerable and go into prison with risk factors. It is a complex area. I do not believe that there is any direct evidence that overcrowding in itself leads to increased numbers of deaths, although clearly some aspects of overcrowding can lead to increased distress in individual circumstances. These are individual matters, but it is absolutely not the case, and I reject the suggestion, that the Government or the ministerial team are complacent about the matter.

Topical Questions

T1. [202033] **Mark Pritchard** (The Wrekin) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): My principal responsibilities are to help to protect victims and the public, to secure a reduction in offending and reoffending, and to promote a rigorous democracy. I am delighted about the contribution that the agencies for which my Department is responsible have made towards a further significant reduction in crime, which was announced last Thursday. We are the first Government since the war to have secured a significant reduction in crime, rather than the continual increases in crime that took place under previous Administrations.

Mark Pritchard: With increasing public concern and frustration about the leniency of many custodial sentences handed down to those convicted of murder, does the Secretary of State believe the time is right to review the minimum tariff for conviction of murder, which currently stands at only 15 years and which, as we all know, is decreased by so-called good behaviour? Is it not time that life meant life?

Mr. Straw: I am always happy to receive representations about sentences, including those for the most terrible crimes. However, I point out to the hon. Gentleman that where a tariff is set, as there is for life sentences, there is no remission for good behaviour. The prisoner must serve the full period of that tariff—15 years in the case that the hon. Gentleman quotes, and in many cases very much longer—before he or she is eligible for any application for parole.

T2. [202034] **David Taylor** (North-West Leicestershire) (Lab/Co-op): Freedom of information is central to increasing public confidence in the civil service, whose core values the Secretary of State described as impartiality, integrity, honesty and objectivity. Sadly, in recent FOI correspondence, Ministry of Justice officials confess that the Department for Constitutional Affairs failed during most of its brief life to keep or publish a central register of private hospitality received by senior civil servants. What is the Secretary of State doing to remedy that lamentable lapse?

Mr. Straw: As my hon. Friend knows, I took over a new Ministry last June and it has been all very good since then. I should also say to my hon. Friend that I want the maximum of information to be brought out, including about private entertainment by officials. Earlier, I had an endorsement from the hon. Member for Lewes (Norman Baker) for the fact that, in general, my Ministers and I always seek to provide the maximum of information, whether in parliamentary answers or responses to freedom of information requests.

Nick Herbert (Arundel and South Downs) (Con): Next week marks the first anniversary of the Ministry of Justice. Yesterday, one independent report condemned a culture of complacency in the criminal justice system; another warned that our electoral system is at "breaking point". Apart from releasing 25,000 prisoners early, what does the Secretary of State think his Ministry has achieved in the past year?

Mr. Straw: My Ministry has achieved a considerable amount in the past year, including a dramatic reduction in crime, as I mentioned just a few minutes ago—if Conservative Members paid attention, such nugatory questions would not have to be put by their Front Benchers. There has been a one-third reduction in crime, including a one-third reduction in violent crime—*[Interruption.]* I am asked what contribution we have made, and I have mentioned exactly that contribution, because we are responsible for about half the criminal justice system.

I am delighted to say that at long last the Leader of the Opposition has accepted, under questioning, that that reduction in crime, which he had been denying, has happened. He was asked in a BBC interview whether overall crime figures were falling and finally he said, "Yes—absolutely, absolutely." On that occasion, if on no others, he was dead right.

Nick Herbert: Back in 2004, the Government said that they were sympathetic to individual voter registration. Yesterday, the Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), said that she was still considering the issue. The Government have waited four years, but we still have local elections this week under an electoral system that, as the Rowntree report said yesterday, is "vulnerable to fraud". Will there be individual voter registration in time for the next general election—yes or no?

Mr. Straw: The hon. Gentleman knows that establishing individual registration and ensuring that it works effectively will go beyond 2010. That is the truth of it, and it would be the truth for any political party. In any case, as he knows, if the next election is fought in 2010, it will be based on registers that will be completed this October through to December.

As far as postal votes are concerned, I remind the hon. Gentleman that the decision to extend postal voting was made on an all-party basis in about 2000-01. I accept, as does my hon. Friend the Member for Lewisham, East (Bridget Prentice), who is in direct charge of the issue, that we have to tighten the system further. It has already been tightened, but it needs to be tightened further. However, that is not directly germane to the issue of individual registration. We need to deal with postal voting—in my view, as soon as we can—to introduce individual registration as well.

T5. [202039] **Mr. Gordon Marsden** (Blackpool, South) (Lab): Having campaigned strongly on the issue, I very much welcome the Government's initiatives for separate special areas for witnesses and victims at magistrates

courts, including my own in Blackpool. What feedback has the Secretary of State had on the impact of those initiatives, and what plans does the Ministry have to expand them?

Mr. Straw: In the past 10 years, there has been a quiet revolution in how victims and witnesses—particularly those for the prosecution—are treated within the criminal justice system. We are anxious to build on that experience and extend it. Becoming a witness in court, particularly if the person has also been a victim of the crime, is a frightening and sometimes terrifying experience. The more assistance that the victims and other witnesses for the prosecution are given all the way through the system, the better—to ensure that those guilty of the crimes are convicted.

T3. [202035] **Sir Nicholas Winterton** (Macclesfield) (Con): The Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), has recently replied to a large number of questions that I have tabled on postal voting, and I am grateful to her for those full and detailed replies. However, does she not agree that it is no longer sensible for postal votes to be sent out only 11 days before polling day? Many of them do not get to the people abroad who wish to vote in time to be returned and counted in the election. Will the Under-Secretary consider lengthening the time allowed for the process and ensure that the postal votes are sent out more than 11 days in advance, so that postal voting abroad is meaningful?

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I have indeed replied to the hon. Gentleman on this matter very recently but, although I have some sympathy for his concerns, I repeat that two important points need to be made. First, we have already extended the time from six to 11 days, because the administrators also felt that more time was needed. Secondly, after candidates have been nominated, the administrators need time to make sure that the nominations are valid and to order and produce the ballot papers. There is a balance that we have to get right. People living abroad who retain the right to vote in this country can opt to use a proxy vote if the postal vote is not suitable.

Dr. Nick Palmer (Broxtowe) (Lab): The Select Committee on which I have the honour to serve under the right hon. Member for Berwick-upon-Tweed (Mr. Beith) is currently looking at the costs and benefits of alternative forms of punishment. In view of the deterrent effect that the confiscation of criminal assets in connection with drug dealing has had, does the Secretary of State feel that it is time to consider charging the costs, or part of the costs, of imprisonment or other punishment to the criminal rather than to the taxpayer?

Mr. Straw: The Prison Act 1952 provides that the costs of running prisons have to be met from the public purse. If my hon. Friend were to think about the consequences of trying to charge prisoners for prison, he would see that they could be very difficult. Indeed, Charles Dickens made it clear that, even in the early 19th century, felons in criminal prisons did not have to pay the costs of their prison accommodation—although, as it happens, debtors did. We want to ensure that criminals pay for the crimes that they commit through compensation measures, and we also want compensation orders to be better enforced.

David Howarth (Cambridge) (LD): May I return to the report on Anthony Joseph, which my right hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) raised earlier? Does the Secretary of State agree with the report's conclusion that there was nothing to suggest that Joseph was suffering from a severe mental illness? After all, serious concerns had been raised about Joseph's mental state since he was 15, and he had reported self-harm to the prison authorities—itself a warning sign. Moreover, the fact that prisoners are 10 times more likely to suffer from severe mental illnesses than members of the general public means that simply being in the system is another warning sign. Does not the case show that there is an urgent need to ensure that resources are directed not to massive prison building programmes, but to mental health screening and treatment?

Mr. Straw: There was a failure in this case, and it is a matter of huge sorrow to everyone involved. There has been a thorough inspection of what happened, with the aim of ensuring, as far as is humanly possible, that such things do not happen again. The hon. Gentleman asks about mental health provision, but we do need to provide more prison places. One result of our getting on top of crime and criminality is that more people are prosecuted for serious offences and are being sentenced to jail for longer. That is fundamental if, having got crime down by a third in the past 10 years, we are to get it down even further. That said, however, we have greatly improved mental health provision in prison, and Lord Bradley is looking at how we can improve it further. We are also looking at more effective ways to improve mental health facilities outside prison.

T7. [202041] **Fiona Mactaggart** (Slough) (Lab): Recently, *The Times* reported that the president of the family division had raised concerns with the Lord Chancellor about the reduction in the number of non-molestation orders taken out by women victims of domestic violence. At the same time, the number of reported domestic violence incidents has increased, and there has been a 23 per cent. increase in prosecutions and a significant rise in the number of convictions. Are women safer or less safe following the Domestic Violence, Crime and Victims Act 2004?

Bridget Prentice: My hon. Friend referred to the concerns of the president of the family division. I have met some of the judges in the family division to discuss these issues. We are trying to gather together some evidence from their experience and elsewhere to see whether this concern has to be urgently addressed. Since the introduction of the special domestic violence courts, we have a far higher success rate in convictions, with over 70 per cent. of convictions as a result of those courts.

The introduction of independent advisers has been hugely helpful in encouraging women to come forward to get protection and to take the case through the justice system. We are concerned about these issues and we are in discussions with the judiciary about them. However, following the Act and the work that this Government have done in trying to protect vulnerable

women from domestic violence, we should be grateful that this happening. We should not only monitor the concerns that are being outlined but ensure that more women come forward in order to stop this heinous crime.

T4. [202036] **Norman Baker** (Lewes) (LD): Is the Secretary of State aware that over the past five years 1,723 documents have gone missing on their way from Government Departments to the national archives, and that those highly political files include some on the Stephen Lawrence inquiry, the Iranian embassy siege, and Cabinet Office documents relating to how the European Union perceives the United Kingdom? Will he place a list of those missing documents in the Library, press all Departments to find those missing documents, and report back to the House in due course?

Mr. Straw: I am now aware of the extent of these missing documents. I will certainly look into it. The hon. Gentleman will understand the quite intense difficulty sometimes of proving that something is missing until someone is looking for it, but I will do my best and inform the House.

T8. [202042] **Mr. David Kidney** (Stafford) (Lab): Given the potential for terribly tragic consequences when the different parts of the criminal justice system fail to work together effectively, do Ministers agree that good, effective information and communication technologies are not merely desirable but essential; and do they accept that public procurement of such systems in the criminal justice system has not yet been good enough and needs to be better?

Mr. Straw: The answer to both my hon. Friend's questions is yes. Ensuring that there is adequate sharing of information between the different criminal justice agencies and that each agency thinks across the piece is fundamental to ensuring that the kind of tragedy that has occurred in this case does not occur again.

T6. [202040] **Simon Hughes** (North Southwark and Bermondsey) (LD): When will the Government come forward with their plans for a modern, fair, sympathetic and open coroners system for inquests, about which there has been so much concern; and have they accepted that secret inquests, or inquests without juries, are not a good idea?

Mr. Straw: As the hon. Gentleman will know, detailed proposals were published with a draft Bill in respect of a major reform of the coroners system, and we hope to bring that forward in the next Session.

Points of Order

3.33 pm

Mark Pritchard (The Wrekin) (Con): On a point of order, Mr. Speaker. On 13 March, I received a written ministerial reply on the important issue of animal experiments. In the reply, the Minister referred to pygmy gorillas. I have conducted searches and spoken to zoologists throughout the world, and there is no such creature or species as a pygmy gorilla. I do not expect the Minister to be a zoologist, but I do expect accurate and up-to-date ministerial replies. I seek your guidance, Mr. Speaker.

Mr. Speaker: I cannot help the hon. Gentleman. I have never come across a pygmy gorilla.

Bob Spink (Castle Point) (UKIP): On a point of order, Mr. Speaker. I seek your advice. Column 111 of yesterday's *Official Report* shows the deeply respected right hon. Member for Birkenhead (Mr. Field) complimenting my work in the House, and inadvertently mentioning that I was expelled from the Conservative party. As those on the Tory Front Bench know very well, and as the letters, e-mail exchanges and record show, I resigned from the Conservative party. A day later, the Tory Whip was withdrawn. How can I ensure that the record is corrected? We have enough spin in this place.

Mr. Speaker: That is now on the record.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Further to the point of order raised by the hon. Member for The Wrekin (Mark Pritchard), may I say that the new Ministry of Justice is responsible for many things, but not for pygmy gorillas, whether they exist or not? The matter is the responsibility of the Home Office, but I am happy to pass on the message.

Norman Baker (Lewes) (LD): On a point of order, Mr. Speaker. Department for Transport written answers relating to Network Rail tell the Member who asked the question to write to Network Rail. As a consequence, the answer subsequently provided does not appear in official records, whereas other external bodies provide answers through Ministers, which are therefore recorded officially. Will you, Mr. Speaker, take the matter up with the Department for Transport to ensure that the record is available to all, not simply to the Member who asked the question?

Mr. Speaker: It is up to Ministers how they answer, or to determine who answers the hon. Gentleman.

Mr. Andrew Robathan (Blaby) (Con): On a point of order, Mr. Speaker. I wish to assist the House: the record relating to the hon. Member for Castle Point (Bob Spink) is actually correct.

Mr. Speaker: I do not wish to get drawn into those matters.

Butler and Tanner

3.36 pm

Mr. David Heath (Somerton and Frome) (LD): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 24, to debate a specific and important matter that requires specific and urgent attention, namely,

job losses at Butler and Tanner in Frome, a book printing company of national and international reputation.

Over the weekend, 287 employees of Butler and Tanner were sent letters, informing them that they had been made redundant with immediate effect and that the company would go into liquidation. In a town the size of Frome, the loss of 300 jobs is a serious blow, and it is not the only factory closure in the west country in recent days. Butler and Tanner is a highly respected firm that is more than 150 years old. It does the highest quality colour book printing, was awarded the title "Book Printer of the Year" last year, and in recent years it has printed books by Delia Smith, Nigella Lawson and the BBC "Planet Earth" series. A year ago, it was taken over by a venture capital company, Media and Print Investments. Mr. Mike Dolan, the chairman of MPI, in an extraordinarily intemperate press release, blamed the closure entirely on the threat by the trade union Unite, which represents two thirds of the work force, to take strike action in response to new contracts.

We need a debate to ensure that, first, staff receive their due pay and pension entitlements. Mr. Dolan says that suppliers will be paid, but that workers

"will be paid by the government."

Secondly, we need a debate to ensure that all the appropriate agencies work together to find new opportunities for re-employment, and, thirdly, we need to investigate the circumstances of the closure. I do not know the details of the impasse between the management and the unions, but I know that ACAS talks were continuing in good faith. Meanwhile, Mr. Nolan was preparing to issue redundancy notices and, earlier in the week, he had already warned security staff that they would be needed over the weekend.

The staff of Butler and Tanner have been notably loyal for many years. They have made sacrifices: they took an 8 per cent. pay cut last year, and offered a 5 per cent. cut this year to keep the company going. They have been treated shabbily. I am also alarmed by the conjecture that, having closed the company, MPI might create a phoenix company using Butler and Tanner assets, but a non-unionised work force. That is more redolent of a Victorian mill owner than a modern industry, and I deplore the suggestion.

Mr. Speaker: I listened carefully to the hon. Gentleman, and I have to give my decision without stating any reasons. I am afraid that I do not consider the matter that he has raised as appropriate for discussion under Standing Order No. 24 and I cannot, therefore, submit the application to the House.

Right to Roam (Mobile Phones)

3.39 pm

Greg Clark (Tunbridge Wells) (Con): I beg to move,

That leave be given to bring in a Bill to make provision about roaming by mobile phone users between telephone networks within the United Kingdom; to make provision about the sharing of transmission masts; and for connected purposes.

Mr. Deputy Speaker, think back to the last time you went overseas. The chances are that you took your mobile phone. Think of the number of times you lost coverage as you went from one spot to another. That happens infrequently on the continent of Europe because one is transferred seamlessly from one network to another whenever the signal from the home network seems to falter. However, if you think of the last time you made a significant journey in the United Kingdom, whether by rail or road, how many times was a conversation cut off outside London?

In this country, mobile phone companies restrict people to their networks without transferring them to where signals are strongest and best. It is not as if we have blanket mobile phone coverage in this country—only 65 per cent. of the population is currently covered by all four 2G mobile phone companies. That figure drops to 28 per cent. in Wales, an area that several of my hon. Friends represent. Given that we do not have blanket coverage, it is worrying that we do not allow people to access the optimal coverage to which they should be entitled.

The Bill is simple and would achieve two things. First, it would allow mobile phone subscribers in this country the right to roam. If their home network did not offer a strong signal, they would be flipped automatically to the next strongest available signal. Secondly, it would encourage mobile phone operators to share masts throughout the country so that they had the same equipment.

The Bill's benefits are firmly and unashamedly in the interests of consumers, and would transform mobile phone reception overnight. Gone would be the interrupted conversations, such as those that I experienced when travelling the 15 miles between Tunbridge Wells and the county town of Maidstone last Friday. Both towns are less than 40 miles from London and only 15 miles apart, yet I was cut off five times. There is no reason for the existence of five black spots. The Bill would correct that and we would move overnight from having 65 per cent. to 98 per cent. coverage of the population because 98 per cent. of the United Kingdom has at least one mobile phone company serving it.

The figures would be even more dramatic in rural areas. In Wales, the coverage would increase from 28 per cent. to 90 per cent. I daresay that coverage in Scotland, too, would increase. That would mean a transformation in the services enjoyed by rural communities throughout Britain.

The Bill would benefit people throughout the United Kingdom, especially those in rural areas, not only because of immediate uptake but because it would provide a strong return on the investment in new masts in areas of sparse population. If a mobile phone mast has to be erected to serve the subscribers of only one network, it may not be worth it. However, if all four network subscribers can benefit, the economics are transformed.

The Bill also has advantages for urban and suburban areas because, rather than having four separate masts, often side by side, thus blighting the landscape of our towns, cities and suburbs, mast sharing and roaming would allow mobile phone operators to share a single mast and reduce the environmental impact.

Last but not least is the important effect on safety. It is important, in the event of an accident or if people feel vulnerable, especially if they are in remote areas, that they can make a call home or to a loved one if a signal is available. Scandalously, save for 999 calls—this shows that it is technologically possible—it is not possible for subscribers to one mobile phone company to use the signal of another, even when incidents occur that create insecurity. That is especially threatening to women, and we should give greater protection to women travelling in remote areas.

In the past 24 hours, I discovered that the problem can be even more significant. I have been contacted by someone with responsibility for disaster and emergency control who pointed out that, when incidents such as catastrophic storms occur, engineers and rescue teams can be reliant on a mobile phone network that has been put out of action. I have been told of a rescue team having to buy SIM cards from an overseas phone operator in order to get the roaming in this country that it would expect in order to have that degree of resilience. Indeed, the minutes of a West Sussex county council safety committee record that a

"key lesson...from the train derailment at Grayrigg in February 2007"

was that the

"train company's communication system was dependent upon the Orange network, but this network was disrupted because its cables ran alongside the railway line where the accident had occurred. This highlighted the need to have broader mobile phone coverage".

It is time to act before further tragedies are made worse by poor communications.

What are the arguments against my proposal? They cannot be technical arguments, because the fact that we can roam whenever we take our phones to the continent or make 999 calls shows that my suggestion is perfectly possible. It could be argued that companies want to compete on the basis of their extensive network coverage. However, 3G companies are obliged to offer at least 80 per cent. network coverage, so we have already made a public policy decision that broad coverage is in the interests of consumers. Why should rural communities be the only ones to lose out?

It could be argued that it is important that phone companies should make a return on their investment in masts. However, roaming and the use of masts would not be free of charge; rather, a fee would be paid for the use of competitors' masts. Those companies that had invested most extensively in masts throughout the country would therefore enjoy the greatest returns.

The argument against my proposal is nothing to do with constraints in competition law, either. In fact, T-Mobile and O_2 proposed precisely such a roaming agreement in 2003, to cover those parts of Wales that suffered reduced coverage. That was cleared as being pro-competitive by the European Commission. The arguments against my proposal therefore fall away.

There is nothing to stop my proposal being taken up. In fact, there is already a precedent, in ATMs. It is no longer the case that someone who wants to use a Barclays ATM in a village needs to be a Barclays customer. NatWest customers can use it, too. We have interoperability of ATMs; we should have exactly the same for mobile phones.

My Bill would not compel mobile phone companies to operate in that way; it would encourage them to do so. Sometimes we need to stop immediately short of legislative solutions that rely on compulsion. However, if the Bill enjoys the support of the House today, I hope that it will send a signal to the mobile phone operators, the regulators and the Government that the House favours that direction.

A former Chancellor of the Exchequer once told the House that mobile phones were a scourge of modern life. I am not sure about that, but we can at least accept that they are a fact of modern life. Customers should not be prevented from having the best possible network coverage, and they should be allowed to move into the modern world.

Question put and agreed to.

Bill ordered to be brought in by Greg Clark, Mr. Stephen Crabb, Mrs. Maria Miller, Nick Herbert, Mark Pritchard, Gregory Barker, Mr. Robert Goodwill, Mr. Tobias Ellwood, Michael Fabricant, Mr. Ian Liddell-Grainger, Mr. David Ruffley and Dr. Andrew Murrison.

RIGHT TO ROAM (MOBILE PHONES)

Greg Clark accordingly presented a Bill to make provision about roaming by mobile phone users between telephone networks within the United Kingdom; to make provision about the sharing of transmission masts; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 6 June, and to be printed [Bill 101].

Dr. Liam Fox (Woodspring) (Con): On a point of order, Mr. Deputy Speaker. Yesterday, during Defence questions, Ministers were asked directly whether we would be deploying extra troops to Kosovo, and no clear answer was given to the House. Today, it has been announced through a written statement that 600 troops will be sent. It is inconceivable that Ministers did not know that when they came to the House yesterday, and it was a disgrace that they were not frank with the House, and with our armed forces and their families. We have questions to ask about how much this will cost, who will pay, and how we will find the strategic airlift capability to make the deployment possible without undermining our air bridge to Iraq and Afghanistan. While we do not oppose the deployment, it is unfortunate, to say the least, that our part-time Defence Secretary did not come to House to make the announcement, and that while Ministers deploy our brave servicemen and women abroad, they do not have the courage to tell us to our faces.

Mr. Deputy Speaker (Sir Alan Haselhurst): I hope that the hon. Gentleman understands that despite his exasperation over this apparent sequence of events, it is up to Ministers to decide the method by which they inform the House of matters. I note that the Minister of State referred to the imminent conveyance of information. The Chair cannot be expected to comment on the adequacy of a response in a particular case. I can only say to the hon. Gentleman that he has put his strength of feeling on record and that there will, of course, be other opportunities for him to pursue the matter.

Orders of the Day

Finance Bill

(Clauses Nos. 3, 5, 6, 15, 21, 49, 90 and 117 and new Clauses amending section 74 of the Finance Act 2003.)

Further considered in Committee [Progress, 28 April].

[SIR ALAN HASELHURST *in the Chair*]

Clause 49

GREATER LONDON AUTHORITY: SEVERANCE PAYMENTS

3.52 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): I beg to move amendment No. 17, page 25, line 21, leave out '2008' and insert '2009.'.

I suspect that the debate will be relatively short—the Committee has a heavy agenda—but it is timely. Hon. Members will agree that we could not let the opportunity pass of discussing something that touches on arrangements for the Mayor of London and the Greater London assembly when that is very much in the public eye.

There is much activity ahead of Thursday's London mayoral election. One blog that I read this morning even reported that shredders working overtime in the basement of City Hall were responsible for blowing its electrical system and causing the basement to flood. Whatever is going on in City Hall—it will be interesting to discover just how many documents have been shredded and how many computer hard discs have been crushed—it is clear that as the Livingstone regime draws to an end, the Labour party is determined to look after the soon to be ex-Mayor, which is as clear a demonstration as we could ask for that it has written off his chances on Thursday.

Amendment No. 17 is probing. It gives us the opportunity to raise important issues and, hopefully, to gain an understanding of the Government's thinking on this specific measure and, perhaps, slightly wider issues. Unless the Financial Secretary sorely provokes me when answering my questions, I do not expect that I will press it to a Division.

Essentially, four separate questions arise out of clause 49 and the amendment, the first of which is whether severance payments should be made to the outgoing Mayor of London. I understand that that is not the practice for other elected mayors. The Government have come under pressure from representatives of councillors throughout the country—I think that the body is called the Councillors Convention—to extend arrangements for severance payments to elected members of local authorities. Do the Government have any plans to extend the availability of such payments, or is this a Ken special and what Brian Paddick has referred to as "Labour looking after its own"?

This House granted powers to the Greater London authority, in the Greater London Authority Act 2007, to set up a scheme for termination payments. In the spirit of devolution, therefore, we have to accept that the decision is no longer ours, but one for the assembly. The assembly must account for that decision to its electorate, who were promised, when the assembly was set up in 2000, that the cost of the Mayor and assembly together would be 3p a week to each council tax payer. Under the Livingstone regime, the spin doctors, publicity, staffing, jollies, jaunts and left-wing jamborees have spiralled out of control, so that the non-borough council tax element in London is now three times higher than it was in 1997-98. A £70,000 payment to the ex-Mayor on his departure will make his going entirely in keeping with the manner of his occupation of the office.

The second question to be addressed, which is more directly relevant to this Committee, is whether the payment should be given tax-privileged status. The measure brings the treatment of a severance payment to the Mayor into line with that of termination payments to Members of Parliament. However, I note that a Mayor aged between 55 and 64, with three years of service, will get rather more than twice as much as an MP of a similar age who has completed a similar length of service.

When I looked into the statute underlying this issue and the arrangements for Members of Parliament, I was surprised to discover that the resettlement grant is payable to Members whether or not they achieve office. As I understand it, a Member who retires is treated in the same way as one who offers himself for election but fails to be elected. I understand that a similar arrangement will be in place for the GLA. The payment is not so much the equivalent of a redundancy payment in the private sector, but a payment that will be made in all cases to a Mayor when standing down. If I am wrong, I am sure that the Minister will correct me, but that is what I have gleaned from the papers published by the House authorities and from my understanding of the GLA scheme.

The general rule is that redundancy payments of up to £30,000 are not taxable if they are ex gratia—if they are not provided under the terms of the contract of employment. Interestingly, Her Majesty's Revenue and Customs has been seeking to widen the definition of what is provided under a contract of employment to include not only what is provided for in the specific terms of a contract, but benefits that are provided on a routine or customary basis upon termination. Employees have long been able to argue at tribunal that something has been customary in their employment, so it is understandable that HMRC now seeks to extend that logic to attack payments that are non-contractual, but customary, on termination of employment. Given that the Treasury controls HMRC, it is unclear to me why, on the one hand, it seeks to limit the scope of the £30,000 exemption while, on the other, it proposes to extend it in this Bill.

I am certainly not arguing that Members of Parliament should have special treatment which should not then be available to others. Indeed, as I have said, I was surprised to discover that the practice of granting tax-free status extended to payments irrespective of whether the Member had suffered an involuntary redundancy, as it were. Why are payments like this given favourable statutory tax treatment when any other termination payment has to be defended on a case-by-case basis against the Revenue? It is not clear to me why Members of Parliament and Mayors of London should be offered statutory protection from such a challenge.

4 pm

If we believe that this discrimination between the treatment of politicians and that of everyone else is indefensible—and having now studied it, I think it is—why on earth are we extending it? Surely two wrongs do not make a right. If we are uncomfortable with the current regime, should we really seek to extend it to include the Mayor of London? Perhaps there is a specific reason for defining the tax treatment for MPs in statute, and then a specific reason for extending such treatment to an outgoing Mayor of London. If so, I look forward to hearing the Minister's explanation of the thinking behind that logic.

The third question is a matter of the timing—hence amendment No. 17 to change the commencement date of this provision from April 2008 to April 2009. I have assumed that the measure before us is not technically hybrid, but there is something uncomfortable—this is not specific to the current, about-to-be former, Mayor of London, but a more general point—about dealing with public legislation that specifically benefits a defined individual or small group of individuals. It means that the merits of the measure inevitably cannot be considered in isolation from the debate about the merits or demerits of the individual or individuals concerned or the manner and circumstances of that individual's going. I thus ask the Minister whether we should put this change clearly beyond any hint that it could benefit any specific individual currently at risk of receiving a termination payment.

The fourth question is whether there should be a rethink about what is or is not tax-free on termination. I understand that the Liberal Democrats have tabled a broader amendment that looks at the tax treatment of termination payments more generally, rather than just how to deal with Members of Parliament or Mayors of London, so the House will have an opportunity to reflect in further detail when that amendment is debated. It raises the interesting issue of the Government's general view on this area of taxation of income.

I look forward to hearing the Minister's explanation of the thinking behind this clause, particularly of why the Government are proposing to extend the statutory tax relief. I look forward to hearing clarification of whether the Government have any plans to extend it further to any other parts of local government, clarification of the Government's view on the tax treatment of MPs' resettlement grant payments, and perhaps clarification of the wider issue of the taxation of termination payments.

Rob Marris (Wolverhampton, South-West) (Lab): Perhaps the hon. Gentleman will tell us whether he believes the Greater London authority is more akin to a devolved Assembly, such as those in Scotland, Wales and Northern Ireland, or more akin to a council?

Mr. Hammond: That is a fair comment. It has many of the characteristics of one of the devolved Assemblies, but not all of them. It would also be fair to ask whether elected executive mayors, taking on a full-time role in managing a big city, could reasonably argue that they should be treated in the same way as the Mayor of London is apparently to be treated. That is why I put the question to the Minister. She is a Treasury Minister, so I assume that her instinct will be to resist all pleas for tax-preferential treatment. As I have said, however, pressure is being put on the Government by organisations representing other elected members, and I would be interested to hear the Government's take on this issue.

As I have made my points reasonably, I should also like to hear whether the Minister agrees that there is a problem when such a provision, which is perhaps intended to have a general and continuing effect, clearly becomes entwined with the fate and fortunes of an individual. We in this Chamber cannot in honesty claim to be able to debate a termination payment for the Mayor of London and its tax treatment without considering the individual who is most likely to benefit from that provision. However, that is a bad way for us to make legislation.

An important issue is at stake. If the current Mayor benefits from this provision, it may well be, as one tax expert was reported as saying, the best £30,000 of public money ever spent, but it is none the less important that we understand the underlying reason for doing this and have some clarification, so that we address any lingering suspicion that the Government might merely be seeking to offer a golden parachute to an old political crony as he comes to the end of his political career.

Mr. Jeremy Browne (Taunton) (LD): I shall speak for a far shorter time than I did when you allowed me to continue for longer yesterday evening, Sir Alan.

I think it is rather touching that we in this House believe that our debates that take place a few days before elections will shift large numbers of votes. I am sure that that is why this particular aspect of the Bill has been brought to the fore in the Chamber this afternoon. I fear, however, that our conversation is not being as closely watched by people across the capital city as we might wish. I share the distaste expressed from the Conservative Front Bench for some of the more extravagant spending priorities that the current Mayor of London has indulged in during his period in office, although I do not share the Conservatives' enthusiasm for their candidate, who has failed to put forward a persuasive case for his election.

Let me, however, return to the topic of severance payments. We think it is reasonable for there to be a package in place for a person who has served a period as an elected politician in this country—that rule also applies to Members of this House. There is a lack of clarity, however, on the wider point of the taxation of severance payments, where a distinction is made between the treatment when that is a one-off redundancy payment that does not attract tax below the £30,000 level, and the contractual payments when there is a tax liability.

A concern has been expressed to my colleagues and me that Her Majesty's Revenue and Customs does not always act within the spirit of the rules. This is meant to be a one-off payment that softens the burden of redundancy, allowing people to make some provisions for seeking alternative employment and to pay the bills during that transition period. However, it is said that HMRC looks at it as an opportunity to raise revenue—and just at the point when people often require a bit of breathing space to get their financial affairs and working lives back on track. That is a rather aggressive way of trying to raise what is a fairly small amount of money.

Mr. Philip Hammond: May I draw the hon. Gentleman on the specific point? Does he think it generally a good idea to have statutory provisions that exempt politicians

[Mr. Philip Hammond]

from the hazards facing the rest of the population? He makes a good argument about the challenges facing an individual who is in receipt of a payment and needs to defend it against HMRC, but should politicians, be they Members of Parliament or Mayors of London, be exempted by statute from having to go through that process?

Mr. Browne: The general principle that I would adopt is that politicians should not seek to apply to themselves rules that do not apply to the population as a whole. I add the small caveat that every job and type of occupation has different requirements and contains different contractual elements, and that the circumstances in which politicians find themselves redundant are different, in some ways, from those that sometimes face other people. I appreciate that lots of people in other walks of life can also make such a claim, but people across the country will recognise that it is helpful not to have the Revenue breathing down their neck just when they are trying to get themselves back on their feet again – some people will be in that situation.

Obviously there must be a point where such people are eligible to attract tax, and this situation should not be used as a device to try to circumvent the normal taxation rules. That is why our amendment No. 15 seeks to ask the Treasury to re-examine whether the rules can be more evenly and fairly applied, and to provide that HMRC falls within a tighter set of restrictions than those under which it appears to feel it operates at present.

Rob Marris: I notice that the debate on this amendment is so riveting that not a single London Member is in the Chamber, although the hon. Member for Putney (Justine Greening), who is a Front-Bench spokesperson for the Opposition, was present until recently. I have a simple question for the Minister on amendment No. 15: will she tell us what the budgets are for the Welsh Assembly, the Scottish Parliament, the Northern Ireland Assembly and the Greater London authority?

Mr. John Redwood (Wokingham) (Con): I do not wish to use this opportunity to refer to the present Mayor and to try to exert last-minute influence over an election in which many of our colleagues are probably participating on the streets as we speak. I wish to raise the issue of principle. We face a public expenditure crisis in this country; the Government have overspent, and they are borrowing too much, taxing too much and spending too much money on purposes with which the public do not agree. The proposal before us today is another small example: it is an extension of payment in tax relief to former Mayors should they lose office, one way or another. It legislates not only for one Mayor or one particular payment, but for all future Mayors of London.

I do see the mayoralty of London as a mayoralty; it is the mayoralty of by far and away the biggest city in the United Kingdom. However, the Mayor of London is only one of many mayors of London, because there is a mayor of the City of London and a mayor of the city of Westminster, and there are many borough mayors. Most important local government in London is still carried out by the boroughs, rather than by the rather grand Mayor that was created more recently. It is difficult to see how one can sustain the argument that if it is fair to have severance payment for the grand Mayor of London, no severance payment is offered to the mayors of the individual cities in London, who are, in many ways, responsible for bigger budgets and more important services: they are responsible for education and social services, unlike the overall Mayor of London. As my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond) has said from the Front Bench, it would be difficult to say that the mayor of Manchester or the mayor of Birmingham should not be given something similar.

I have a challenge for the Government: why do they think that, in the middle of this crisis of over-taxing, overspending and over-borrowing, this is a worthy clause on which to spend more public money? Why do they think that they can hold the line at saying yes to the Mayor of London, but no to the other mayors in London and to the mayors of other great UK cities? They will find it extremely difficult to hold that line.

Let us examine the question of justice and the contrast with the arrangements for Members of Parliament. We live in world in which people often come into the House of Commons at a much earlier age than they would expect to become an elected mayor, and they might be a Member of Parliament for 20 or 30 years. If they suddenly and abruptly lose their seat – perhaps in circumstances outwith the control of individual Back Benchers, because of the performance of their party or Government – one can see how that could prove a dreadful disruption to their lives. They may not be especially well known or have alternative skills, because they have put everything into their life as politicians. That is why that rule, which is unpopular with the public, was introduced, and people stood for election knowing that it was the rule.

4.15 pm

It is very different with the Mayor of London. Again, I do not wish to personalise the debate, but I point out that anyone who stood last time round knew that that was not the rule. Why is it fair to change the rules after the election? If such a rule were thought necessary, it should have been introduced at the time that the mayoralty was established and before we had any idea of who would be the first or subsequent Mayor of London.

The other difference is that the mayoralty of London has turned into a celebrity activity, certainly as conducted by the first Mayor. We have already heard from the current Mayor that were he to lose, he thinks that he could have a good life appearing on chat shows and writing articles. I do not think that anyone who has an exciting enough personality to become Mayor of London would be short of a penny or two, should the electorate terminate their contract. They would become famous—

Mr. Jeremy Browne: Is not the right hon. Gentleman focusing too narrowly on the Labour and Conservative candidates, who I acknowledge are driven entirely by a love of being on television and the celebrity culture, and overlooking the Liberal Democrat candidate, who has a powerful and persuasive record of reducing crime and tackling the serious threat of criminal behaviour in our capital city?

Mr. Redwood: I do not think that we need to have such petty political debate when I am trying to discuss the principles of the matter. However, if I may be slightly partisan for a minute, I would say that in the totally unreal world in which there could be a Liberal Democrat Mayor—that is not what the polls and the public are saying—he too would become a celebrity and would, in due course, be in exactly the same position as the existing Mayor. Should the electorate tire of such a Mayor, he would be able to command good fees on the speaking circuit.

Given that the length of time that someone is Mayor is likely to be rather different from the length of time for which people may have the privilege of being a Member of Parliament, and because an ex-Mayor would be far better known and have more earning power when the job leaves them or they leave the job, I do not think that the same case can be made as is made even for Members of Parliament. The proposal also has to be set in the context that any payment to any politician is questionable and unpopular. We should not extend such privileges, but seek to cut them back.

The Financial Secretary to the Treasury (Jane Kennedy): When my officials drew to my attention the fact that this Finance Bill would have to contain these measures, I knew that it was not the best time for us to consider them. I know also with absolute certainty that were I in the position of the hon. Member for Runnymede and Weybridge (Mr. Hammond)—I hope that that will not happen for many years—I would not have been able to resist tabling an amendment for discussion on the Floor of the House today.

The hon. Gentleman has taken the opportunity to make one or two light-hearted comments about the contest that is taking place elsewhere, but he has also asked some genuine questions, as have other hon. Members. It is worth noting that this issue was debated in the GLA and, interestingly, Conservative GLA members supported it. The proposal will also benefit some Conservative GLA members who are standing down soon.

The power to establish and administer a severance scheme for the GLA arrived only following Royal Assent to the Greater London Authority Act 2007, in October last year. That is why we have had to include the provisions in this Bill, rather than in the Finance Bill last year.

Rob Marris: Has my right hon. Friend had any indication of whether the hon. Member for Henley (Mr. Johnson), who already moonlights as a journalist and is proposing to moonlight in a third job, supports the amendment tabled by his Front Benchers?

Jane Kennedy: No, I have not had any such indication. I genuinely believe that we should avoid personalising debates too much, even when they are as light-hearted as this. Perhaps it is more proper for me as a Minister not to respond in too much detail to points on personality; it is for colleagues to make their points in their own way.

The Greater London authority severance pay scheme is similar to those for MPs and Members of the devolved Assemblies. For the sake of consistency and fairness, it is right that the same tax treatment should apply to all those schemes. Severance payments are taxable only to the extent that they exceed £30,000 when they are made to MPs and Members of the devolved Assemblies. It is right that the same rule should apply to payments to the London Mayor and London assembly members in the event that they cease to hold office at the time of elections.

It is not the case that every member of the London assembly, the Welsh Assembly, the Scottish Parliament or this Parliament works in another capacity. My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) pointed out that some work as journalists. Others work as lawyers. That is not necessarily something to be decried. That fact adds to the quality of debate that we have in this place and enables Members to bring with them wider experience and skills that enrich our ability to debate subjects in Parliament. There is no prohibition on people having such work, but not everybody is in that situation.

It is worth noting that many members of all the public authorities that I just mentioned are full-time assembly members. It is assumed that they will commit a large part of their working time to the job that they do. Most Members of the House these days regard themselves as full-time Members of Parliament and that is why the House has made these arrangements for Members. Although the right hon. Member for Wokingham (Mr. Redwood) said that he did not believe that the Mayor of London should receive the benefits of such schemes, I believe that it is better if we step back from the subject, treat it coolly and calmly and take the personalities out of it so that we look at the broad fairness of the proposal that we are considering.

The hon. Member for Runnymede and Weybridge made me do a double-take. He mentioned the severance scheme—it is a slight diversion, Sir Alan, but he asked me a question. He should look at the review of Members' allowances that was brought forward in March. He is right; it is proposed that the severance scheme would no longer be payable to Members who chose to retire. However, a number of concerns have been expressed and the matter is subject to further consultation. I am sure that the comments that he has made today and any further comments that he might want to make to the review would be welcome.

Mr. Philip Hammond: I am grateful to the Financial Secretary, as she has genuinely given me a piece of information—that is probably a first in this Committee. I had not looked at that review. She tells me that it is proposed that Members of Parliament who retire voluntarily would cease to be eligible for these payments, but my understanding of the GLA arrangement is that members who retired voluntarily as well as those who lost their places as a result of an election would be eligible for the termination payments. That would put the GLA arrangements out of line with those being proposed for Parliament.

Jane Kennedy: I am grateful for this opportunity to consider the subject. The developments occurred after I considered the proposals for the Bill and after Parliament debated the subject in relation to the Greater London Authority Act 2007. The changes that are being proposed came after our original consideration of the subject. If we are to keep everything in line, the developments will clearly affect other assemblies and Parliaments. It is

[Jane Kennedy]

therefore very sensible that the Senior Salaries Review Body recommendations should be given further consideration and should be considered on their merits. I have my own views and shall be making them known to the Speaker's review as a result of the fact that the hon. Gentleman has brought the subject to the attention of the Committee—I am grateful that he did so. The proposals in the clause, not those in the amendment, will present no cost to the Exchequer. The costs will be met from the existing GLA settlement.

Mr. Hammond: I ask the Financial Secretary to clarify that statement. Surely we are extending a statutory tax privilege to such payments that would not be available but for this measure; otherwise, there would be no point in clause 49. HMRC would have to test the payment against the usual criteria that it applies, and the Mayor would have to convince it that he had not received the payment as of right and that it was an ex gratia payment. That would be difficult to do when the GLA has made a scheme that makes the payment available to him.

Jane Kennedy: The hon. Gentleman is, of course, right. However, the proposals have been known of for some time, and the settlement for the GLA would therefore necessarily take account of the fact that the proposals were made. Therefore, it would be accepted in the normal course of events that the GLA should budget for such an eventuality.

Mr. Hammond: I am sorry; the Financial Secretary has misunderstood my point, which is that there will be a cost to the Exchequer. If the measure is passed, the payments made by the GLA will not be taxable, and that will be a cost to the Exchequer.

Jane Kennedy: I probably should have that detail with me. I have not got it, but I will write to the hon. Gentleman. Not a great deal of money is involved, but it is a fair question, and I will provide that information to him—the first of many times, I hope, that I will share information with him during the next few weeks.

I believe that there is no comparison with local government. Unlike the London Mayor and assembly members, MPs and Members of the devolved Assemblies, the expectation is that councillors can pursue their duties alongside their normal professions. We do not see councillors as full-time councillors in local government—certainly in England, although things may be different elsewhere. Executive mayors are slightly different, but I do not want to get drawn too far into comparisons with them, because they are not in place everywhere. We are dealing today with an extension to the London assembly of the same provisions that apply to the Welsh Assembly, the Scottish Parliament and, indeed, to Members of Parliament.

Mr. Jeremy Browne: I wonder whether the Financial Secretary follows the Conservative spokesman's argument, which appears to be that, if people want to reduce the overall tax burden to the Exchequer, they should not vote for the Conservative alternative on Thursday, because of the severance payment cost of getting rid of Mr. Livingstone as Mayor of London. *[Interruption.]*

Jane Kennedy: My hon. Friend the Exchequer Secretary says from a sedentary position that the hon. Gentleman makes a fair point. I will not be drawn down that route.

It is important to make it clear that the proposal does not apply to all those who face a sudden and unexpected interruption of their employment. Tax exemption was first introduced in relation to redundancy or severance payments in 1960, when the limit was set at £5,000. The tax exempt limit was increased to £10,000 in 1978. It was increased again to £25,000 in 1981, and then to its present level of £30,000 in 1988. We keep that limit under review, but we have no current plans to change it.

I am grateful to the hon. Member for Runnymede and Weybridge for moving the amendment. Its sole purpose is to delay the coming into effect of the clause until 6 April 2009. I cannot agree to its enactment. We are bound by an earlier Act of Parliament to introduce the measure. The GLA severance pay scheme took effect from 1 March 2008 and follows the implementation of the power that the GLA was given under the 2007 Act to set up and administer such a scheme. The scheme is based on the same model as the severance pay schemes that affect hon. Members and Members of the devolved Assemblies, and the purpose of the clause is to put the tax treatment of payments under the new scheme on the same footing, as I have said, as those that are made under the longer-established schemes.

Mr. Philip Hammond: The Financial Secretary has just said that we are bound by previous legislation to introduce the measure. Can she explain that? I was not aware that the 2007 Act bound Parliament to introduce the measure today.

Jane Kennedy: The severance scheme was set up under the GLA Act. Extending tax exemption to the scheme in the way that is envisaged would keep the scheme in line with others that we have mentioned. That was always the intention of the Act. The hon. Gentleman picks me up on a slightly loose use of the word "bound", and I take his point.

4.30 pm

The hon. Gentleman asked about the cost to the Exchequer. The cost is so small that, under usual budgetary cost accounting procedures, it is counted as zero in the Finance Bill, hence my earlier point. The total cost this year for six members standing down is about £151,700. My hon. Friend the Member for Wolverhampton, South-West asked whether I had details of the budget; I do not have those details to hand, but I will write to him on the subject when I have had the chance to consider his comments in detail in *Hansard*.

The clause is designed to settle the tax treatment of the resettlement grants that may be paid to the Mayor or members of the London assembly if they cease to hold office at the time of an election. The amendment would mean that the clause could have no practical effect until the 2012 elections. It would also mean that the first payments under the scheme were wholly taxable as earnings, rather than treated as termination payments, the first £30,000 of which are tax-exempt. That would be unfair and churlish, given the treatment of Westminster MPs and Members of the devolved Assemblies. I hope that the current Mayor of London continues in his post for many years and has no need to

avail himself of the measures, but I do believe that the Committee should put the measures in place. I therefore ask the hon. Member for Runnymede and Weybridge to withdraw his amendment.

Mr. Hammond: If the Minister really believed that the current Mayor would stay in post for many years, she would not have any problem accepting the amendment. She said that she wanted to depersonalise the discussion; the point of the amendment, which delays implementation until 2009, is to depersonalise it. It would mean that that discussion was not about Ken Livingstone, but about the principle of the tax treatment of severance payments for Mayors of London.

The central point that has come out of the discussion—from the Minister's remarks about the parliamentary scheme, I think that it is a point in which she is interested—is that we have a curious arrangement whereby there are payments that, in the hands of any person other than a Member of Parliament, a Member of the devolved Assemblies, or a member of the GLA, would have to be defended against the Revenue. The tax treatment on the first £30,000 would have to be earned by demonstrating to the Revenue that the money was not an entitlement, but an ex gratia payment. What we have done in the case of Members of Parliament, and what we are about to do in the case of members of the Greater London authority and London Mayors, is define such a payment, in statute, as non-contractual, even though it is made under statute, and so will certainly be received by the holder of the office in question.

Any payment that someone in the private sector was certain to get when they relinquished office would certainly be taxable in full, and the Revenue would rightly argue that case, so we are creating an anomaly for a very small class of people, all of whom happen to be politicians.

Rob Marris: May I point out to the hon. Gentleman that elected representatives who lose their income as a result of the wish of the electorate, and not after voluntarily standing down, are in a rather odd position? Any other employee who is made redundant can claim redundancy and could succeed in getting up to £30,000, tax-free. Clearly, a Member of Parliament who loses at an election is not redundant, because there is someone else doing the job; someone else takes over. That is the anomalous position, which I suspect does not exist elsewhere in the economy.

Mr. Hammond: The hon. Gentleman makes a good point and draws attention to the need to distinguish between office holders who relinquish their positions voluntarily, which is more akin to voluntary retirement or quitting a job, and those who are involuntarily retired by their employer, in the private sector, or by the electorate, in the case of elected officers. There is clearly a much stronger case for generous treatment of those who, through no volition of their own—I will not say no fault of their own—find themselves turned out of office.

Mr. Redwood: There would need to be careful drafting of such provisions. An unscrupulous person—I trust that there are none present—could decide on retirement and then put up as the "Don't elect me" candidate in a seat where they had no chance of being elected and qualify for the full severance payments. The ruling would have to include the introduction of party into British law and would have to state that the person had to stand again for the same party in the same seat, or it would not be sensible.

Mr. Hammond: My right hon. Friend makes a good point. I will not test the patience of the Chair by going any further down that route, other than to say that equally, there would be the problem that Members in seats with large majorities would be unlikely to find an opportunity to retire by offering themselves for election and failing. Other Members might, at some point in their career, expect to face that problem. I fully accept that there are difficulties.

Rob Marris: May I caution the hon. Gentleman about the use of the adjective "generous" in the present context? One can have a debate about the generosity of the amounts that an elected representative would receive under such a statutory scheme, but one should not apply the adjective "generous" to the concept that a sum up to the first £30,000 of any such payment is particularly generous or favourable to elected representatives, because that is the case for everyone else in the population under redundancy schemes.

Mr. Hammond: We do not want to go round the course again, but my understanding is that that is the case for everyone else in the population only if the payment is received ex gratia, rather than as a contractual provision.

Rob Marris *indicated dissent.*

Mr. Hammond: Well, perhaps the hon. Gentleman and I can continue the debate outside the Chamber. That is not central to the point at issue.

In her reply, the Minister did not answer the question whether the logic of the Government's intentions is that elected executive mayors more generally will be afforded similar treatment, both in terms of the ability to receive payments and in terms of the tax treatment of those payments. She made it clear that she does not believe that there is a case for extending such payments to councillors, and she gave a coherent explanation—they are not full-time and they are expected to have other employment—but elected executive mayors, as I understand it, are expected to be full-time. We did not get to the bottom of whether we shall see a further extension of the provision to executive mayors.

On reflection, after listening to the arguments, I have decided that I agree with the tax expert whom I quoted earlier that £30,000 of taxpayers' money would probably be a price well worth paying to see the back of the spiralling expenditure of the Livingstone regime in city hall. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 49 ordered to stand part of the Bill.

Clause 90

ZERO-CARBON HOMES

Justine Greening (Putney) (Con): I beg to move amendment No. 21, in page 51, line 11, leave out from 'acquisition"' to end of line 12 and insert

'means the acquisition of a dwelling when it has not been previously acquired by a buyer'.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following amendments: No. 13, page 51, line 12, leave out from 'acquisition' to end and insert 'as a zero-carbon home.'.

No. 4, page 51, line 12, leave out 'occupied' and insert 'acquired by a buyer'.

No. 14, page 51, line 12, at end insert—

'(2A) In section 58B omit subsection (6).'.

No. 20, page 51, line 26, at end add—

'(8) The Treasury shall, by regulations, define a "zero-carbon home".

(9) Regulations under subsection (8) must have regard to the desirability of ensuring that all new homes should be zero carbon by 2016.

(10) Regulations under subsection (8) shall be made by statutory instrument.

(11) A statutory instrument containing regulations under subsection (8) may not be made unless a draft of it has been laid before and approved by resolution of the House of Commons.

(12) Regulations under subsection (8) shall be laid not later than 31st December 2008.

(13) On the coming into operation of regulations under subsection (8), regulation 5 of the Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007 (SI 2007/3437) shall cease to have effect.'.

Justine Greening: Amendment No. 21 replaces amendment No. 4, which should have been withdrawn from the Order Paper.

The Government and the Chancellor claim to be concerned about the environment. In this year's Budget statement, the Chancellor said:

"our greatest obligation to the future must be to tackle climate change."—[*Official Report*, 12 March 2008; Vol. 473, c. 295.]

The Government claim that they want a meaningful reduction in the UK's carbon emissions and that their zero-carbon homes initiative will kick-start the market for new, highly efficient technologies in homes. They talk about how the policy will set a gold standard for green homes.

I do not think that we are quite there yet, so my amendments are a helpful start. They try to explore and challenge whether the Government's zero-carbon policy, as it stands, can ever be truly fit for purpose. Amendment No. 21 aims to clarify what could be an ambiguity in the current drafting of the policy. Amendment No. 20 aims to prevent a likely problem from occurring, which, if not stopped, could really damage the Government's chances of meeting their already challenging ambition of ensuring that all new domestic homes are zero-carbon by 2016. We Conservatives also support that target.

Let us not forget that the zero-carbon homes policy was enacted by regulation only eight months ago, in October 2007. Even so, Treasury Ministers are already changing their own policy, less than a year after it went through Committee. In October 2007, the original statutory instrument specifically excluded flats and maisonettes from being eligible for the relief. At the time, my hon. Friends and I questioned the sense of that exclusion; we now know from later statistics that nearly half of all new homes built in Britain are flats.

Just months later, by the time of the Budget, the Chancellor was already announcing that, after all that, the zero-carbon homes policy would be extended to include flats as well as houses. We very much welcome yet another adoption of a Conservative proposal and I hope that my amendments today will, similarly, be adopted—although without the eight-month delay. I have no doubt that the Government's ambition, which we support, for zero-carbon homes by 2016 will be better achieved if the amendments are adopted.

Amendment No. 21 is a redrafting of new subsection (2)(b). It aims to define better and more carefully what constitutes a first acquisition. My understanding is that the provision is drafted to ensure that stamp duty relief may be claimed only the first time a home is bought. During our debate on the statutory instrument in Committee, the Minister responding said that extending the relief to second and subsequent sales would provide no value to the taxpayer. However, the proposed Government definition in the Bill covers a dwelling that

"has not previously been occupied."

In practice, that could allow for multiple stamp duty land tax relief claims on the same property, if that property were sold again but never occupied in the meantime. For example, somebody could buy a newly built zero-carbon dwelling from a developer for their elderly parent to live in. They would gain stamp duty relief from the developer because their parent would not yet have moved in, although they were planning to; the residence would never have been occupied. Under clause 90, if, unfortunately, the elderly parent died prior to occupying the dwelling, the next purchaser would presumably also be allowed to claim stamp duty relief, as the home would still not have been occupied. The amendment would clarify the definition of a dwelling in respect of providing stamp duty relief to mean one that has not previously been acquired. It would remove the ambiguity of the current drafting and would deliver the Bill as the Government intend it.

I can imagine no objection from the Minister to amendment No. 20. It simply provides an insurance policy—that there will be a clear definition of a zero-carbon home by the end of the year, just as the Chancellor promised in the Budget. Crucially, amendment No. 20 would also require the Government to use a consistent definition of what constitutes a zero-carbon home across Departments, in a joined-up way. That definition would have to be approved by the House, and any anomalies between the definition arrived at after the summer's consultation and the existing definition in the relevant Treasury statutory instrument would have to be identified. Those differences could then be debated and voted on, so that a single, workable definition could be achieved.

4.45 pm

The lack of joined-up government between the Treasury and the Department for Communities and Local Government is a critical failure, as it means that we still have no clear definition of what a zero-carbon home is—even though the Government first announced their policy on such homes in December 2006. That means that, by the time a single policy is arrived at, it will have taken more than two years to get the definition that we need.

The Government say that the aim of stamp duty relief on zero-carbon homes is to stimulate demand for such homes, but it is almost inevitable that the present uncertainty, as long as it exists, will hold back both demand and supply. How can industry and buyers aim

for a target when that target's definition is not established or keeps changing? No wonder there is so much uncertainty in the building profession. The Government have told builders and developers that they want all new homes to be zero carbon by 2016, even though they—the Government—do not know what that means. That is why they are having to launch a fresh consultation.

A recent survey by the National House-Building Council found that most of those surveyed did not know what a zero-carbon home was. The lack of explanation and education about zero-carbon homes means that, according to the council, there is a

"distinct possibility that purchasers will decide against buying newly-built, low carbon properties."

Another cause of uncertainty in the existing Treasury statutory instrument needs to be resolved. It is not clear whether the energy required to power day-to-day appliances used when a zero-carbon house is finally occupied can come from renewable sources via the national grid, or must come from a renewable source connected to the property directly and exclusively by private wire. I think that that is what the statutory instrument suggests, and it would be helpful—certainly for the building industry—if the Minister cleared up that confusion.

Even if we succeed in tying down the Treasury definition of a zero-carbon home, there are other dangers with the approach announced in the Budget. By the end of the year, after the consultation process, we will have a new definition of what constitutes a zero-carbon home, but that definition may well be different from the one contained in the statutory instrument. Any such difference would be even more confusing and damaging: for instance, developers might develop, build and market new houses in the quite proper belief that they were meeting the definition of zero-carbon homes agreed after the consultation, whereas buyers might not be aware that those homes did not fulfil the Treasury definition of zero carbon for stamp duty relief purposes. That is a recipe for unhelpful uncertainty, and it is certainly no way to kick-start the market.

Under amendment No. 20, the Treasury definition contained in the statutory instrument would be amended to ensure consistency with the final definition agreed following the summer consultation proposed on page 105 of the Red Book. Getting rid of the uncertainty matters, but the signs are that designing and developing zero-carbon homes will be a challenge.

So far, the Government's stamp duty relief policy has been less than impressive when it comes to kick-starting the market. In the eight months between the start of October 2007—when the statutory instrument giving stamp duty relief on zero-carbon homes came into force—and the end of March this year, a grand total of just 10 homes qualified for zero-carbon stamp duty relief. In fact, there were six homes last year and four this year, with just one in March, so the run rate of zero-carbon homes qualifying for stamp duty relief seems to be tailing off, if that would have been thought possible at the end of 2007. Given the lack of homes that are qualifying for the relief, will the Minister enlighten us as to the carbon savings that have resulted from the zero-carbon homes that have qualified so far? What research is the Treasury doing to find out whether the stamp duty relief for zero-carbon homes, as it currently operates, is really making a difference to buyers' behaviour?

I have a suggestion for the Minister. Given that so few people have qualified for zero-carbon home stamp duty relief so far—just 10—what about getting them all down to Westminster to have a round table discussion about these issues? There are so few of them that it would be perfectly feasible. If she would give me their contact details, I would be happy to organise that meeting so that we could all learn from the minimal transactions thus far—or perhaps we could do a conference call, which might be more environmentally friendly. I would be happy for the Minister to sit in on that.

There is a serious point here. We need to understand which people and which homes have already qualified for the relief. Are the people claiming the relief major developers who have just sold their first prototype building to someone and are perhaps therefore in a position to start being able to mass-produce, which would clearly be very good in terms of reaching the 2016 ambition; or are they, as I suspect, individuals who are keen to play their role in tackling climate change and have had themselves a zero-carbon home built to a more individual specification, which may suggest that we are less likely to see mass production of such homes? I would love to be able to sit down with those people and talk to them about whether they felt that the current stamp duty relief policy had influenced their behaviour in relation to buying a zero-carbon home and, if not, what policy would have positively influenced their behaviour in order to cut emissions further.

I must question the Minister about whether the Treasury's zero-carbon home stamp duty relief policy joins up effectively and more broadly with the ambition of the Department for Communities and Local Government to have all homes built as zero carbon by 2016. I have discovered through parliamentary questions that the 10 zero-carbon homes that have qualified for stamp duty relief so far were all in a 1 per cent. stamp duty band, which means that they probably had an average cost of £187,500. We can therefore broadly assume that their average stamp duty would have been 1 per cent. of that—£1,875. If so, the £15 million budget set aside to fund the policy from now until 2012 will fund a total of 8,000 homes—fewer than 2,000 a year. If we are to hit our zero-carbon homes ambition by 2016, we should by then be building 240,000 zero-carbon homes a year. These things do not seem to match up with one another. When I questioned the Minister in the statutory instrument Committee when the regulations first went through the House, she was unwilling to explain how the £15 million budget had been arrived at. I am pretty confident, and perhaps she can confirm, that the assumptions behind that budget were that 8,000 homes within the 1 per cent. band were receiving an average of £1,875. Will she have yet another go at clarifying the underlying assumptions as regards the £15 million that is currently set aside for the policy?

Perhaps the Minister could also confirm that the original budget of £15 million was set in 2007—before this year's Budget announcement allowing flats also to qualify. If nearly half of all new properties built are flats, we should have expected the Treasury to double the amount set aside for the policy. Instead, as far as I can see, it has added no new money whatever to pay for the relief, suggesting an assumption that the Budget

change in 2008 will have no impact on the amount of relief it expects to be claimed. Again, that does not make sense.

That brings me to my final point. As with vehicle excise duty changes in the 2008 Budget, which the Government now admit will make virtually no impact in reducing CO_2 emissions, the zero-carbon homes stamp duty relief policy came with much fanfare, but as far as the behaviour change it desires to achieve is concerned, it seems destined to fail. Even the Government have said that they expect the original stamp duty relief policy on zero-carbon homes to reduce emissions by 1.6 million tonnes by 2020, when household emissions in 2006 already stood at 155 million tonnes. In this year's Budget, Treasury Ministers did not even try to pretend that they thought that the Budget would cut emissions. Page 107 of the Red Book describes the environmental impact of the zero-carbon homes change as including flats. It refers to a

"Small reduction of carbon emissions."

Perhaps the Exchequer Secretary can tell us just how small.

Yet again, a Budget measure has been announced that is designed to reduce carbon emissions, but is in reality a shambles. We have no definition for zero-carbon homes, no idea of the real budget needed by the stamp duty relief policy, no idea of the number of homes that will claim relief and no idea of the reduction in emissions that the policy will lead to. The Treasury may talk a good game when it comes to environmental taxes, but its rhetoric is way ahead of its practice. The only way that things will get better is under a Conservative Government because this is not zero carbon—it is zero credibility.

Mr. Jeremy Browne: I am grateful for the opportunity to follow the hon. Member for Putney (Justine Greening), because I agree with the central thrust of her analysis—the Government's provisions are gimmicky, inadequate and do not start to deal with the scale of the problem that confronts us. Where I depart from the line taken by Conservative Front Benchers is in the conclusions that I draw. I conclude that the Government need to be far more ambitious and visionary. The criticism made by the Conservative party always appears to be that the Government are gimmicky, so we should abandon all hope and not venture down the path at all. As far as I am aware, its central criticism reflects the fact that the party whose leader has a propeller on his roof that does not work thinks that the Government are too gimmicky.

Justine Greening: Our amendments aim to make the policy more successful, although I have flagged up some serious concerns about whether it will ever be able to work.

Mr. Browne: I am grateful for that intervention, because the hon. Lady made a criticism that the Government have not allocated anything like enough money to reflect the scale of their policy. However, I have not heard financial commitments from the Conservative party to fund such policies. The Conservatives seem extremely reticent about giving hard, cast-iron financial assurances that are designed to change behaviour and reduce CO_2 emissions in this country. I have seen the leader of the Conservative party riding his bike to this building, with an England flag on the back of it when England is doing well in football matches. I know that he has a propeller on his roof that does not work. I have seen all that imagery and gimmickry from the Conservative party, but I have not seen any concrete policies.

On the contrary, the hon. Lady, whenever she makes a political point at the Government's expense in this Chamber—a legitimate thing for her to do—says that the Government's efforts, which I accept are timid and insufficient, will not make any difference, or make only a negligible one. Her conclusion seems to be that the Government should not be venturing down that path at all. However, perhaps she would like to intervene to say that the Conservative party's position is that vehicle excise duty rates and petrol taxation should be much higher and the number of wind farms should be much greater.

5 pm

Justine Greening: The hon. Gentleman claims that we have made no progress on our environmental agenda, but he is wrong. For example, the Conservative party suggested a tax on a whole plane rather than air passenger duty, and we proposed feed-in tariffs, which the Government are eventually adopting. We do not have to demonstrate our credentials—

The Chairman: Order. The debate is beginning to spin into a much wider field. The defining word is "homes".

Mr. Browne: I will be guided by you, Sir Alan. We wait with keen interest to ascertain whether the Conservative party has anything meaningful to say about reducing, for example, private car journeys. At the moment, it seems big on criticism—

The Chairman: Order. I am beginning to detect that the hon. Member has a habit of saying that he will be guided by me, but proceeding not to be. I encourage him to be guided.

Mr. Browne: We will consider the subject that I mentioned later in our deliberations.

In our amendments on homes, we share Conservative Members' analysis that the Government lack vision and ambition, but we go on to urge the Government to adopt a more visionary and ambitious set of policies rather than simply throwing up our hands in despair. It is worth sharing some statistics, which show the urgency of the position and the inadequacy of the Government's proposals.

The current housing stock of 25 million homes in the United Kingdom accounts for around 27 per cent. of the country's total carbon emissions—approximately double the amount of carbon dioxide that cars in the UK produce. It is worth dwelling on that momentarily because transport gets singled out—not unfairly, because it is a major contributor to CO_2 emissions. However, if one stopped the average person in the street and asked whether domestic households or transport was the much greater contributor to global warming CO_2 emissions, the reply would overwhelmingly be, "Transport." Yet the energy produced in our homes is a major contributor. *[Interruption.]* The hon. Lady says from a sedentary position that the public perception is that transport is

not a major contributor to CO_2 emissions. *[Interruption.]* The hon. Lady is giving a running commentary from a sedentary position. If she has something to say, she can intervene.

Justine Greening: I did not intend to interrupt the hon. Gentleman's speech, but I did not claim that the public did not think that there were emissions from transport. I said that many people in my constituency are also aware that their household emissions are even greater than those from transport. That is not to say that they do not believe that transport emissions are a problem.

Mr. Browne: I am grateful for that intervention. Perhaps we can resolve the matter only through opinion polling or asking a sufficiently wide cross-section of the public. I was not trying to be especially controversial—I simply observed that transport attracts far greater attention in the debate on CO_2 emissions than domestic households, yet the latter contribute significantly to the total amount of CO_2 emitted in the United Kingdom.

Rob Marris: I suggest that—I stress that I am not citing actual statistics—in 20 years, 80 per cent. of current homes will still be used, whereas 80 per cent. of the road transport fleet will not. There is much higher turnover of transport stock and it is therefore much easier to tackle transport emissions than to deal with emissions from homes. I say that as someone who has lived for 25 years in a property that was built in 1888.

Mr. Browne: I am grateful for that intervention because that takes me—you will be relieved to know, Sir Alan—to the amendments that the Liberal Democrats have tabled. They try to widen the scope of consideration so that the Government do not concentrate only on new homes, which are clearly important, but focus on the UK's housing stock as a whole. In any given year, roughly 1 per cent. of the houses occupied in the United Kingdom will have been built in that year, while 75 per cent. of houses in 2050 will have been built before 2007. If we concern ourselves solely with newly built houses, we will address the situation only incrementally.

Indeed, I would like us to go much further in that regard, too. It distresses me that large new housing developments are built on the edges of towns throughout the country with the car in mind. It is hard for the people living in those houses to buy a pint of milk or beer without getting in their cars. Such developments are often built without shops, pubs, village halls, churches, post offices or other amenities, which people cannot reach without driving a car. The houses are quite well insulated, but they could still incorporate large numbers of building features that would improve their carbon emissions.

There is a lack of ambition among builders in that regard. However, if we neglect the existing housing stock, we will not tackle the problem with anything like the urgency that it requires, particularly given the interesting cultural dimension in this country, whereby people often aspire to live in older houses. People in the United States, for example, would think that the best house that one could buy would be a brand new one, in the same way that people in this country would, by and large, like to buy a brand new washing machine, car or whatever else.

The most expensive and desirable houses in the United Kingdom are often those built, say, 200 years ago. There is not quite the market drive towards new house building in this country as there is in some countries. Whether because of a cultural or social dimension, it is seen to be desirable to live in an older house, often with not very well insulated windows, for example. We therefore need to turn our attention to how we improve such matters.

I am not the only person who takes that view. In the Select Committee on Communities and Local Government report "Existing Housing and Climate Change", the hon. Member for Milton Keynes, South-West (Dr. Starkey), the Labour Chairman, called for a

"much clearer focus on what must be done to bring existing housing up to required energy efficiency standards".

She also said:

"We need the Government to go further and do much more to help householders radically cut carbon emissions from their homes, whether they were built in 2007 or 1707."

That is the position of my party, too. We have put forward large numbers of policies to try to accelerate the level of home insulation, as well as other measures that can be put in place to try to reduce CO_2 emissions both in Britain's existing housing stock and in newly built houses. That is the scale of the ambition that we urge the Government to adopt. We have no problems with the measures in the Budget; we just think that they do not go far enough.

Rob Marris: The speech that the hon. Member for Putney (Justine Greening) gave was interesting, as is her amendment No. 20. Unfortunately, however, as sometimes happens, she leavened her speech with too much righteous indignation. I will bear that in mind when I think of the reports of the views of Conservative party activists on eco-towns, for example, which the Government are putting forward and which are so important.

I want to distinguish between the construction and the occupation of new properties. If we are talking about zero carbon, the first thing that I would like to do is change the terminology. It is a little late for that, because the terminology is already in statute, from the Finance Act 2003, but we are almost certainly not talking about zero-carbon homes. Rather, we are talking about zero-CO_2 homes. I venture that almost no home will be built in the United Kingdom in the next 100 years without any carbon in it, because wood is carbon and the architraves around the doors, if nothing else, are likely to remain wood.

The reason I stress that point is that it highlights the use of language and whether we are talking about emissions when we talk about zero-carbon homes—I will use that phrase, because it is in the legislation already and in the proposals before us. However, we need to distinguish between emissions from the construction and emissions from the occupation of such homes. That is why amendment No. 20 is interesting. Indeed, I shall be interested to hear what my hon. Friend the Exchequer Secretary says about definitions and the need for definitions.

I find it difficult to envisage the construction of a new home in the United Kingdom in the next 20 years involving zero CO_2 emissions, if only because for many years to come it is quite likely that some of those building the home will drive to the site in a car fuelled

[Rob Marris]

by fossil fuels, not by electricity. They will use electric saws to cut wood, and sometimes electric concrete mixers, and some of the electricity might well come from fossil fuel. We might move to mass renewables. We could move to nuclear, but the building of nuclear power stations involves CO_2 emissions. Construction workers might drive to the site in a vehicle powered by electricity from a renewable resource and plug in rotary saws that are powered in the same way. A consideration of zero CO_2 emissions during a home's construction depends on how far one wants to take things towards the absurd. If we are to avoid reaching an absurd situation, the definitions must be clear and we must distinguish between construction and occupation.

On the occupation of houses, should we require those seeking the tax exemption to guarantee that their washing machine will be run only on electricity from renewable resources? How far should we take things when we consider zero CO_2 emissions for occupation? I am worried that we will move towards bringing into the equation CO_2 offsetting, which is one of the biggest boondoggles around. My hon. Friend the Member for Nottingham, South (Alan Simpson) has mentioned in the Chamber—wittily, as usual, but quite rightly—that there is an adultery offset website. Allegedly, the person behind it is a rather spotty youth called Kevin from somewhere like Plymouth. He agrees to remain chaste and not to engage in sexual relations—certainly not adultery—so that someone who signs up to the website can engage in adultery absolutely guilt free because of the adultery offset—*[Laughter.]* That might produce a laugh, but it highlights some of the problems with CO_2 offsetting. Although this is being exposed, CO_2 offsetting is often a complete con. It is said that Coldplay chose 10,000 trees in somewhere like Indonesia to carbon offset one of their world tours, but that all the trees were dead.

I raise this point regarding the definition of a zero-carbon home under amendment No. 20. Will CO_2 offsetting come into the definition on the occupation side of the equation—when someone is living in the house—and when measuring whether the occupation leads to no net use of CO_2? We need tight definitions and a clear political direction, preferably with cross-party consensus, to determine exactly what constitutes a so-called zero-carbon home.

Stewart Hosie (Dundee, East) (SNP): I am following the hon. Gentleman's argument carefully. I am aware of his concern about the issue and he is right to ask for clear definitions. However, when carbon offsetting is done properly, sensitively and in sufficient volume, it can genuinely offset the carbon that we use. Would he want to discount it completely from a definition?

Rob Marris: I would not want to discount it completely from a definition, but one would have to be careful about bringing carbon offsetting into the definition of a zero-carbon home. There have been carbon capture and storage projects in Norway for several years and in Saskatchewan, Canada. Most people would regard CCS, when properly carried out, as suitable CO_2 offsetting. However, planting trees that then die—either naturally or prematurely—is not really CO_2 offsetting. We need to be careful with the definitions. I urge the Exchequer Secretary, bearing in mind that she is a Treasury Minister—she is a very able Minister—to try as best she can to give the Committee some clarification, with regard to amendment No. 20, about what a zero-carbon home really is.

5.15 pm

Mr. Redwood: I rise to support my hon. Friend the Member for Putney (Justine Greening). Her amendment makes a lot of sense, and I hope that the Minister will simply concede that. I am sure that the Government intend the tax exemption to be available only on the first sale-and-purchase transaction. The drafting in my hon. Friend's amendment would ensure that rather more accurately than the drafting in the Bill, so it would make sense to accept it.

Like the hon. Member for Wolverhampton, South-West (Rob Marris), I wish to concentrate more on amendment No. 20 and what constitutes a zero-carbon home. I approach the issue from the proposition that it is better to try to change people's conduct using tax incentives than through tax impositions or compulsion. The principle in the amendment is therefore welcome. It is right that the Government should try to address emissions related to the home environment as well as transport emissions. We well know why that is important: many more of the typical family's emissions come from the family home. The problem is a difficult one, but it can be addressed using a series of incentives and proposals, of which this would be just one.

I understand my hon. Friend the Member for Putney's worry that the measure will have a small impact. Part of the reason it will have a small impact is to do with the definition, which lacks clarity about what is a zero-carbon home. There might be a feeling out there in the marketplace that zero-carbon homes are unachievable, and that we should move our targets to what might better be called low-carbon homes as technology develops and the marketplace responds. That is what we do with motor vehicle manufacturing, the regulation of which is tightened progressively over the years, so that each generation of cars is successively better. As a result, exhausts have been cleaned up, and there have been changes regarding the production of fuel to give a certain level of performance. We could have a similar trajectory with housing and the improved performance of our homes, preferably through an incentive scheme.

The hon. Member for Wolverhampton, South-West rightly said that the zero-carbon home of the Government's imaginings is not truly zero-carbon because the construction process will entail a certain level of carbon dioxide emission. He could add to his list the emissions of vehicles used on a site to dig the ground and move the earth, as well as any pile-driving and concrete mixing required to provide the foundations and a stable platform on which to build.

Another aspect of all building processes that causes perhaps even more carbon emissions is the manufacture of building materials. Most of the building materials going into a typical British house have been produced using energy-intensive processes. The cement industry is a big energy user, as is the brick industry. That consideration needs to be fashioned into a policy. Although it will be good news for those who wish to cut carbon emissions

if homes can be constructed that emit few or no carbon emissions, it will not be such good news if the building materials used to achieve that degree of insulation and that carbon-free standard were produced using energy-intensive methods or if they had to be transported quite far. Such homes would take many years to break even on the carbon account.

These issues are difficult. Carbon accounting is a rudimentary science at the moment, and all too many people considering it think that there are silver bullets and easy answers. They think, for example, that stopping people driving would make the problem go away, but it would not. The issue is more complicated than that. All sorts of processes and circumstances involve carbon dioxide emissions, and a sophisticated carbon account is needed before sensible policy conclusions can be reached. I hope that the Minister will produce rather more sophisticated research—perhaps not today but in the months ahead, as this policy develops—so that we can have a better idea of what the true carbon account would be on a so-called zero-carbon home. I hope that the Minister will be able to provide a little more definition today, as my hon. Friend the Member for Putney requested. If the policy is to have any chance of working, the wider world, interested in building new homes, needs a clearer idea of what is required, and we need a clearer idea of whether it is achievable.

I would regard as a failure a policy under which only 10 homes qualified in more than half a year, and, if I were a Minister, I would regard it as my important duty to tweak and change it until I had a decent number of homes coming forward, so that I could claim that the policy was some kind of success. I put it to the Minister either that it is a problem of persuading the market that what she has in mind can be done—the Government are meant to be good at putting out messages through the media—or that perhaps more work needs to be done on the sort of home that is envisaged, working in conjunction with the industry, so that we can roll out a policy for the hundreds and thousands rather than the one and twos as we seem to have at the moment.

I think that a stamp duty tax break is a very attractive tax break, as stamp duty is very high on the more expensive houses and still a lot of money on the relatively cheap houses because house prices have increased so much. We would expect to have something for the expenditure of tax revenue forgone; we do not seem to be getting it at the moment, so I hope that the Minister will use amendment No. 20 as an opportunity to clarify and improve the definition so that it delivers on the carbon front, taking into account the production of carbon in building the house as well as in subsequently living in it, as well as delivering the number of homes needed to fulfil the targets.

Mr. Brooks Newmark (Braintree) (Con): I am delighted to return to the subject of stamp duty exemptions on zero-carbon homes, as provided for under clause 90 and the amendments proposed by my hon. Friend the Member for Putney (Justine Greening). I have some interest in the issue, having been fortunate enough to encounter it during the Committee stage of last year's Finance Bill and, by happy coincidence, when I joined my hon. Friend during the subsequent debate on the statutory instrument in December. Some members of the Committee may also have been present last year and will remember that we had great fun in the debate, largely at the expense of the then Economic Secretary, the right hon. Member for Normanton (Ed Balls). However much we teased him and laughed at his ability to tie himself in knots, there was a broad consensus that we wanted the policy to work in practice.

Stamp duty is a considerable expense for anyone trying to get on the housing ladder and last year's revenues reached some £6.4 billion—a 40 per cent. increase on the previous year. It is quite right for the Government to seek to influence behaviour by reducing some of the burdens of that huge rise in taxation. In that respect, the potential benefits of the policy are wrapped up with how it is perceived by home buyers—and, of course, home builders.

In the same constructive spirit, I welcome the change proposed in clause 19, which will extend the relief to registered flats—something that I asked for when we debated the statutory instrument and the then Economic Secretary gave the Government's favourite answer: that it would be reviewed. To give credit where it is due—it is right to do that sometimes—it has not only been reviewed but acted upon and duly extended, so I am delighted that once again the Government seem to be listening to the Conservative party; but it is a shame that neither the Economic Secretary nor the Chief Secretary, who I am sure would have been particularly well briefed on the subject, could be here for today's debate. It is a shame because there is already a sense of discontinuity creeping into the way in which the zero-carbon homes agenda is being dealt with and there is a sense in which the Government's lofty aspirations are not being matched by the reality of delivery.

As my hon. Friend the Member for Putney has already mentioned, parliamentary questions have done what endless questions in Committee could not: they have elicited the number of zero-carbon certificates that have actually been issued. Unfortunately, it is a very small number indeed—my right hon. Friend the Member for Wokingham (Mr. Redwood) made that point. Will the Exchequer Secretary update us as to what the latest number is?

That matter worries me less, however, than does the caveat that appears at the end of a couple of parliamentary answers. As the Exchequer Secretary stated in one of them:

"We expect the number of qualifying transactions to rise as more properties eligible to claim the relief go on the market."—[*Official Report*, 19 March 2008; Vol. 473, c. 1223W.]

I am sure that the number of transactions will rise given that we are starting from a very low base, but it seems that the Government expect some magic exponential effect to occur, and they always seem to expect it to occur soon rather than now.

Last year, the then Economic Secretary proposed the same kind of optimistic but ill-defined acceleration as is now appearing in such parliamentary answers. He said—in the way that only he can—that

"there will be a non-linear, progressive, accelerating build-up over time on the basis of which we will get to a figure of 200,000 by 2016."—[*Official Report*, 26 June 2007; Vol. 462, c. 198.]

However, he also admitted that the pace of the acceleration depended on the definition that was adopted for zero-carbon homes.

[Mr. Brooks Newmark]

I do not wish to plough the same ground too many times, but the Government have never given satisfactory answers in the repeated questioning over the costing of this measure. There still seems to be a disparity between the £15 million that was set aside for stamp duty rebate and the 200,000 houses that the Government hope will benefit from it by 2016. My hon. Friend the Member for Putney made that point in her excellent speech at the beginning of the debate. Can the Minister confirm the total value of the stamp duty land tax relief for new zero-carbon homes that has so far been claimed, and whether that figure fits in with the projected cost to the taxpayer of £15 million by 2011-12? Moreover, since clause 90 extends eligibility for the relief to flats, may we have an updated costing? It will, presumably, be in excess of £15 million, but by how much? I ask that as there does not appear to be a figure in the Red Book that reflects the extension.

Given the low initial take-up, the ongoing scepticism about the definition, the uncertainty over costing, and the damage that all this does to the public perception of the policy, do the Government propose to undertake a full review of the operation of the policy in its first six months, and will they publish the results? We called for regular such reviews last year, but the only information on progress since then has been provided by sporadic parliamentary questions. The Government's seemingly boundless optimism cannot compensate for lack of detail on how the policy is working in practice and how it is expected to evolve over time.

I shall now return to the question of the public perception of the zero-carbon standard. The National House-Building Council Foundation has recently published a research paper entitled "Zero carbon: what does it mean for homeowners and housebuilders?" which presents a detailed investigation of public expectation and reaction. The first challenge that the Government face is that only 4 per cent. of those polled had any knowledge of the stamp duty exemption that we are discussing today. The NHBCF also suggests that that is unsurprising, given the very low uptake revealed in parliamentary answers. If the policy is to be a success, awareness and uptake will need to feed off each another, and raising awareness is a huge challenge. Part of the reason for these issues is simple scepticism about what the standards mean, what they will cost to implement and how they will affect homebuyers' lifestyle choices.

The NHBC Foundation's chairman, the right hon. Member for Greenwich and Woolwich (Mr. Raynsford), stated in the report's press release:

"It is vital for homebuyers to actually want to live in zero carbon homes if they are to be a successful reality. If this does not happen, there is the distinct possibility that purchasers will decide against buying newly-built, low carbon properties."

The report found that home owners tended to view the 2016 zero-carbon aspiration as laudable, but did not believe it to be at all realistic.

5.30 pm

Furthermore, home buyers tend to view energy efficiency in stark economic terms; if it saves them money, they will buy it. For example, nearly half those polled were open to the £700 additional cost of meeting the code level 1 standard, because it generates savings of about £50 per annum, but fewer than one in 10 believe that a £400 saving is sufficient return on the £35,000 additional investment needed to meet the code level 6 standard, which reflects a true zero-carbon home. If the cost of qualifying for the zero-carbon stamp duty exemption is an additional £35,000, as the Government estimate, and the maximum stamp duty rebate is £15,000 on a £500,000 property, clearly a significant amount of additional cost must still be met from elsewhere.

Perhaps that gap explains why opinion on the house builders' side is, if anything, less favourable. Although there is widespread awareness of the code for sustainable homes, the report found that

"the perception of the industry is that, whatever the merits of the Code itself, it is being severely undermined by the muddled and incoherent way in which the Code agenda is being driven."

The construction industry will ultimately determine whether the zero-carbon aspiration is a success or a failure. When confidence in the 2016 target was assessed, only 26 per cent. of house builders polled believed in their technical ability to deliver the standard and just 14 per cent. had confidence in the commercial sense in doing so. The following quote from one builder is indicative of the tone of the study:

"I have no confidence in it whatsoever. We are currently involved in building a Code Level 6. If the Government expects Code Level 6 houses in 2016 with the technology that's available today then there won't be any houses built in 2016. It's so complex and expensive."

That is the background to this issue, and it is the challenge that the Government must meet. The process of meeting that challenge is not helped by the level of uncertainty surrounding both the zero-carbon standard and all the Government's sums, which are contingent on it. Perhaps that is why the report concluded that many builders wanted to pause for breath at the code level 4 standard, and that they tended to view the huge additional investment required to create a genuine zero-carbon home as impractical and inefficient.

The Government have committed to review the operation of the stamp duty incentive in 2012, which is midway between now and the 2016 deadline for all new homes being zero-carbon. May I draw the Minister on whether the Government will reconsider offering graded reliefs to properties that meet one of the intermediate code levels but are not strictly zero-carbon? Such an incentive structure might help builders to commit to further costly investment in new technology.

The Budget announced new pump-priming funding for a new 2016 delivery unit to guide, monitor and co-ordinate the zero-carbon programme. That is welcome, but will the new unit have within its remit the ability to re-evaluate the operation of the incentive structure? Even more importantly, will the unit act decisively to end the confusion about the zero-carbon standard?

The NHBC Foundation found, rather like the hon. Member for Wolverhampton, South-West (Rob Marris), who had his own non-linear, progressive, accelerating build-up to this point, that

"some confusion does exist, however, with the fundamental issue of what 'zero carbon' actually means".

That is the focus of today's debate. I appreciate that the draft Stamp Duty Land Tax (Zero-Carbon Homes Relief) Regulations 2007, which the House approved in December, had been amended to bring them in line with the code for sustainable homes and that issues such as connection

to gas mains were cleared up. Nevertheless, there is evidently still a degree of confusion within the industry, which is why it is paramount that the Government act quickly.

One house builder in the NHBC Foundation study is quoted as saying:

"The Building Research Establishment...assessors do not know whether a 2016 carbon neutral home is carbon neutral for the whole house or is it just for the energy and lighting in the house. If the BRE assessors don't know, how are the housebuilders supposed to know?"

The Red Book does include a commitment—in the Treasury's usual and modestly named "utopia-regular" font—that a definition of a zero-carbon home for the purposes of the 2016 ambition will be forthcoming at the end of the year following further consultation. But that being so, I see no reason why the Government will not accept amendment No. 20, which would commit them to laying regulations on the long-term definition before the House by the end of December.

This policy and its associated definitional problems have now had a very long gestation period and things are still changing in fits and starts. In its first six months of operation, the stamp duty exemption has been used a mere handful of times. Nevertheless, it has already been the subject of one backdated statutory instrument, in December, and now another backdated clause in this Bill to extend its remit. We have now debated it several times and come at it from so many angles that I am beginning to feel as though this is groundhog day.

Every month that goes by without certainty is a month in which the confidence of the building sector and the general public in this policy will be further eroded. This policy is becoming the very definition of spin over substance. The time has surely now come to make a commitment in the Bill to get the long-term definition right once and for all, and I welcome our amendment to that effect.

The Exchequer Secretary to the Treasury (Angela Eagle): We have had an interesting debate. I have been struck by the good will on both sides of the Committee towards making progress to achieve the desired outcome—the existence of zero-carbon homes, whatever the definition—and to ensuring, by 2016, that all new house building is zero-carbon. That is very positive.

My hon. Friend the Member for Wolverhampton, South-West (Rob Marris) made a point about the turnover of housing stock being much slower than the turnover in, say, transport. That has a direct bearing on the carbon savings calculated from the existence of zero-carbon houses. By definition, those savings start slowly and increase as zero-carbon and low-carbon homes, which are not the same thing, are built and have an increased presence in the housing stock. The benefits in carbon savings from the existence and development of such homes will start off as minuscule and rise slowly. If the process is successful, the carbon savings will be much greater at the end than at the beginning. Clearly, they will have to be much greater by 2050 if we are to reach the 60 per cent. or 80 per cent. savings that the Stern report demonstrated were necessary to achieve climate stabilisation. I thank my hon. Friend for bringing that point to the Committee's attention.

The other point that needs to be borne in mind before I get into the detail of the debate was made during a very good speech by the right hon. Member for Wokingham (Mr. Redwood). He said, to quote him, that carbon accounting is a very rudimentary science at the moment. That is true, and it will evolve and develop as we go along. We cannot expect to have the same level of sophistication in how we do something this new and novel, even though it is important, as we can in other accounting methods.

Hon. Members in all parts of the Committee will have to be patient as we develop our measurements and standardise them for reporting back to the House. We also need to avoid the problems that we have had with the more ordinary accounting methods for companies, which were developed a couple of hundred years ago. They were developed all over the world on different bases and it has taken 200 years to standardise them.

We need not only to develop our standards of carbon accounting for our economy, but to do so in a way that can be standardised across the globe if we are to develop emissions trading systems and ways of measuring life-cycle carbon emissions. That is what my hon. Friend the Member for Wolverhampton, South-West was talking about in his speech. Although it is an aspiration for us all, and although these are important tools, we cannot pretend that we have all the answers now. If the Government are to be criticised for keeping coming back to definitions and for making minor savings in carbon emissions at the beginning of an important but long-term process, as a Minister I will have to put my hands up to that.

Hon. Members from all parties need to understand, as some have made clear they do in their comments today, that the situation is evolving. Standards have not yet been set and they need to evolve. Global standardisation also needs to evolve. Carbon accounting is a rudimentary science that needs to become much more sophisticated very quickly if we are to be effective. I hope that hon. Members will bear those issues in mind as we deal with the detail on the amendments, as well as with the new clause.

Before I deal with the amendments in more detail, let me say that much fun has been had with the number of zero-carbon homes that are in existence, and people have said that the carbon savings are so minuscule that they will make no difference. The stamp duty exemptions that we are debating under clause 90 and the amendments to it are important, but they are only one part of the work that the Government are doing.

By definition, since the exemptions are attempting to create a different standard for the emissions of a house over its general life, such houses will form a tiny part of the housing stock and will have to be in the new-build areas. Hon. Members should not forget that the Government have a raft of other policies that deal with existing housing stock and make it more energy efficient. Those policies include the carbon emissions reduction target regulations and Warm Front regulations, which are doing so much on energy efficiency. We have a whole range of retro-fitting activity, if I can lump it all in that phrase, that attempts to deal with our existing housing stock.

It is true that we need to go for housing with low carbon emissions and to try to retro-fit some of our stock in order to bring that about, but the strict definition of zero-carbon would require most existing houses virtually to be demolished and rebuilt for them

[Angela Eagle]

to reach code 6. When we consider the work that the Government are doing, we should distinguish between new build and how important it is to have radically more energy efficient, very new buildings that people can live in, of which I know there are only 10, although I hope that there will be very many more soon. However, it is not surprising that the process has taken this long, when we did not start with definitions that people agreed on and when a lot of this work is new and being done for the first time. Therefore, I crave the indulgence of the House in saying that such work is front-end loaded and that the results are back-end loaded. I hope that people will accept that, by definition, that must be the case.

5.45 pm

Clause 90 has two purposes, the first of which is to ensure that the relief from stamp duty land tax for new zero-carbon homes is extended to cover new flats. I perceive that that has a general welcome around the House. The relief will apply to any new flat that meets the stamp duty land tax zero-carbon standard that is purchased from 1 October 2007, which is the date on which the existing relief was introduced. We do not want to exclude any zero-carbon home, whether a flat or house, that comes on to the market.

Justine Greening: The original explanatory memorandum to the statutory instrument excluded flats and maisonettes. So will the Exchequer Secretary confirm that, when she talks about flats, she means that flats and maisonettes are now included?

Angela Eagle: Yes, that is my understanding. Clearly, the delay was caused by checking how common parts and other issues could be dealt with to maintain a definition of zero carbon that was robust enough to qualify for the relief. Again, that was done to ensure that silly mistakes are not made in new areas. The hon. Lady had fun criticising the Government for not including such provision originally, but the work had to be done to find out whether it was doable in principle, and I think that she welcomed the extension to flats under the clause.

The clause will also create the power to introduce regulations that permit Departments that are carrying out assessments of whether homes meet zero-carbon standards to charge reasonable fees for providing such a service. Regulations that provide for fees will be made immediately after Royal Assent has been granted to the Bill. The clause will amend sections 58B and 58C of the Finance Act 2003 to ensure that the relief from stamp duty land tax for new zero-carbon homes introduced in October 2007 is extended. The relief will apply to any new flat that meets the stamp duty land tax zero-carbon standard that is bought from 1 October. Therefore, if any new zero-carbon flats have been built since the introduction of the relief, they will be included.

As with new zero-carbon houses, the relief will provide for the complete removal of stamp duty land tax liabilities on all new zero-carbon flats up to a purchase price of £500,000. If the purchase price of a flat is in excess of £500,000, the stamp duty land tax liability will be reduced by £15,000. The relief will help us meet our 2050 climate change targets by encouraging house builders to build homes that are more energy efficient and that maximise renewable technology. The stamp duty land tax incentive is designed to help to kick-start the market for new methods and to support the 2016 ambition of all new homes being built to a zero-carbon standard.

The hon. Member for Putney (Justine Greening) was under the impression that there were two definitions of zero carbon. In fact, there is only one Government definition. The Treasury definition and the code for sustainable homes definition are the same. The Department for Communities and Local Government will consult in the summer on the 2016 definition of zero carbon, but we believe that larger developments can meet the current definition and that it is harder for small city infill developments to meet it. Clearly, when practical issues to do with the definition come to our attention, it is important that we are flexible in how we respond, so that we do not disadvantage particular areas.

Justine Greening: Is the Minister saying that in 2016 people who think that they have bought a zero-carbon home will discover that they did not do so—they just bought a zero-carbon home as defined in 2008?

Angela Eagle: No. The stamp duty land tax relief applies to the first sale of a house. The emissions-related benefits of that house are then thought to be important enough in themselves to be worth having; I hope that all Members in the Committee agree. The stamp duty land tax exemption is important in making it more attractive for house builders to build new zero-carbon houses—new, more radical, energy-efficient houses—and for buyers to purchase them. It is important to ensure that our existing housing stock becomes zero-carbon over time.

I said earlier that although it is important to be certain about the definition of zero-carbon homes as there is more sophistication in terms of what is available, how such homes can be produced and built, and what materials are used, it is important that we are flexible, and the hon. Member for Putney nodded. I hope that she will accept that point. It would be absurd if I were to say, "We will define zero-carbon homes as we did in the regulations. The definition will not change in the next 20 years, no matter what new technologies, building methods or ways of measuring or defining zero-carbon come along; we must stick with the definition that we first made." I hope that she will realise that it is important for us to accept that the definitions could evolve. However, there is already a definition with which house builders know they can work; many are already doing so. I can tell the House that two developments are now being planned that will result in the building of 400 homes that meet the current definition of zero-carbon, so there are already signs that house builders are beginning to engage positively with the process.

Moving on to the amendments that we are debating, I detect that no matter what scepticism there may be, the extension of the zero-carbon homes provisions to flats and maisonettes is supported by Members in all parts of the Committee. The Government have considered the amendments to clause 90 that deal with extending stamp duty land tax relief. Amendment No. 4 would change the definition by replacing the word, "occupied" with the phrase "acquired by a buyer". We believe that, in practice, a relief that is restricted to homes that have

not been previously occupied will have the same, or virtually the same, scope as a relief restricted to homes that have not been previously acquired by a buyer. The amendment is therefore unnecessary.

Amendment No. 13 would extend the relief to all acquisitions of a zero-carbon home, whether new or old, and regardless of whether the home has changed hands before. As I have said, the Government believe that the relief should be restricted to the first acquisition of a new zero-carbon home. That fits in with the key objective of the measure, which is to kick-start the building of zero-carbon homes by stimulating consumer demand. Once the homes are built, we expect the benefit in terms of energy savings to remain in the home for many years. We do not believe that it would provide any value to the taxpayer if the relief were extended to cover second and subsequent acquisitions of a home, as is envisaged under the Liberal Democrats' amendment No. 13.

On the issue of existing homes, I hope that the hon. Member for Taunton (Mr. Browne) will recognise the fact that the Government have a range of policies in place, including the carbon emissions reduction target and Warm Front, that provide for the retro-fitting of energy efficiency to existing homes. The standards associated with zero-carbon homes are designed to accelerate the provision of new energy-efficient technologies in new build, rather than to be applied to existing houses. New developments can meet the standards more cost-effectively, as it is possible to use special new building materials and techniques to reduce a home's energy consumption to close to zero, and to deploy larger-scale, development-wide generation technologies to fill the gap. That is not possible in the same way in a retro-fit scenario.

Amendment No. 14 would remove the sunset clause in the Finance Act 2007 that ensures that the relief will not apply on or after 1 October 2012. The Government do not accept the amendment because we estimate that by 2016 or 2017 the cost to the Exchequer of providing stamp duty land tax relief on all acquisitions of a zero-carbon home, whether old or new, and regardless of whether the home has changed hands before, would be well over £2 billion a year. We further estimate that the cumulative cost of the amendment to the Exchequer by 2016-17 could be as much as £6 billion. That reflects the fact that by 2016 it will be mandatory for all new homes to be built to a zero-carbon standard, and a significant number of zero-carbon homes will be starting to change hands for the second time. The amendment is unnecessary in any case, as the Treasury has the power to extend the end date of the relief by Treasury order if there is a case for extension when we reach that date.

Finally, let me turn to amendment No. 20, which has a number of parts. In the amendment, it is suggested that the Treasury should define a zero-carbon home through regulations by no later than 31 December 2008. It is also proposed that the regulations be subject to the affirmative procedure, and that when they come into effect, existing regulations defining a zero-carbon home should cease to have effect. The Government do not accept the amendment, because a zero-carbon home is already defined by regulations laid before Parliament in December 2007 under the vires in section 58B(4) of the Finance Act 2003. As has been said today, a draft of those regulations was approved through a resolution of the House last year. Furthermore, the Government believe that that definition balances the requirement for a robust definition that delivers value for money to the taxpayer against the need for an achievable standard that will incentivise the development of the zero-carbon homes market.

The Government will conduct an interim review of the stamp duty land tax relief by 2010. That review will provide an opportunity for examining the effectiveness of the tax relief in stimulating the innovation that is necessary if we are to realise the ambition of all new homes being zero-carbon by 2016. I therefore propose that the amendment be withdrawn.

Justine Greening: I will not withdraw my amendment; I will press it to a Division. I do not feel that the Minister has addressed the issues behind my amendment sufficiently well to make me seek to withdraw it. Her response suggests that people who are in right-to-buy contracts with a developer, and who may occupy a zero-carbon home before eventually buying it, would not qualify for stamp duty land tax relief, which seems unfair. On that basis, and because of the uncertainty about the definition, I will press amendment No. 21 to a vote.

Question put, That the amendment be made:—

The Committee divided: Ayes 137, Noes 336.

Division No. 158] **[5.58 pm**

AYES

Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Burns, Mr. Simon
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter

Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Scott, Mr. Lee
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain

McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vis, Dr. Rudi
Waltho, Lynda
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Alison Seabeck and Mr. Frank Roy

Question accordingly negatived.

Clause 90 ordered to stand part of the Bill.

New Clause 1

COLLECTIVE ENFRANCHISEMENT BY LEASEHOLDERS

"(1) Section 74 of the Finance Act 2003 is amended as follows.

(2) In subsection (1) omit "by an RTE company".

(3) Omit subsection (4)(a).

(4) In subsection (4)(b) omit "by an RTE company".' *[Mr. Gauke.]*

Brought up, and read the First time.

Mr. David Gauke (South-West Hertfordshire) (Con): I beg to move, That the clause be read a Second time.

New clause 1 is an attempt to rectify a small but aggravating injustice in the stamp duty land tax. It is an injustice against the thousands of people who own the leasehold of their property and wish to acquire the freehold under the Leasehold Reform, Housing and Urban Development Act 1993. It is a technical problem recognised by hon. Members on both sides of the Committee, and we hope to provide a solution to it this evening.

I shall have to take a few moments to set out the technical concern; I hope that I do not empty the Chamber in doing so. The problem exists for many people. I must confess that I have tried to identify the number of people affected, but I have not succeeded. I do not know whether the Exchequer Secretary will be able to shed any light; it is a complicated matter, and I would be surprised if she could.

Let me give an example. There is a block with, say, 100 flats. The leaseholders wish to acquire the freehold, which is worth, in aggregate, £600,000. That, of course, would mean an average of £6,000 per flat—well below the stamp duty land tax threshold. However, I should say something about how such a transaction works. The freehold is acquired by one company formed by the leaseholders; the acquisition is therefore viewed as one transaction. The consideration of £600,000 would fall within the 4 per cent. band for stamp duty land tax, so 4 per cent. stamp duty would be payable. The leaseholders would be liable for an average £240 each, and the Government would collect £24,000 in stamp duty land tax.

6.15 pm

One could say, "So what? The purchasers knew that they would have to pay up, just as one would normally have to for such a transaction." However, let us consider the issue from the individual's point of view: they would be paying £6,000, and stamp duty is not normally payable on such a sum. To be fair, the Government recognised the issue and sought to address it in section 74 of the Finance Act 2003. The purpose of that section, as set out in the Act's explanatory notes, was that

"the total stamp duty land tax due will be more in line with the stamp duty land tax that would have been due had each share of the freehold been bought separately."

To return to our example, there would be 100 different transactions, each at £6,000. Not one of those would exceed the stamp duty threshold. There would not be a single transaction of £600,000 on which stamp duty would be payable, and the leaseholders acquiring their freeholds would not be paying stamp duty land tax.

However, there is a problem as section 74 refers to amendments to the 1993 Act, to which I have referred, and they are set out in the Commonhold and Leasehold Reform Act 2002, which refers to a right to enfranchise, or RTE, company. Such a company is defined in section 4A of the 1993 Act, as amended by the 2002 Act. At this point, I am surprised to see a few hon. Members still in the Chamber.

The problem is that the provisions implementing section 4A had not come into effect in 2003—nor have they now, in 2008. To benefit from the provisions, the freehold would have to be acquired by an RTE company. However, strictly speaking, such an entity does not exist. That is clearly an example of a failure to provide joined-up government; presumably, the Treasury and the Office of the Deputy Prime Minister, which was responsible for the 2002 Act, should have been working together and come up with a consistent definition. When the Treasury was preparing the Finance Act 2003, one would assume that it consulted with the Office of the Deputy Prime Minister, which would have given the Treasury assurances that it could make use of the definitions in the 2002 Act and proceed on that basis. Sadly, things have not worked out that way.

There is an ambiguity. One could advance the argument that because there was a definition of an RTE—indeed, draft regulations further set out the definition—one could still fall within the definition even if it had not been enacted. Precisely those circumstances have obtained in one case. The leaseholders of Elizabeth court in Bournemouth grouped together and formed what would have been an RTE company, had such an entity existed. Their group complied with the definition in section 4A and draft regulations.

Her Majesty's Revenue and Customs took the view that it was impossible for people to benefit from the relief contained in section 74 of the Finance Act 2003 until section 4A came into force. Presumably, HMRC need not have pursued the matter as vigorously as it did. It could have used its discretion not to pursue, but it did not do so, with the result that the case—Elizabeth Court (Bournemouth) Ltd v. HMRC—went to the special commissioner.

On 31 October 2007, the special commissioner decided that the relief was not available until the RTE provision came into effect, and it is worth noting why she came to that decision. In part, it was because an ambiguity in the statute made it necessary for her to look at Parliament's intention. The special commissioner did that, and determined that Parliament's intention was that the relief under section 74 would not be available until section 4A had come into force. I do not know whether any clarification in the course of this debate would lead to a change in the law, but it is worth noting that Parliament's intention was considered.

The aggregate cost of acquiring a freehold is likely to exceed the stamp duty land tax thresholds. What progress are the Government making in addressing that problem? The hon. Member for Liverpool, Riverside (Mrs. Ellman) submitted a parliamentary question on that point, to which the Under-Secretary of State for Communities and Local Government, the hon. Member for Hartlepool (Mr. Wright), responded:

"In relation to the RTE company provisions, there are a number of legal and practical difficulties which still need to be resolved and work is continuing in order to determine a way forward. Therefore no timetable has yet been set to bring these provisions into force."—[*Official Report*, 29 February 2008; Vol. 472, c. 1988W.]

Another parliamentary question was asked by my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), who I know has pursued this matter on behalf of his constituent, Mr. Leo Athanasatos of Windsor court in Southgate, where 34 leaseholders are trying to acquire the freehold. The Under-Secretary of State stated that

"tenants exercising their right of collective enfranchisement do not yet benefit from the SDLT relief provided for in section 74 of the Finance Act 2003, although this remains the intention once the practical difficulties have been resolved."—[*Official Report*, 11 March 2008; Vol. 472, c. 238W.]

The Government have had five years to resolve those practical difficulties. So far, they have not produced even a timetable for dealing with the problem: the relief remains ineffective, and there is no sign that the Government will address that. It is a significant matter for many thousands of people, as many flats are held on a leasehold basis, especially in London. I own a flat on that basis. I hasten to add that I have no intention of acquiring the freehold, and so have no interest to declare, but many people in London do want to do that. Even so, the Government do not appear to be tackling a concern that hon. Members of all parties recognise.

New clause 1 is the Opposition's attempt to rectify the problem. It would remove the references to "an RTE company" in section 74 of the Finance Act 2003, and provide that the relief would be available where a chargeable transaction is entered into in pursuance of a right of collective enfranchisement. We do not want the present problems to drag on. Instead, we want to resolve what is an aggravating matter for many people. It is clearly unfair for people in the circumstances that I have described to be hit by stamp duty when that is not the intention of either the Government or the Opposition.

If the Government cannot accept new clause 1, we hope that they at least exhibit some urgency about bringing forward their own solution. The present legislation is defective, and HMRC appears to be pursuing relevant cases with some vigour. It is taking in revenue, even though that is not what the Government have said is their intention. The Government have promised that they will deal with the matter, but there appears to be little or no practical activity in that regard.

There is a failure in the system, and we believe that new clause 1 would deal with something that has been allowed to fester for far too long.

Mr. Colin Breed (South-East Cornwall) (LD): First, may I say that my party has considerable sympathy for new clause 1, as presented by the hon. Member for South-West Hertfordshire (Mr. Gauke)? That is principally because so much time has elapsed since the proposals were first put forward, and the case in Bournemouth to which he referred will no doubt be replicated throughout the country.

As has been made clear, the Leasehold Reform, Housing and Urban Development Act 1993 entitled qualifying tenants to bring about the enforced sale of the freehold of a building to the tenants acting together. Sections 121 to 124 of the Commonhold and Leasehold Reform Act 2002 make changes to the collective enfranchisement

rules under the 1993 Act. They provide that collective enfranchisement must be carried out by an RTE company, as defined under section 4A. As we have heard, the SDLT will be calculated by dividing the amount paid for the collective purchase by the number of flats involved.

That seems fair and reasonable, and we all accept that that approach should be adopted. The Government argue that the relief rate provided by the Finance Act 2003 will ensure that RTE company members—that is, the individual tenants—fund the SDLT

"at a rate broadly appropriate to their own contribution to the purchase and do not suffer a higher rate of tax because they are acquiring the freehold under a collective arrangement." [*Official Report*, 11 March 2008; Vol. 472, c. 238W.]

That too seems entirely sensible and reasonable, so it is somewhat amazing that SDLT relief is still not available to tenants exercising their right to collective enfranchisement, even though the principle was agreed six years ago. Sections 121 to 124 of the 2002 Act have not been brought into force, which means that section 4A has not been introduced.

We have heard that several Members have raised questions with Ministers, who have indicated that there are legal and practical difficulties which need to be resolved and that work is continuing in order to determine the way forward. There is no idea of when that work will be determined, when we will get to a resolution, or what the legal and practical difficulties are that are being experienced. Perhaps the Minister will be able to inform us about that.

6.30 pm

Mr. Mark Field (Cities of London and Westminster) (Con): Many of these legal and practical difficulties also apply in my constituency, and they should have been thought through some five years ago. The relief is intended to provide an incentive for leaseholders to work together rather than individually. As the hon. Gentleman and my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) rightly point out, this anomaly should be ironed out at the earliest possible opportunity. Does the hon. Gentleman agree that these so-called legal and practical difficulties were not foreseen some five years ago?

Mr. Breed: That is exactly right; it is a shame that none of us spotted them. As was observed in the court case, the problem seems to be to do with the Government's intention. I would have thought that we could easily have sorted that out.

Mr. Gauke: In the court case, or the special commissioner's case, the fact that section 4A had not been brought into effect meant that it came down to intention. As the hon. Gentleman says, it has not been brought into effect because of the practical difficulties that the Government have identified.

Mr. Breed: I am grateful to the hon. Gentleman for that clarification.

New clause 1 would remove all references to RTE companies from section 74 of the Finance Act 2003 so that sections 121 and 124 of the Commonhold and Leasehold Reform Act 2002 do not need to be enacted for groups of tenants to be able to qualify for stamp duty land tax relief. That would logically lead to any group of tenants pursuing their right to collective enfranchisement becoming eligible for such relief under the 2003 Act. I am not certain whether this is a probing new clause or one that will be pressed to a vote, but it is over-simplistic in terms of the legal and practical difficulties, and it could create huge uncertainty for tenants pursuing their right to collective enfranchisement. The purpose of requiring an organisational set-up in the first place is to create that legal certainty and to allow its members clear and defensible rights. Removing RTE companies from section 74 of the 2003 Act would mean that any form of grouping could qualify for SDLT relief, and there could be all sorts of further loopholes and exploitation. We do not know what basic rights the tenants will have. The new clause would certainly not empower them in the way envisaged in the proposals, and it could even undermine their security.

A way round this might have been to introduce an amendment entitling RTE companies retrospectively to claim the relief once the Government had solved their problems with the 2002 Act so that we knew that this was going to happen or could implement a deadline for its commencement. Neither of those would be ideal, but they might be more legally defensible and give tenants some of the security that they require.

Mike Penning (Hemel Hempstead) (Con): Could the hon. Gentleman elaborate on exactly how the new clause would undermine tenants' security? I cannot see how it would, and he has not given the Committee any guidance on that.

Mr. Breed: The whole purpose of setting up an RTE company as a legal entity would be to bring these groups of tenants together into one legal entity and to have certainty that they could then exercise basic rights under the legislation, which would include SDLT relief. Lots of groups of tenants would not necessarily be RTE companies. Removing RTEs would presumably open this out to all sorts of tenants. While that might have some relevance to SDLT, it could undermine some of their other rights and certainties. Another option would have been to introduce changes to remove an RTE company and replace it with a common definition of a company in the original legislation—the Leasehold Reform, Housing and Urban Development Act—and the 2003 Act. In that way, tenants could qualify for SDLT relief while having the legal protections and certainty afforded by being a company.

The essence of the issue—I am glad in a way that the hon. Member for South-West Hertfordshire has raised it—is that these legal and practical difficulties cannot be allowed to go on for ever. After five years, the Government must tackle them head on and decide what they are going to do so that we have some certainty this time that these reasonable and justifiable reliefs can be given to all the groups of tenants who have got themselves together in RTEs and are now waiting to get the thing done. I would be grateful if the Minister explained how the Government are going to tackle that and resolve what has been an outstanding issue for far too long.

Mike Penning: I promise not to detain the Committee too long. Not least, I will try not to go into the legal jargon that my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) had to use in order to make sense of this, and thereby clear the Chamber.

[Mike Penning]

The hon. Member for South-East Cornwall (Mr. Breed) accused the new clause of being too simple, but it would resolve the problem very quickly. Defective legislation is wrong. We are here to introduce legislation that supports our constituents and supports the country in moving forward. The Government admit that they have defective legislation on the statute book, yet one would have thought that in the past five years the great minds that have been in post in the Treasury might have got their act together and moved forward. This is the sort of defective legislation that an incoming Government might expect to have to resolve, but it is that of an existing Government trying to introduce measures to help people in purchasing the lease of their property.

I must admit that this would probably not affect many properties in my constituency. However, having grown up in a seaside town once I eventually got away from London in my early teens, I know that there are huge effects in seaside towns with large purpose-built leasehold blocks, as well as in many of the cities of this great country. I find it difficult to understand why over the past five years the great minds of the Treasury have not made proposals to repair defective legislation that is taxing people of this country as it was not designed to do.

I support new clause 1 and hope that my hon. Friend the Member for South-West Hertfordshire will press it to a vote.

Mr. Redwood: I rise to support my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke), who has done the Committee and the nation a great service by highlighting the ridiculous position that we find ourselves in. I hope that Ministers will take this away and come up with an answer more rapidly than their predecessors have been able to over the previous five years.

As I understand it, the Labour party and the Labour Government wish people to have this exemption if they are buying the leasehold interest in their flat. Certainly, the official Opposition wish them to have that exemption. The hon. Member for South-East Cornwall (Mr. Breed) was rather more muddled. At one point he seemed to be in favour of certain people having that exemption, while at other times he seemed to worry that undesirables would be allowed in.

Mr. Breed: It is easy to understand that if one wants to ensure that people have certainty, that relates not only to their stamp duty land tax but to all the other rights that need to be protected. If people go into this as groups of tenants who do not have the protection of an RTE company, they may well lose some rights and benefits in order to gain in terms of tax.

Mr. Redwood: That just shows the muddle that the Liberal Democrats are in. On the one hand they say that they want to join the Government and the official Opposition in trying to expedite people getting this tax relief for the purpose of enfranchisement, and in his next breath the hon. Gentleman says that it might not be a good idea to let them have that freedom because they might make a mess of it. Once again, we see that the Liberal Democrats do not actually believe in freedom at all. They do not believe that people are intelligent or able to make their own decisions; they believe that they have to micromanage decisions from Parliament. It would be even better if the Liberal Democrats got out of their muddle by agreeing with the Government and the Opposition. People should have the right to enfranchise their lease and buy the freehold, and they should be able to do so free of tax. We could then say to all those seeking to interpret the will of the House that the whole House was united, not just the two major parties.

I would like to make one new point during this brief debate. While Ministers are trying to get the right legal advice and put the right form of words into the necessary provisions so that the will of the House five years ago and now can be properly enforced, they could have a word with the Revenue, which is becoming far too aggressive. Given that it is the House's intention that such transactions should be exempt, the Revenue should not be pursuing and hounding people by taking up cases at considerable expense, with much legal advice, against the clear wish of the House of Commons that such transactions should be exempt. That would give a little more time for those who wish to get on with their lives and buy their share of the freehold, while the Government's lawyers get their act together and introduce the necessary wording.

It beggars belief that it has taken more than five years to carry out something relatively straightforward such as giving the leaseholders of Britain the opportunity to buy a modest share of their freehold for a modest sum without being taxed as if they were multi-millionaires carrying out a big transaction. I hope that Ministers will soon find a way to do so.

Angela Eagle: I hope that I can cast some light on what is a complex problem, as I have discovered recently. I have to thank the hon. Member for South-West Hertfordshire (Mr. Gauke) for bringing it to my attention and causing me to look back at what has been going on during the past five years.

As far as I can tell, the issue is not defective legislation but the difficulty in putting into effect provisions that allow right-to-enfranchise legislation to be commenced. I hope that I will be able to explain at least in passing—I do not feel qualified to go into great detail as the matter is being dealt with by the Department for Communities and Local Government—at least some of the issues. I thank the hon. Gentleman for bringing the matter to the attention of the Committee; he has done the right thing.

We have considered the proposed new clause to amend section 74 of the Finance Act 2003, which deals with stamp duty land tax treatment of collective enfranchisement. The hon. Gentleman was right to set out the background, including the fact that section 4A of the Leasehold Reform, Housing and Urban Development Act 1993, which was introduced by the Commonhold and Leasehold Reform Act 2002, defined and made provision for what was known as a right-to-enfranchise company. The provisions sought to resolve a problem whereby qualifying leaseholders were being deliberately excluded from purchasing a share of the freehold by other leaseholders. Under the right-to-enfranchise provisions, leaseholders proposing an application for collective enfranchisement must first form a company, which then makes an application

and becomes the new owner of the freehold. Under the RTE company provisions, all leaseholders—and this is the point, I think—must be invited to take part in the application to prevent the exclusion of qualifying leaseholders.

Section 74 of the Finance Act 2003 was designed to ensure that when an RTE company purchased a freehold, the rate of stamp duty land tax was set by the value of the aggregate consideration divided by the number of flats in respect of which the right of collective enfranchisement had been exercised. As hon. Members have said, that would bring the rate of stamp duty land tax broadly into line with the rate that would have been charged had each share of the freehold been purchased separately.

As Opposition Members have pointed out, section 74 of the 2003 Act has not yet taken effect because section 4A of the 1993 Act, on which it depends, has still to be commenced. A number of practical difficulties have emerged that require further work and consideration. The issues involved are not directly relevant to the Finance Bill, and I can outline them, and their effect on what is proposed by the new clause, only briefly. The main difficulty in implementing the provisions in section 4A of the 1993 Act has been how to resolve disputes that may arise concerning the fair apportionment of costs of acquiring the freehold and the expenses of the RTE process among participating members. Failure to resolve that practical difficulty could allow members of the RTE company to offer unfair terms to particular leaseholders in order to exclude them from participating.

6.45 pm

It had originally been envisaged that RTE company members could agree on how such costs would be apportioned and that normal company law mechanisms would be available to enforce those agreements and determine any disputes arising. However, legal advice received indicated that there were a number of problems with that approach. First, company law mechanisms could not be used to determine the terms upon which tenants were able to participate in an enfranchisement action. Those had to be settled outside of the mechanisms and such terms should be clear to tenants at the outset of the process when they decided to become members of the company that would purchase the freehold on their behalf. That matter is currently being worked on.

Moreover, human rights issues arise because the right to enfranchise is a civil right, which means that in the event of a dispute about such rights, the person concerned would have a right to go to court if there were no mechanism under the legislation for resolving such disputes. It is a matter of attempting to work out in detail how such mechanisms can be put in place, but not by using existing company law, unfortunately; it seems that it will not be available for such use. I understand that it is work on those issues that has caused the problem. RTE commencement lies at the end of a long process, which has involved 12 consultation papers on the 2002 Act, and 18 sets of associated regulations to bring most of the rest of it into effect in phases. I suspect, although I do not know for certain, that the most difficult bit has been left until last because it is causing such difficulties. I am told that it is being worked on with commitment, and it is hoped that the matter will be resolved.

The Government believe that it would be wrong to amend section 74 of the Finance Act 2003 to break the link with the RTE company at this stage. Further investigation has been done to explore whether the RTE provisions can be made to work. If they can, that would be preferable to a different kind of fix, for the reasons hinted at by the hon. Member for South-East Cornwall (Mr. Breed).

The Government will do further work on consideration of the best way to resolve these complex issues, including whether a clause in next year's Finance Bill is necessary. The Government have received only a handful of representations on the matter, and the Treasury and HMRC have received none on section 74 of the 2003 Act. I thank the hon. Member for South-West Hertfordshire for bringing it to my attention, however. I am now more aware of the matter than I would have been. Given that I have explained some of the difficulties and said that we may be willing to consider a change to next year's Finance Bill—once we have seen how the Department for Communities and Local Government has wrestled with the problems—I hope that he will not press the motion to a vote.

Mr. Gauke: I thank the Exchequer Secretary for her thanks to me and for an informative answer, which set out the problem. I am not sure whether that was previously on the record, so it is helpful for the Committee to have a better understanding of the problem. I did not realise that the Human Rights Act 1998 was part of the reason for our inability to tackle the matter previously.

I also acknowledge that the subject has largely been a matter for the Department for Communities and Local Government. However, given that, if Departments do not work, the Treasury tends to step in and sort out the matter—that is my understanding of the way in which things work—it is right to debate the subject during consideration of the Finance Bill.

The Exchequer Secretary states that we are considering not defective legislation but practical problems. However, if legislation cannot come into force after five years, it fulfils the definition of defective. I note that the Exchequer Secretary does not rule out the possibility of breaking the link between RTE companies, a right to collective enfranchisement and section 74 of the Finance Act 2003. I am therefore not convinced that there is a difficulty with pursuing that route. The matter could have been tackled in the past five years, but that has not happened. I see no reason for waiting a sixth year and I would like to press the new clause to a Division.

Question put, That the clause be read a Second time:—

The Committee divided: Ayes 130, Noes 321.

Division No. 159] **[6.50 pm**

AYES

Afriyie, Adam	Benyon, Mr. Richard
Ainsworth, Mr. Peter	Beresford, Sir Paul
Ancram, rh Mr. Michael	Binley, Mr. Brian
Arbuthnot, rh Mr. James	Blunt, Mr. Crispin
Atkinson, Mr. Peter	Bone, Mr. Peter
Baldry, Tony	Boswell, Mr. Tim
Baron, Mr. John	Bottomley, Peter
Bellingham, Mr. Henry	Brady, Mr. Graham

Brazier, Mr. Julian
Burns, Mr. Simon
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gray, Mr. James
Greening, Justine
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, Mr. Gerald
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Moss, Mr. Malcolm
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Scott, Mr. Lee
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. John Randall and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Cohen, Harry
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Elman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan

Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Mountford, Kali
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vis, Dr. Rudi
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mr. Roger
Willis, Mr. Phil
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Siobhain McDonagh and Liz Blackman

Question accordingly negatived.

Clause 117

PENALTIES FOR ERRORS

Mr. Gauke: I beg to move amendment No. 1A, page 73, line 12, at end insert—

'(3A) An order under subsection (2) may not be made until—

(a) the provisions of Schedule 24 to FA 2007 which are amended by Schedule 40 have been in force for not less than 12 months, and

(b) the Treasury has laid before the House of Commons a report setting out its assessment of the effectiveness of those provisions.'.

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): With this it will be convenient to discuss the following amendments: No. 2A, line 23, at end insert—

'(7A) A statutory instrument containing an order under subsection (2) may not be made unless a draft of it has been laid before and approved by resolution of the House of Commons.'.

No. 3A, line 13, leave out subsections (4) to (6).

No. 4A, line 24, leave out subsection (8).

Mr. Gauke: It is a pleasure to speak on the issue of penalties. As with so much in this year's Finance Bill, we have to go back to last year's Bill to gain a full understanding, although I suspect that we shall not see quite the same drama that we saw in last night's debate about income tax.

Schedule 24 of the Finance Act 2007 introduced a single new penalty regime for incorrect returns in respect of income tax, self-assessment, pay-as-you-earn, corporation tax, capital gains tax and VAT, which involved a common structure of stepped penalties depending on taxpayer behaviour. The provisions of schedule 24 of the 2007 Act were broadly well received. Those who can recall last year's debate will remember the concern about the expression "HMRC think", which was contained in the first draft of that Bill, but which was thankfully amended by the Government following representations from all parts of the House. However, there was little dispute about the common structure of stepped penalties.

Schedule 24 of the 2007 Act addressed only the main taxes, as they were described, and did not try to cover all taxes. Its provisions are only now coming into force, so that they will come into effect only for returns or documents due to be sent to HMRC on or after 1 April 2009. HMRC says that the new penalty regime is already having an effect. However, given the stage that we are at, it seems far too early to jump to any conclusions about the effectiveness of schedule 24 of the 2007 Act.

[Mr. Gauke]

None the less, the Government seek to extend the regime set out last year. We question the timing of that. Two logical positions could be taken on the matter. The first is that it is confusing to have two different penalty regimes for errors in tax returns and therefore right to move to one common structure as quickly as possible. That could be described as the big bang approach to penalties, if that is not overdoing it. The alternative is to take a more gradualist approach, by seeing how the new system works, extending the approach in stages by a process of trial and error, learning as we go along, identifying strengths and weaknesses, and imposing a new system of penalties for tax returns over a number of years.

Both are acceptable positions and there are arguments for adopting either. However, in attempting to take two different approaches, the Government appear to be in an inconsistent position. In the 2007 Act, the Government did not seek to apply the new penalty regime comprehensively; instead, they just picked out the main taxes and left the rest. That would indicate the gradualist approach. However, long before the existing provisions come into force and it is possible to assess the effectiveness of schedule 24 of the 2007 Act, the Government are seeking to expand the regime to a new set of taxes, as we see in schedule 40 of the Bill. The taxes include inheritance tax, stamp duty, stamp duty land tax, petroleum revenue tax, insurance premium tax and a wide range of duties.

Over the course of a year, the Treasury and HMRC have gone from a gradualist approach to one of trying to impose a single regime as soon as possible. However, clause 117(3) allows different days to be appointed for different provisions, so things might not work out like that and some taxes might be treated differently over time. If the Government had wanted to introduce all the measures as quickly as possible so that different regimes were not running simultaneously—I acknowledge that there is an argument for doing so—we must ask why they did not do that in 2007 by applying the new penalty regime more broadly. I hope that the Financial Secretary will address that point. It appears that the Government changed their mind during the past few months and I should be grateful for an explanation of why that happened.

The Government also seemed to change their mind in a rush. "Modernising Powers, Deterrents and Safeguards: Penalties Reform—The Next Stage", HMRC's consultation paper, was published only on 10 January. It is rumoured that it would have been published earlier, but that it was delayed because of HMRC's difficulties owing to the missing data discs. Perhaps it would have been too embarrassing for HMRC to consult on the penalties that it would impose on taxpayers for errors when HMRC itself had been guilty of the most horrendous errors.

It is worth noting that annexe A of the document contains the consultation criteria in the Department for Business, Enterprise and Regulatory Reform code of practice. The first criterion states that a consultation should

> "Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy."

The consultation closed on 6 March, just eight weeks after the document's publication on 10 January. Why was that the case? If it had closed any later, it would have finished after the date of the Budget—12 March—and, clearly, announcing the policy of extending the penalties regime while the consultation was still under way would have been too obvious. The credibility of the consultation was undermined because the consultation period ended on 6 March and, just six days later, HMRC published board notice 96, in which it announced the Government's plans to legislate.

The consultation document stated:

> "HMRC would welcome views on...extending the penalty regime...to incorrect returns for other taxes".

Six days after the date for submitting those views, it announced that legislation would be introduced in the Finance Bill 2008

> "to create a single penalty regime for incorrect returns"

across all taxes, levies and duties administered by HMRC. HMRC might well have welcomed views on the subject, but it is difficult to believe that as much consideration was ever going to be given to views that conflicted with what the Government seemed determined to do in the first place. There are plenty of stories that Treasury officials were burning the midnight oil in the run-up to the Budget and that there were all sorts of last-minute changes, but I suspect it is unlikely that the intense review of submissions to the consultation on penalties was the reason.

It has not been a good winter for HMRC consultations. Draft legislation on non-doms had to be corrected mid-review because it was already damaging the UK's reputation. The consultation on income shifting was so widely castigated that plans to introduce measures were withdrawn. The consultation on penalties might not have been in the same league for controversy, but its timing—eight weeks, not 12—and its completion six days before the Government announced their policy, gave every impression that HMRC was simply going through the motions. That concern is shared among various professional groups. That is not to say that there is no support for the proposals; indeed, the principle of a single system for penalties has many supporters. However, serious points of substance were raised during the consultation.

7.15 pm

I do not intend to get into a detailed debate about schedule 40—we will return to that in much greater detail upstairs—but it is worth briefly highlighting the concerns raised through the consultation process to show that there are issues to address, as I think that the Minister accepts. In such circumstances, a hurried consultation was far from ideal.

I shall outline several of the concerns. The proposals involve penalties that are based on underlying behaviour. That is widely supported, but the Institute of Chartered Accountants, for example, believes that there is a problem with distinguishing between prompted and unprompted disclosure for one-off taxes, such as inheritance tax and stamp duty, compared with the situation for taxes that are paid repeatedly, such as income tax or corporation tax.

A third-party penalty for incorrect inheritance tax returns was raised during the consultation process by the ICA, which said that it was not convinced by the

Government's proposals, and the Chartered Institute of Taxation, which had strong reservations about penalties on third parties generally. The Government have moved on that point, but worries still exist. The ICA raises an important concern that proposals on penalties for failure to notify might discourage persons operating in the shadow economy from regularising their position. Both the CIT and the ICA raised the issue of suspended penalties. There are substantial issues for us to debate, but I think I have demonstrated that important points were raised in the consultation process, so it is not good enough to steamroller through the measures. Given the limited time allowed for consultation, our assessment and evaluation upstairs will be all the more important.

I welcome you to the Chair, Sir Nicholas. It is a pleasure to serve under your chairmanship.

Mr. Peter Bone (Wellingborough) (Con): I declare an interest as a member of the Institute of Chartered Accountants.

I do not understand why the institute and other organisations were put to the trouble and cost of becoming involved in a consultation that lasted for only eight weeks when I understand that the Government recommend minimum consultation periods of three months.

Mr. Gauke: Yes, as I said earlier, the Government's code of conduct states that consultations should last 12 weeks. However, it simply was not possible to do that and to get everything done before the Budget, when the policy was announced. That raises the question whether we are rushing into this somewhat. My hon. Friend makes a helpful point.

There is further evidence that the matter has been rushed. The Financial Secretary wrote a letter dated 24 April to my hon. Friend the Member for Runnymede and Weybridge (Mr. Hammond), the shadow Chief Secretary to the Treasury, about the powers under clause 117(4). Her letter makes the point that HMRC is still working through old legislation to work out what consequential amendments need to be made to that legislation in what is, admittedly, a complicated area. That prompts us to ask, again, why legislation is not ready at this point. The fact that it is not suggests that there is a rush.

Having highlighted several issues of substance that we need to debate, let me point out that the consultation timetable has made it difficult for the Government to respond regarding the latter two substantial points—on penalties for failure to notify and suspended penalties. We would be in a much better position to assess the validity of those arguments if we knew how the regime for main taxes that was introduced in the Finance Act 2007 had bedded down. If we were able to see how that had worked over a given period, we would be able to see whether there is a strong argument on these points. But we do not have that opportunity, because the Government wish to proceed much more quickly with extending the penalty regime.

Amendment No. 1A would give us the chance to pause and reflect, thus enabling us to see how schedule 24 works out in practice. It would also give the Government more time to consult properly—as my hon. Friend the Member for Wellingborough (Mr. Bone) has pointed out, they consulted for only eight weeks—and give a genuine response that does not look as though it had been ready to print, regardless of the submissions that have been made. Amendment No. 2A would require the use of the positive resolution procedure to implement schedule 40, which would give the House a proper opportunity to debate this matter again.

We do not criticise the Government for seeking to introduce a single penalty regime. However, given last year's decision to do that in one go, the Government should pursue this matter carefully, by listening to the concerns of professional bodies, assessing the measures that they have introduced and examining the effectiveness of those measures before acting. Amendment No. 1A would enable them to do precisely that.

Amendments Nos. 4A and 3A—particularly 3A—address another concern that several bodies have raised: that subsection (4) seems to be what is sometimes described as a Henry VIII clause. I learned the definition of such a clause only today, from the first report of Session 1992-93 of the House of Lords Select Committee on the Scrutiny of Delegated Powers, which I had not read before. It states that a Henry VIII clause is

> "a provision in a Bill which enables primary legislation to be amended or repealed by subordinate legislation, with or without further Parliamentary scrutiny."

I do not pretend that it is the first time that such a clause has been used, but its use is a matter of concern. Subsection (4) states:

> "The Treasury may by order make any incidental, supplemental, consequential, transitional, transitory or saving provision which may appear appropriate in consequence of, or otherwise in connection with, Schedule 24 to FA 2007 or Schedule 40."

Subsection (4) is extraordinarily broad. We must put that in the context of the Prime Minister's statement last year that he was looking for a

> "new British constitutional settlement that entrusts more power to Parliament".—[*Official Report*, 3 July 2007; Vol. 462, c. 815.]

The measure seems to take power away from Parliament, because it gives the Executive enormous flexibility to amend the provisions that we will consider in schedule 40 to the Bill, and those that we considered in schedule 24 to the 2007 Act.

Not only do Henry VIII clauses seem to be more prevalent, but they are more widely drafted. Section 97 of the 2007 Act, which implemented schedule 24, gave the Government the power to make an order that may include "incidental, consequential or transitional" provision. This year, in addition to those words, an order may contain a supplemental, transitory or saving provision. The word "supplemental" is particularly vague, and I hope that the Minister will indicate what she means by that. I note also that subsection (6) states:

> "An order under subsection (4) may make different provision for different purposes."

I confess that I am not sure what that means, and I should be grateful for some elaboration on that point. However, it appears to be extremely broad.

Mr. Bone: Is not the Henry VIII clause typical of what the Government do these days? They rush through legislation and do not have proper consultation, taking the view that if they get things wrong they can alter them without coming back to Parliament. It is a way of rushing things through without giving them proper consideration.

Mr. Gauke: My hon. Friend, who is a doughty defender of the rights of Parliament, makes another good point. His comment brings together the first and second parts of my argument, the first being that there seems to have been a rush to get the legislation in place this year, and the second that the Government have had to protect themselves as a consequence. To be fair to the Financial Secretary, she acknowledges that this is a technical area that is likely to require a great deal of consequential amendment. However, rather than try to get the Bill right first time and take a more methodical approach to it, they provide themselves with powers to go back to it and address these issues again.

Mike Penning: A "get out of jail free" clause.

Mr. Gauke: Quite.

Jane Kennedy: I might have misheard the hon. Gentleman—I have learned that he is very thorough in his approach to such matters—but he quoted a definition of the so-called Henry VIII clause from 1992. He will know that a different party was in government in 1992, and that this issue has long been a complaint of parties in opposition.

Mr. Gauke: Sometimes parties in opposition are right. I thought that the Financial Secretary would pick me up on that point, but I did say that the use of such clauses seemed to be more prevalent. That is our concern. They are also more comprehensive. A comparison with last year's Henry VIII clause shows that we seem to be getting bigger Henry VIII clauses by the year. That is a concern.

Mike Penning *rose—*

Mr. Gauke: I shall not make any ill-judged remarks comparing my hon. Friend with Henry VIII.

Mike Penning: I shall take my hon. Friend's comment in the manner in which I am sure it was intended.

The Financial Secretary talks about 1992, but it was only last year when the Prime Minister said that he wanted the House to be consulted more. She waves that comment away—perhaps the Prime Minister's comments should be waved away more often—but such comments are important. If we are to believe what the Prime Minister says, then why have the Government used another, even larger Henry VIII clause?

Mr. Gauke: I am grateful to my hon. Friend, who makes a very good point. To be fair to the Financial Secretary, I must stop trying to put her into embarrassing positions in respect of the Prime Minister's comments, as she had to cope with denials over the losers in the 10p tax rate issue last night. On this occasion, however, I think that the Prime Minister was right to say that Parliament should be in the centre of things to a much greater extent, and we would like to see that happen in practice rather than just hear the rhetoric, but we see no evidence of it in the Bill. In fact, we see Parliament being marginalised because it will not have the ability to scrutinise or control legislation as it should.

7.30 pm

Let me draw a couple of comparisons with provisions elsewhere in the Bill. Clause 118, for example, deals with penalties for failure to notify and covers equivalent provisions, while clause 119 relates to HMRC decisions, reviews and appeals. That, too, employs similar wording, but unlike clause 117 it requires the affirmative resolution process. Amendments Nos. 3A and 4A would remove the powers. If the Government wish to amend the law in this area, we believe that they should do so through primary legislation and amend schedule 40 accordingly. If HMRC is not ready to do so and is still working its way through existing legislation, that is a further argument for delay, as I said.

I referred earlier to the Financial Secretary's letter of 24 April 2008 to the shadow Chief Secretary, in which she states that the

"order-making power contained in clause 117(4) is a reserve power to provide for the smooth transition from the old penalties legislation to the new, allowing for interim rules to apply if necessary when the new legislation comes into force".

In arguing that it is purely about a smooth transition, the Government's difficulty is that the provisions are much wider than that. For example, there is no sunset clause that would satisfy the concerns identified by the Financial Secretary, but it would at least provide some comfort to Opposition Members who are concerned about these provisions.

If the Financial Secretary says that she will not use the powers more widely than is set out in her letter, I would not for a moment doubt her integrity on the matter; I fully accept that, but she will not necessarily hold her position for ever. I mean that in a positive way, as I am sure that promotion beckons. I, for one, think she would make an outstanding member of a Labour shadow Cabinet, but Parliament should require greater protection of its rights than the assurances of one particular Minister, however popular.

There is already an issue about parliamentary scrutiny because these measures are contained in a Finance Bill and it is worth making the point that the other place does not have an opportunity properly to scrutinise these measures for that reason. Given that the provisions greatly affect the balance between the liberties of the individual and the sanctions that the state requires to enforce the law, there is a strong argument for saying that any fundamental review of HMRC's powers, as we saw in last year's Finance Act and this year's Finance Bill, should be contained in separate legislation that is not part of a money Bill. Any such separate Bill could then be examined in the other place. I would be grateful if the Government gave consideration to that point, which has been raised by a number of bodies.

As well as the constitutional argument, there is a practical point about the way in which the Government seek to amend legislation through statutory instruments. The design principles followed in the review of HMRC's powers are referred to in the consultation document I mentioned earlier, which states that penalties should be

"visible and set in statute".

I accept that even if it is amended by statutory instrument, it will still be in statute, but there is a genuine point that if the Government are going to use orders to amend legislation in that way, it will not be "visible" and it will

not be as easy for practitioners to go to one or two schedules set out in Acts to work out how it works. Anyone who works on Bills knows how difficult it can be to juggle various legislative instruments to find out the most up-to-date status. There is thus a practical point about trying to achieve legislative change through orders, as it is harder for professional groups to monitor.

In conclusion, in determining the balance between the rights of individuals—in this case, taxpayers—and the sanctions necessary for the state to enforce its powers, Parliament has a vital role. In the context of income tax on the low paid, we hear that Parliament has taken control of the matter, so we, Parliament, should not surrender our rights to control the penalties imposed on taxpayers either. It would appear that this set of proposals has been somewhat rushed and that the consultation has been inadequate. There is a danger that Parliament will not be able to scrutinise measures made pursuant to schedule 40 as closely as it should. For those reasons, we tabled the amendments and we look forward to hearing the Minister's comments on them.

The Temporary Chairman (Sir Nicholas Winterton): Before I call the next speaker, I remind the Committee that we can discuss all four amendments in the group, but that amendment No. 1A is the lead amendment.

Mr. Breed: Let me say straight away that I share all the concerns of the hon. Member for South-West Hertfordshire (Mr. Gauke) about what the Government have done, or rather not done, so far. The amendments are very pertinent.

As has been said, schedule 24 to the Finance Act 2007 introduced the single penalty regime for inaccurate documents. I recall that there was considerable discussion when it was introduced. The taxes, levies and duties for the penalties that are payable have been considerably extended to include environmental taxes such as the aggregates levy, the climate change levy and landfill tax; excise duties such as those on alcohol, tobacco, oils, gambling and air passenger duty; stamp duties such as stamp duty land tax and stamp duty reserve tax; and inheritance tax, insurance premium tax, pension schemes and petroleum revenue tax. It is difficult to think of any instance in which a penalty would not have to be paid if someone inadvertently supplied false information. The level of penalty is dependent on the amount of tax that has been understated, the underlying behaviour and the extent of the disclosure by the taxpayer. I suppose that we would not argue with that, as none of us wants to give any comfort to people who deliberately try to avoid paying taxes for which they are liable.

I am particularly pleased that the new provisions do not apply to tax credits. I cannot imagine what might happen if they did; I do not know how many million people might suddenly find themselves liable to investigation.

Mr. Bone: In my experience, it is the Revenue that is making the errors, so it would have to pay penalties to my constituents.

Mr. Breed: That is an excellent point. Indeed, some payments have been made, but I suspect that they were nowhere near adequate compensation for what people will have had to go through—not only all the telephone calls and letter writing, but all the stress, and sometimes negotiations with banks—because they properly provided information, but it was not taken into account, so they found themselves in great difficulties.

There are two overall themes to our concerns. One is the lack of certainty. Most people would accept that good legislation requires certainty. The current group of amendments, like the previous one, deals with the fact that there is very little certainty on which people can rely. We also feel that HMRC should be putting its own house in order. We are very cautious about extending the powers of HMRC—an agency that has consistently sought to push to the absolute limit the powers that it already has. I am thinking of its attitude to chasing tax on contractual termination payments under clause 49 and the attempts in this year's Bill to give it unlimited access powers to businesses. Those are draconian powers, and when such an approach is combined with uncertainty, we will have an unacceptable mix.

Reference has been made to the Financial Secretary's letter of 24 April, which clearly went to a number of colleagues, and to the penalties for errors dealt with in clause 117. It is the fact that no real certainty is provided that concerns us. To say that work in this area is ongoing, which is a bit like what was said about the last set of amendments, gives no great reassurance to anyone. Good legislation requires certainty, so if the Government believe that interim rules are required, they should state them in primary legislation and not try to bring them in through the back door in regulations later in the year. The Government need to provide real reassurances, and it is essential to tighten up the clause.

We think that it would be better to tighten up the provision, if that is possible, than to remove it. We agree that there is a legitimate expectation that individuals who deliberately provide false information for the purposes of tax evasion should be penalised, but we cannot support the clause as currently drafted. We support amendments Nos. 1A, 2A, 3A and 4A, however, because they would introduce a measure of control over what the Government are trying to do. We urge the Government to abandon the drip, drip method of using regulations to amend these powers, as it seems to be catching on far too much, and we think it should be curtailed.

May I also give advance notice that we shall certainly want to oppose the inspection powers in clause 108? We will no doubt discuss that provision upstairs in the next few weeks. We feel that it is just another example of the powers that are being provided to an already over-powerful agency, and that does very little to assist us in being convinced about it. What the legislation proposes is sensible, but it is not clear enough for us to be able to support it. Therefore, we will support the amendments if they are pressed to a Division.

Mike Penning: I rise to support the amendments of my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke). I am deeply concerned about two points. First, I am concerned about why the Government are so worried about their own 2007 legislation, which they have not managed to enact yet; indeed, they have got their knickers in such a twist that they want to bring in new legislation long before that 2007 legislation takes effect and in a rush, as has been mentioned by several Members.

[Mike Penning]

It seems frightening that legislation that we debated at some length last year in Committee and on the Floor of the House on the industry and individuals getting together to discuss and try to understand what the penalties for errors will be is being dealt with in such a way. The Government have rushed through what sounds like quite a bogus consultation, as they have not been able to give the time that everybody—particularly the experts in the field—would need in order to consult and so that the Government could respond with answers to concerns, and so that proper consultation could take place. From what I have heard this evening, it sounds like the Government had already made their mind up before the consultation even took place. It seems a complete sham to give only such a short period, when their own regulatory advice is that it should be three months.

7.45 pm

I also wish to address the point about the Henry VIII clause. My hon. Friend—I think he is my friend—the Member for South-West Hertfordshire alluded to the power of such a clause, and also made some other comments in respect of my intervention. I fully accept that Henry VIII clauses were used before the current Government were in power, but that does not make them right. They should be brought in only in exceptional circumstances. I am deeply concerned that this House will be excluded from debating, and being consulted on, important measures that have an effect on almost all our constituents, and that we will leave that power with the Minister of the day. I agree with my hon. Friend that the current Financial Secretary is exemplary in her—*[Interruption.]* I am pleased I have cheered up the Financial Secretary, especially after the couple of days she has had. She will almost certainly not be in her current position after the next general election, however. I have grave concerns about other Ministers of whatever party having such Henry VIII powers.

I will support the amendments, so that this House continues to have the powers it should have, fulfilling the promise of the current Prime Minister, and to make sure that we debate measures of significance to our constituents, especially on penalties they may incur.

Mr. Newmark: First, let me make the same observation that I made last night: it is a pity that once again not a single Labour Back Bencher is present to support the Government's proposed legislation. That is disappointing, not least because I enjoy a good debate.

As my hon. Friend the Member for South-West Hertfordshire (Mr. Gauke) is a solicitor, I am sure he is far better placed than me to scrutinise the Government's use of the Henry VIII powers in clause 117, and he does so through his amendments Nos. 3A and 4A. I am grateful to him for his thoughtful explanation of the amendments. Nevertheless, the name that has been given to the powers is an evocative one that summons all the images of unaccountable government that we could ever need. The Government's use of such powers should be of interest, and ultimately of some concern, to each and every Member, because of their impact on our ability to exercise effective scrutiny and hold the Government to account. Crucially, the matter should also be of concern to Members in another place; indeed, I believe it already is. The fact that these powers crop up in a money Bill will exclude them from further scrutiny in another place, particularly by the Delegated Powers and Regulatory Reform Committee, whose Members take a special interest in these matters. That is the key point I take from my hon. Friend's arguments.

I note that there are some specific requirements relating to the scrutiny of such powers which do not, by default, apply to the passage of the Finance Bill because it is concerned with supply. Indeed, the DPRRC's guidance for Departments on the role and requirements of the Committee lays those requirements down clearly, including the submission of a memorandum that is required to justify the necessity of the power in some depth. I understand the general situation regarding the right of another place to scrutinise and delay Bills that Mr. Speaker has certified as money Bills under the Parliament Act, and perhaps it follows that another place cannot delegate scrutiny powers that it does not itself enjoy to one of its own Committees. However, I question the general principle that another place should not be able to scrutinise delegated powers that are to be exercised under the Finance Bill simply because it deals with supply. The other place's right to scrutinise this Bill may well be truncated by the Parliament Act, but it is not entirely removed.

The scrutiny of the sort of powers that appear in clause 117 has attracted considerable attention. The Delegated Powers and Regulatory Reform Committee looked in depth at the issue of the Henry VIII powers in its third special report of 2002-03, upon which its departmental guidance draws. One of the report's striking conclusions was on standard wording for Henry VIII powers. The Committee shied away from recommending the use of standard wording, because on the advice of parliamentary counsel, its concern was that any standard wording would need to be as broad as possible if it was successfully to catch all potential situations. The concern was thus that Departments would automatically grant themselves powers for which they had no need and would justify the decision to do so by dint of the standard form of words.

A letter from the parliamentary counsel to the Committee gave the draftsman's perspective in some detail, but the germane point was that draftsmen should always refer to the specific needs of any particular Bill when framing Henry VIII powers. Typical terms might include "incidental", "supplemental", "consequential" and "transitional", as appropriate. However, clause 117(4) contains not only the words "incidental", "supplemental", "consequential" and "transitional", but the words "transitory or saving". Furthermore, subsection (6) seems to widen the scope of the powers further still. I am no draftsman, but it seems to me that the power is framed as widely as it could possibly be. Is the Minister confident that that is necessary, and can she justify that necessity to the Committee?

My second main concern is the sheer potential breadth of operation of the powers in practice, given that they can amend not only the Act that will implement them, but every Act that it in turn amends. I have not yet gone through the Bill to see how many other Acts it will amend, given its length, but I suspect that the list will be very long indeed. Can the Minister confirm whether the

proposed powers under the clause will give the Treasury the right to amend any part of any other Act that this Bill itself happens to amend, without further recourse to Parliament?

During the Delegated Powers and Regulatory Reform Committee inquiry into Henry VIII powers, questions were raised as to what level of parliamentary scrutiny over them is appropriate. The parliamentary counsel's opinion was:

"The question is one of policy for ministers."

As this is a policy matter and not one of drafting, can the Minister therefore justify why the powers, as they stand, provide only for the negative procedure, instead of the affirmative procedure, despite appearing to be drafted as widely as they could have been?

A third concern is derived from the Delegated Powers and Regulatory Reform Committee's 2002 special report findings. The report states that

"we are persuaded that the Government should, in the Explanatory Notes accompanying any new bill...offer an explanation of the reasons why a particular form of wording has been adopted in each case."

I am sure that the hon. Member for Wolverhampton, South-West (Rob Marris), who is an assiduous user of explanatory notes, would concur. The report specifies any new Bill and does not exempt money Bills, yet the explanatory notes on clause 117 are very brief indeed—brevity is not apparent elsewhere in the 1,148 pages, so I am a little puzzled. The notes do nothing beyond paraphrase the subsections to which they refer, and that seems explicitly to contravene the recommendation that I just cited. Perhaps the Treasury believes that because this Bill does not fall formally within the Committee's remit, its guidance does not apply to it. I would be interested to hear whether that is the case, as I am sure would the Committee.

Given that the staff of the Delegated Powers and Regulatory Reform Committee confirm that they cannot examine the Finance Bill, and given that there seems to be no explanation for that in the Standing Orders of the House beyond the supply exemption, is it not time for the Government and for Parliament to re-examine this issue? The Delegated Powers and Regulatory Reform Committee has no equivalent in the House of Commons and, as such, it could be said to be exercising its functions on behalf of Parliament as a whole, rather than just on behalf of another place. The Committee is very widely respected in both Houses for its thorough and timely work, as was emphasised in its rapid handling of the Banking (Special Provisions) Act 2008, for which I am sure the Chancellor was grateful.

The Government have at least three options in responding to what is undoubtedly a legitimate concern. First, they could simply extend that Committee's remit, so as to allow it scrutiny of the very wide powers in this Bill and future money Bills, notwithstanding the limitations implicit in the Parliament Act. Secondly, even if the powers really are necessary and expedient, the Government could still remove the clause and schedule 40 from this Bill and reintroduce them in a future non-money Bill, which would be subject to proper scrutiny in another place. Finally, the Government should accept our amendments Nos. 3A and 4A and remove the powers altogether. Their doing nothing would contravene the Prime Minister's reaffirmation of his respect for the House and for Parliament as a whole.

Jane Kennedy: It is a pleasure to see you in the Chair this evening, Sir Nicholas. I hope that you will agree that this has been a very good debate. I congratulate the hon. Member for South-West Hertfordshire (Mr. Gauke) on tabling these amendments. I do not adopt an ideological or partisan line on this area of work, and I have found listening to the concerns that have been raised helpful.

Before I deal with the amendments, I would like to discuss the background to the clause. As we have had a wider-ranging debate instead of dealing with the two groups independently, it might be helpful if I were to respond more broadly. The clause is part of a larger package of measures in the Bill. It is the latest stage of the review of the powers, deterrents and safeguards of Her Majesty's Revenue and Customs, which is aligning and modernising the powers inherited from the Inland Revenue and Customs and Excise. Many, if not all, the anomalies in the law result from the piecemeal way in which tax legislation has evolved, particularly in two separate departments. Those differences are confusing for taxpayers, they are costly to administer and they reduce HMRC's ability to ensure that the right tax is paid.

Our aim is to provide a modern framework of law and practice for HMRC. Penalties are a good example of the wide variety of approaches across different taxes that exist in the law at present. For example, a person filing an incorrect excise duty return may receive a fixed penalty of £250, whereas an understatement on a corporation tax return resulting from the same behaviour could attract a penalty in law of up to 100 per cent. of the tax lost. Neither approach has proved effective or fair, so reform is needed. The review has been commended for its approach, especially the breadth and depth of its consultation and the willingness of HMRC officials to listen and make changes.

Inevitably, there will be tensions as we seek to ensure that HMRC has appropriate powers to work effectively and that taxpayers have strong safeguards. The hon. Gentleman questioned why we were doing this now, and suggested that it was rushed, as did other hon. Members.

8 pm

HMRC inherited different powers from the two former departments. Those were inconsistent in places, which is confusing for taxpayers and imposes undue burdens on them and on the Exchequer. The full benefits of merger cannot be delivered until those powers have been aligned where it makes sense to do so. The way in which the review of powers and safeguards works is to engage stakeholders in an ongoing round of consultations that include formal public documents, workshops and literally dozens of face-to-face meetings.

Development of the provisions in the Bill has been an iterative process, and stakeholders acknowledge that HMRC has made changes throughout in the light of their views. The January consultations were therefore part of a very long process. I accept what the hon. Gentleman says about the relevant part of the Cabinet Office code of practice on written consultations and I take that very seriously. The code clearly states that we should consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once. I assure him and others who have expressed concern that those guidelines have been followed for all the powers clauses in the Bill.

This is the last stage of an extensive consultation process over two years, involving previous 12-week consultations, dozens of meetings with interested parties and workshops. Knowing that time would be tight in March, HMRC raised key issues in meetings with stakeholders and sought suggestions for improvements. Changes to the draft law were identified and action was taken before the consultation period closed. All written responses were considered in detail and several changes were made in the final few days, as parliamentary draftsmen were about to be commissioned. A full response document was published on 27 March.

Since 2005, the review has issued 13 consultations and has had meetings with representative bodies and interested parties, as well as exposing draft legislation. That is to be commended as a form of consultation on the Government's intentions. HMRC has worked with representatives of business, the professions and low-income groups on guidance and codes of practice. For this year's penalties changes, HMRC has made a particular effort to reach out to more specialist representatives for the particular taxes involved—for example, the oil, alcohol and insurance industries.

I wish to put on the record my thanks to all those who have given their time to participate in the development of the measures in the Bill, with particular thanks to those who attended meetings with HMRC throughout, which meant that issues could be considered and addressed at an early stage—

Mike Penning: Where are they?

Jane Kennedy: I am about to come on to—

Mike Penning: Where are the missing Members?

Jane Kennedy: I did not mean Members of Parliament: I meant stakeholders and interested parties. I have some interesting quotations from some organisations—

Mike Penning: I apologise to the Minister, but I thought that she was talking about the missing Labour Members. One would think that they would be on the Back Benches to support her during the passage of the Bill.

Jane Kennedy: The hon. Gentleman is at liberty to make that point, but I am sorry that I gave way to him.

Mr. Newmark: I do not wish to rub salt into the Financial Secretary's wounds, but it is strange that some 300 Labour Members are floating somewhere around the House, but not a single one is on the Back Benches—

The Temporary Chairman: Order. That is not a relevant intervention. The hon. Gentleman has made his point and I hope that the Financial Secretary will not take time to reply to it.

Jane Kennedy: I regret giving way and I am grateful for your guidance, Sir Nicholas.

Clause 117 is about creating a single penalty regime for incorrect tax returns to apply across taxes and duties administered by HMRC. It does that by extending the scope of schedule 24 of the Finance Act 2007 and replacing the current separate and different regimes. The new penalties will be related to the amount of tax understated, the behaviour—as the hon. Member for South-East Cornwall (Mr. Breed) described—giving rise to the understatement and the extent of disclosure by the taxpayer. Much more of the penalty framework will be set out in primary legislation than in the past and, together with appeal rights, which I would have thought would be singled out for approval, to an independent tribunal against all penalties, that will ensure greater consistency.

These provisions will repeal the large number of different penalty regimes that are specific to particular taxes and can be confusing for the taxpayer. Amendment No. 1A seeks to postpone applying the new penalties for the additional taxes for 12 months and until the new regime's effectiveness for the main taxes has been evaluated. Such a delay would be a huge missed opportunity to simplify, modernise and align penalties across HMRC, to enable clear deterrent messages to be sent and to move to a more effective and fair response to taxpayer errors.

Before the new penalties were even put forward for consideration in last year's Finance Bill, HMRC undertook a review of settled cases, to assess the likely impact and effectiveness of the new penalties, and this, combined with international comparisons and the support of analysts and academic research, all helped in developing the overall structure. These penalties are a good example of evidence-based policy making.

In practice, holding introduction back by 12 months would actually mean three to four years' delay, because meaningful evaluation could not be started until sufficient cases had been worked and completed. As with all proposals in the review of powers, deterrents and safeguards, the penalties reforms have been the subject of extensive consultation since 2006. The Institute of Chartered Accountants in England and Wales wrote:

"We think it would be sensible to have a single system of penalties for incorrect returns across the tax system".

The Chartered Institute of Taxation concurred:

"We are pleased to note the proposals by HMRC to extend the Finance Act 2007 approach for the main taxes to other taxes, which is in line with our comments in earlier consultations."

The Association of British Insurers, which is not always in favour of Government proposals, wrote:

"The benefits of aligning penalties for incorrect returns across taxes outweigh any difficulties."

The Society of Trust and Estate Practitioners said in relation to inheritance tax:

"The principle of alignment of penalty regimes is logically sound and appropriate to the taxes that affect trusts, estates and their administration. It is appreciated that alignment of penalties will simplify the structure."

I could continue with other such positive quotes, but I detect a degree of twitchiness in the Committee about the length of time that I am taking. However, this is an important debate and I wish to respond seriously to the measured points that have been made on occasion by Opposition Members.

Amendment No. 2A calls for the Treasury order commencing the penalties for the additional taxes to be made under the affirmative procedure. That would be contrary to the normal practice for commencement

orders in tax matters, which are usually made under the negative procedure. I can recall that between 1992 and 1997 I made similar points to those made by the hon. Member for South-West Hertfordshire and his colleagues. In those days, a popular way for the Opposition to extend the length of a debate was to make a routine and well worked complaint about the conduct of the Government. We learned the lesson of where the previous Government had got it right in terms of administering legislation, and we implemented that lesson.

Mr. Gauke: Is the right hon. Lady saying that she was wrong when she raised those points in opposition?

Jane Kennedy: I am saying that I learned a lesson. When I came into government, I was able to appreciate that the previous Government had done some things that were right. We therefore adopted those measures.

I see no sensible reason why an exception should be made in this matter. The order will simply set out the dates from which the new penalties will apply for the additional taxes and is expected to be very similar to the commencement order made in March this year for the 2007 penalties. We expect the order to state that the new penalties will apply to all the additional taxes at the same time. That will be for return periods starting on or after 1 April 2009. That is 12 months after the commencement of the 2007 penalties.

Moving swiftly on, amendments Nos. 3A and 4A would remove from clause 117 provisions to make incidental, consequential or transitional changes by Treasury order in connection with the new penalties for error. The use of those words has been picked up on by Opposition Members, but they are necessary phrases that form part of the legislative process. The fact that we have a Parliament indicates that legislation has to be revisited from time to time in the light of new circumstances in which it applies. The amendments would make the Treasury's order-making power completely ineffective, presumably in an attempt to prevent the new penalties for errors from ever coming into effect for the additional taxes set out in schedule 40. They seem to contradict amendment No. 1A, which merely seeks to delay the start. It could be that that is a probing approach, and I am sure that we will return to the subject in Committee.

All the substantive changes to primary legislation are included in schedule 40, which is due to be debated at a later time. In order to have a smooth transition from the numerous old penalty regimes that are being repealed to the single new behaviour-based penalty regime for errors, a number of minor consequential and transitional changes to the law are required. I believe that they are minor, consequential and transitional changes. However, as I said at the beginning, I do not take an ideological or partisan position on these measures. I am listening to the representations made by the hon. Member for South-West Hertfordshire and by his hon. Friends, and those made by the hon. Member for South-East Cornwall.

If amendments Nos. 3A and 4A were accepted, that would leave the legislation unclear and untidy. Surely that cannot be right. I hope that the hon. Member for South-West Hertfordshire will withdraw his amendments. If he chooses not to do so, I am afraid that we must resist them.

Mr. Gauke: As ever, the Financial Secretary presents her case in a reasonable tone, but I will disappoint her as I have not been convinced by her arguments about protecting Parliament's position in scrutinising legislation in this area or about the concerns that the consultation has been insufficient and the measures have been rushed through. She quoted the Institute of Chartered Accountants. If I may, I shall quote its remarks in its briefing for the Committee of the whole House. It said:

"The FA 2007 penalty provisions are far-reaching and we think it is right that these recently introduced provisions should be given time to bed down before consideration is given to extending them further."

I intend to press amendments Nos. 1A and 3A to a vote. If it emerges that the Labour Back Benchers who attended the debate were so persuaded by my arguments that we are successful, I might look to press the other amendments to a vote. If that does not happen—that is a distinct possibility, given that there were no Labour Back Benchers present—I shall press only those two amendments.

Question put, That the amendment be made:—

The Committee divided: Ayes 168, Noes 297.

Division No. 160] **[8.14 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard

Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Stephen
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony

Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Vis, Dr. Rudi
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Mr. Sadiq Khan

Question accordingly negatived.

Amendment proposed: No. 3A, page 73, line 13, leave out subsections (4) to (6).—*[Mr. Gauke.]*

Question put, That the amendment be made:—

The Committee divided: Ayes 164, Noes 300.

Division No. 161] **[8.27**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Watkinson, Angela
Weir, Mr. Mike

Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Stephen
Wilshire, Mr. David
Winterton, Ann
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
James Duddridge and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
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Eagle, Maria
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Griffiths, Nigel
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Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis

Stewart, Ian	Waltho, Lynda
Stoate, Dr. Howard	Watson, Mr. Tom
Strang, rh Dr. Gavin	Watts, Mr. Dave
Stringer, Graham	Whitehead, Dr. Alan
Stuart, Ms Gisela	Wicks, Malcolm
Sutcliffe, Mr. Gerry	Williams, rh Mr. Alan
Taylor, Ms Dari	Wills, Mr. Michael
Taylor, David	Wilson, Phil
Thomas, Mr. Gareth	Winnick, Mr. David
Timms, rh Mr. Stephen	Winterton, rh Ms Rosie
Todd, Mr. Mark	Woodward, rh Mr. Shaun
Touhig, rh Mr. Don	Wright, Mr. Anthony
Trickett, Jon	Wright, David
Truswell, Mr. Paul	Wright, Mr. Iain
Turner, Dr. Desmond	Wyatt, Derek
Turner, Mr. Neil	**Tellers for the Noes:**
Vaz, rh Keith	**Ms Diana R. Johnson and**
Vis, Dr. Rudi	**Mr. Sadiq Khan**

Question accordingly negatived.

Clause 117 ordered to stand part of the Bill.

Clause 15

RATES OF VEHICLE EXCISE DUTY

Stewart Hosie: I beg to move amendment No. 9, page 8, line 4, at end insert—

'(3A) In paragraph 1C (the reduced rate)—

(a) in sub-paragraph (1) for "or C" substitute "C or D";

(b) after sub-paragraph (4) insert—

"(4A) Condition D is that the vehicle is a working vehicle."; and

(c) in sub-paragraph (6) insert at the appropriate place—

""working vehicle" has such meaning as may be prescribed by the Treasury in regulations made by statutory instrument,"'.

The Temporary Chairman: With this it will be convenient to discuss amendment No. 10, line 17, at end add

'(subject to subsection (7)).

(7) The amendments made by subsection (3A) shall come into force on a day which the Treasury may by order appoint.'.

Stewart Hosie: I have no ideological or intellectual difficulty with using price to change behaviour, such as the Government want to do with fuel duty, or with using price and changes to vehicle excise duty to encourage car manufacturers, for example, to create low-emission vehicles and to encourage people to buy them. However, I do have difficulty with the implementation of provisions such as those in the Bill, particularly where the consideration of those provisions seems to have taken place without considering the groups of people on whom they may have a disproportionate impact. I suppose that in respect of that argument, there is a similarity with how the Government went about the abolition of the 10p rate, seemingly not understanding the impact that it would have on 20 per cent. of households in the country.

The groups about whom I am concerned in relation to VED are mainly in agriculture, forestry or similar occupations and they work mainly in remote and rural areas. They tend to be employees on low, agricultural wages, although they may be self-employed; they may be small farmers, for example. Many such people need 4x4 vehicles simply to get to or do their work. However, they are unlikely ever to be able to afford a brand new 4x4 with lower emissions, even if such a vehicle existed. They are therefore unlikely ever to benefit from the lower rates of VED.

Although the lower rates will apply to vehicles registered before 21 March 2006, many of those who can least afford the additional cash for the higher rate may be forced to find it in future, as vehicles registered after that date, still roadworthy, become affordable——in five, 10 or 15 years' time—to people on low wages in the sectors that I have mentioned. By that time, those vehicles will attract the higher rate.

Amendment No. 9 would substitute the reduced VED rate for designated working vehicles. It would allow the Treasury to define "working vehicles" by regulation for that purpose and the regulations to be approved by statutory instrument. That would allow scrutiny but enable the definitions to be done quickly. Amendment No. 10, an associated amendment, would allow the changes brought about by amendment No. 9 to come into force on a day that the Treasury may appoint, without a vote in the House, to ensure that they can be introduced speedily.

I said that "working vehicles" would be defined by the Treasury, but I envisage that they would include the vehicles of such people as farmers, particularly hill farmers, and those in associated sectors in remote and rural areas. I hope that some of the comments that I shall cite, from the National Farmers Union Scotland and others, demonstrate not only the desirability but the need for such a measure.

It is worth putting it on the record that many of the people affected by the higher rates of VED, who live in remote rural areas, are already paying very high prices on very low wages, not least for fuel and energy. I think particularly of fuel—diesel is routinely hitting £1.30 a litre.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): The hon. Gentleman has talked about remote rural areas, and I am sure that he would include the county of Sutherland in that description. He will be aware that crofters, who I hope would be included in his description of those affected, have a particular problem. Very often, the working vehicle is the only vehicle—it is what takes the ewes to market and the children to school. The county is the area with not only the highest diesel price, but the greatest distance between filling stations. Taken together, those factors create real need, and there is no public transport to ameliorate the difficulty.

Stewart Hosie: The hon. Gentleman is absolutely right in every regard, including his comments about Sutherland. Crofters are defined in a number of ways; there are Acts that define crofting. Crofting is employment, but in a sense it is also a way of life. The hon. Gentleman is absolutely right to say that the vehicle is not only necessary for the job of crofting; given the location of some crofts, it is also absolutely essential to get to the front door from what passes as the main road.

I turn to the support for the measure that I propose, or one similar to it. Jim McLaren, president of the National Farmers Union Scotland, said:

"The Chancellor is clearly trying to penalise those driving big cars in city centres, but hikes in excise duty...will also be penalising those who have no alternative. Particularly after the

[Stewart Hosie]

dismal year faced by many farmers in 2007, an extra 'showroom' price hike on what is an essential business tool is another slap in the face."

Anna Davies of the NFUS put it more clearly when she said only two weeks ago:

"The NFUS has long stressed that 4x4 vehicles are essential for farmers and changing the tax bands to penalise more heavily polluting vehicles will penalise farmers who have no choice but to use these types of vehicles. The key for farmers is band G. An increase in the band G rate vehicle excise duty will have a detrimental impact on farm businesses, since farmers are not able to purchase a vehicle that has lower CO_2 emissions and is still able to do the job required of it around the farm."

When she sums up, I hope that the Minister will comment on that technical matter. The NFUS says that farmers have no alternative, and that they simply cannot purchase vehicles with lower emissions that are able to do the job on the farm.

In addition, I hope that the Minister will be a little more generous than she was when she responded recently to a senior Member of the House. In answer to an oral question, she said that he was

"the epitome of Range Rover man."—[*Official Report*, 24 April 2008; Vol. 474, c. 1449.]

I shall spare the hon. Gentleman's blushes, Sir Nicholas, but that answer suggests that the Government believe that all the people who drive 4x4s—be they brand new Range Rovers or a beat up old Land Rover on a hill farm—are really just versions of the same person, and that they drive the same cars for the same reasons. That, of course, is wholly and utterly wrong.

8.45 pm

The National Gamekeepers Association has said that it is worried about the impact of increased 4x4 taxes on what it considers to be essential rural work. Alex Hogg, chairman of the Scottish Gamekeepers Association, said that four-wheel drive vehicles were

"essential tools for Scotland's gamekeepers, and rarely travel further than rough tracks or estate roads. Gamekeepers use these vehicles for 365 days of the year, and like farmers we simply couldn't do our work without them. We are concerned that an increase in taxation would not only be unjustified in our case, it would also add an extra burden on the sector which is already under serious pressure."

Once again, I hope that when she sums up the Minister will say something about the essential nature of 4x4 vehicles, and that she will take on board the assertion by the Scottish Gamekeepers Association that they

"rarely travel further than rough tracks or estate roads."

They are clearly working vehicles, doing precisely what they are designed for. The people who use them do not earn big money: many are self-employed and bear the full burden of the costs, and I hope that the Minister will take that into consideration in her reply.

I want to say something about two other small groups of people—one, the employees of Scotland's five ski resorts, is very small indeed. They are a tiny group in the big picture, and people such as ski lift operators earn very low wages, but they are essential to keeping the ski resorts operating. They also ensure that nearby resorts and towns remain tourist destinations for 12 months a year.

Such destinations are sited in parts of Scotland where the economy is very fragile. I fear that the unintended consequence of the fact that the Government did not consider the people employed in Scotland's winter sports sector will be that those people's lives are made harder.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): My constituency has two of Scotland's ski resorts, and I want to emphasise how important they are when it comes to bringing in money at different times of the year. The changing climate has added extra burdens on those who try to run the resorts, and they do not need the Government to add any extra costs at a time when they are worried about making decisions on serious investment priorities.

Stewart Hosie: The hon. Gentleman is right, and two separate costs are involved here. The first is the cost to the businesses, which are often marginal: for instance, although they have had a very good season this year, one of them may still not have made any money. However, the second cost is borne by the people who work as ski lift operators in the winter and who become forest and agricultural rangers in the summer. They are tiny in number, but essential to the sector, and I hope that the Minister will say something about them.

The final group that I would like to mention comprises those involved in mountain rescue. Some 500 vehicles in Scotland are used for mountain rescue. Mountain rescue teams are concerned about vehicle excise duty on the vehicles that they, and their many volunteer members, use to get up the hill to commence a rescue. The example of mountain rescue opens up two interesting points. The mountain rescue commission for Scotland has told me that 4x4 vehicles used as ambulances are already fully exempt from VED, so there can be no argument that this cannot be done. I also understand that the Treasury has been in negotiations with the UK body representing the commission since late last summer, and that the discussions—I hope that the Minister can confirm this—may be about exempting all mountain rescue vehicles from VED.

We have small numbers of people in fragile economies earning low agricultural-level wages. We are absolutely not arguing that price should not be used as an incentive for behavioural change—we believe on balance that it should. However, in terms of the implementation of this measure, the impact on some of the poorest-paid people in the most fragile economies and key sectors could be damaging. I very much look forward to hearing what the Minister has to say, Sir Nicholas—I hope that I spared your blushes earlier—and shall decide after that whether to press my amendment to the vote.

Rob Marris: It is a pleasure to appear before you, Sir Nicholas.

I have some sympathy with the points made as lucidly as ever by the hon. Member for Dundee, East (Stewart Hosie), who takes a great interest in Finance Bills generally and issues affecting Scotland in particular. I am sure that the Minister will be able to reassure me with her answer, but I will be interested to hear it.

I have to say that I have a bit less sympathy with amendment No. 6. Is it in order to address some remarks to that, Sir Nicholas, or should I wait?

The Temporary Chairman: Wait.

Rob Marris: I should wait.

I want to talk generally about CO_2 emissions, because that is related to the whole issue. First, I should like to correct some of the figures given by the hon. Member for Taunton (Mr. Browne) on household emissions versus vehicle emissions. I see that you are looking concerned, Sir Nicholas. Please tell me—I am sure that you will—if you think that I am straying too far.

The Temporary Chairman: We are debating amendments Nos. 9 and 10, and a separate debate on amendment No. 6 will come later. The Chair is always flexible, and if the hon. Gentleman gives an undertaking that he will not speak on amendment No. 6, perhaps we can allow him to digress slightly in respect of his remarks on amendments Nos. 9 and 10.

Rob Marris: I am grateful to you for that guidance, Sir Nicholas, as ever. I am not sure whether my remarks would be better addressed to these amendments or to amendment No. 6, so perhaps I will seek to catch your eye later when we move on to amendment No. 6.

Mr. Alan Reid (Argyll and Bute) (LD): The hon. Member for Dundee, East (Stewart Hosie) is right. The economies in the remote parts of the United Kingdom are suffering greatly and are very fragile. Many of the businesses in those areas—farming, crofting, forestry and so on—need vehicles that can go off road, and often the same vehicle is used for business purposes as for going into the village. Those businesses therefore need a reduced rate of VED.

I am sympathetic to the amendment, but on the condition that the regulations to which it refers would have to be very tightly drawn to ensure that they were not abused. We would not, for example, want company cars, or even the First Minister's car, to be defined as working vehicles. The regulations would have to apply only in a rural situation and only to cars that are essential to the running of a rural business.

It is not a question of creating a precedent. The hon. Gentleman already referred to existing precedents: police cars and cars used in the health service are exempt, as well as many others. There is a long list of exemptions already, and I urge the Government to accept the amendment so that there can be consultation on the regulations. Regulations should be drawn up that allow the reduced rate to be applied to vehicles that are essential to the operation of a small rural business. I hope that the Government will be sympathetic to rural business by accepting the amendment.

The Temporary Chairman: I call Mr. Jeremy Browne.

Mr. Jeremy Browne: Thank you for calling me, Sir Nicholas. I was caught slightly on my heels by the very brief speech by the hon. Member for Wolverhampton, South-West (Rob Marris) a moment ago.

My party proposed differentials in vehicle excise duty to reflect the emissions from cars in advance of the legislation being introduced in 2001, and it remains our position that it is reasonable to persuade people of the merits of driving more fuel-efficient and energy-efficient vehicles by creating a differential in the vehicle excise duty that they pay. We are not, therefore, seeking to dispute that principle, but we are sympathetic to the amendment tabled by the hon. Member for Dundee, East (Stewart Hosie) for the reasons already outlined in previous speeches. Those in remote rural or agricultural settings do not find it practical to go about the business of running a profitable organisation using low-emission cars because such vehicles are not able to cover muddy terrain or pull sufficient weight, which farmers, for example, need to do to perform tasks in order to complete their duties.

Mr. Mike Weir (Angus) (SNP): I have listened to what the hon. Gentleman says, and I accept his point about the principle of VED differential for carbon emissions. However, another principle is important: we should take into account the needs of rural and remote areas. If we do not do so, we will undermine the effort to get everyone to sign up to meeting climate change targets. Despite the principle concerning emissions, the hon. Gentleman is right. We agree with his point, which was also made by my hon. Friend the Member for Dundee, East (Stewart Hosie).

Mr. Browne: I agree with the hon. Gentleman and I was not seeking to imply anything else.

I represent a constituency in Somerset. That is a long way from Scotland, but it has remote rural areas, including parts of Exmoor national park. I observe that the use of expressions such as "Chelsea tractor" give a quite urban perspective on the debate about fuel emissions and vehicle excise duty. I understand the frustration that people have in many towns and cities, which were built and designed before the invention of the car—certainly before the invention of very large cars. It is difficult to manoeuvre one's way along small roads in this country using large 4x4 vehicles, and doing so may have an impact on other road users and pedestrians.

There are concerns about the practicality of using 4x4s in urban settings, but the overall context, of course, is concern about emissions and global warming created by transport—particularly private transport. My party and most people in this House are sympathetic to the case for differentials in vehicle excise duty in that context. We must then consider the exemptions that we put in place to help people who find themselves in exceptional circumstances.

John Thurso: Is not the key principle that when one is seeking to change behaviour, there has to be another pattern of behaviour to change to? If there is no alternative, all one is doing is punishing. The point is that there is no alternative in remote rural areas.

Mr. Browne: As always, that point was extremely well put by my hon. Friend. It is difficult to get about a farm in a Nissan Micra in January, and anyone who attempted to do so would not be running a very successful farming enterprise. There are circumstances, to which I referred earlier, where it is necessary to have a vehicle that can pull more weight or operate on more unsympathetic terrain. That is most obviously the case for farming but other examples, such as forestry, have been given.

9 pm

Let me inject a note of reservation into our deliberations. The amendment is widely drawn, and some will be concerned that it does not include a definition of a working vehicle, but leaves that to the Treasury. The hon. Member for Argyll and Bute (Mr. Reid) said that some people may believe that the First Minister is transported in a working vehicle but others may be less sympathetic to that view.

Stewart Hosie *rose—*

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP) *rose—*

Mr. Browne: I shall give way first to the hon. Member for Dundee, East.

Stewart Hosie: The definition of a working vehicle has been left to the Treasury to ensure that it is not too widely drawn, not least because the Treasury will want to maximise the revenue yield. I am sure that it will be sympathetic enough to draw it sufficiently widely to cover those who will be affected by the changes.

Mr. Browne: I shall take the intervention of the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) before moving on.

Mr. MacNeil: I am grateful to the hon. Gentleman. Surely the definition of a working vehicle is a 4x4 or a pick-up that does a job that a Nissan Micra could not do. As a crofter, I know of umpteen situations on a farm in which something with a bit of guts and bigger wheels is needed to do something that a Nissan Micra could not do. Many of my neighbours are crofters and, like me, use vehicles to do things that a Nissan Micra clearly cannot do. That is one basis for a definition.

Mr. Browne: I made that point earlier. However, we must be careful that the exemptions are not too wide. Let us consider a famous Scotsman, David Coulthard—I note that he chooses not to pay tax in Scotland. He drives a vehicle that is essential for his task. If he drove a Nissan Micra, he would be less successful in his occupation.

John Thurso: It depends on the engine.

Mr. Browne: Indeed. It would have to be an extremely souped-up engine. Nevertheless, I am not sure that the exemption should apply in that case.

Mr. MacNeil: The point is that the job that what is known as a Chelsea tractor does in Chelsea could be done by a Nissan Micra.

Mr. Browne: Indeed, I agree with the hon. Gentleman. His demeanour suggests that we are at odds, but that is not the case. We all agree on the need for differentials in vehicle excise duty to try to influence behaviour and that, in some circumstances, when there is no alternative—the best example is in a rural setting on a farm—an exemption is necessary. The only point of controversy or dissent that I make is that the exemption should not be too widely drawn. The amendment cannot satisfy us that that would be the case because it leaves the matter open.

The Liberal Democrats agree with the principle of the amendment and are sympathetic to the concerns of people throughout the United Kingdom who are in the circumstances that have been outlined. We therefore intend to support it.

Rob Marris: The hon. Gentleman is right about the difficulty with definitions. I do not know whether it is an urban myth, but it is said that, before the introduction of the October congestion charge changes in London, there has been a huge increase in expensive cars being registered as mini cabs. Those definitional problems are difficult to solve.

Mr. Browne: There is a danger of widening the debate too far, but the hon. Gentleman makes a reasonable point. If I were a Treasury Minister, I would always be wary of creating exemptions because they may cover many categories that one did not envisage.

I fear that Scottish National party Members appear to be rather resentful that we are supporting them. *[Interruption.]* They had hoped to be in splendid isolation—the press releases had already been written and will now have to be rewritten, based on my comments. I have disappointed the hon. Member for Na h-Eileanan an Iar by saying that we will support him. *[Interruption.]*

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. Far too many loud private conversations are taking place.

Mr. Browne: To conclude, I am afraid that I am going to disappoint the hon. Member for Na h-Eileanan an Iar and others, by being sympathetic to the arguments that they have put. Even though their amendment is rather too widely framed for our tastes, we will nevertheless support it, because we share their objectives.

Sir Robert Smith: I declare an interest as a former owner of a Nissan Micra, which seems to be relevant to this debate. I want to reinforce the importance of recognising just how difficult life is for those operating in the rural economy and how symbolic it would be for the Government to accept the amendment. Doing so would send a signal to those communities that the Government understand just how difficult the current climate is. The rising world costs of fuel and other inputs into agriculture are severely stretching the farming and forestry economies. Removing the added cost of vehicle excise duty on vehicles that many have no choice but to operate would be a way of sending the rural community the signal that the Government understand how difficult life is.

The recent problems in Grangemouth have exacerbated that concern in rural communities. Concerns in those economies about both price and supply could be addressed if the Government took the amendment on board. They would have to come back with regulations and the House would have to approve their drafting, which is an important caveat.

Mr. MacNeil: The cost of diesel, at £1.34 a litre, exacerbates the situation and underlines exactly what the hon. Gentleman is saying.

Sir Robert Smith: Current costs—far higher than any planned for by the Treasury—are such that the market is already sending dramatic signals to the wider economy. The amendment would be an important way for the Government to send the signal that they understood the burdens faced by rural economies and the important role that the rural economy plays in the fabric of our society. I urge the Government to support the amendment.

Mr. Mark Hoban (Fareham) (Con): I am probably the first hon. Member to address the amendment whose constituency does not contain any remote rural parts.

Mr. Jeremy Browne: Have you got a 4x4?

Mr. Hoban: No, I have not got a 4x4, either.

I sympathise with the concerns raised by the hon. Member for Dundee, East (Stewart Hosie), who made a persuasive case for his amendment. However, we are working in a matrix of ways to determine the exemption that owners of such vehicles will apply for. Part of that is about location and about what is rural and remote—no part of Fareham is rural and remote, which makes things easy.

That matrix is about employment, too. The hon. Gentleman specified some occupations—agriculture, forestry and people working in ski resorts—but it would not take very long to come up with some more suggestions. What about a rural shopkeeper, who might use his 4x4 to load up at a cash and carry? Where do we draw the line in defining the occupations that should be supported through the exemption?

The third element to the matrix is the type of vehicle that will be used. I understand as well as anybody that some vehicles will be seen as a lifestyle choice or fashion statement in one context and a lifeline in another context. The context will depend on where a particular four-wheel drive vehicle is, who is using it and what its purpose is.

That makes it quite difficult to say how we should characterise the types of vehicles that should qualify for the exemption. My concern is that accepting the amendment would put us at risk of having to produce detailed and complex regulations, which would create uncertainty in the minds of taxpayers. They would be expensive to comply with because, when applying for a new VED disc, people would have to provide not only valid MOT and insurance certificates, but proofs of residence, occupation, and whether the job was part or full-time. The process would create a burden for people applying for exemptions, and it would not be as straightforward as the hon. Member for Dundee, East suggested.

Rob Marris: Does the hon. Gentleman agree that unless one got the definition right, people could drive a coach and horses through it?

Mr. Hoban: I suppose that a coach and horses would not qualify for an exemption. However, the gist of the hon. Gentleman's remarks holds true.

I understand wholeheartedly the point that the hon. Member for Dundee, East makes. I have friends and family who live in remote rural areas—

Mr. MacNeil: You had friends and family.

Mr. Hoban: Perhaps the hon. Gentleman should spend some time on a Finance Bill Committee to understand how important it is to get this right, not only from HMRC's point of view, but on behalf of our constituents. Getting the issue right is not straightforward, and that is the problem with the amendment. Although we understand the sentiment behind it, we could not support it in the Lobby.

Angela Eagle: We have had an important, if short, debate about something that has an impact, especially in rural areas. We heard some arguments in support of the exemption proposed, with perfectly reasonable intent, by the hon. Member for Dundee, East (Stewart Hosie) through amendments Nos. 9 and 10. However, we also heard, not least from the hon. Members for Fareham (Mr. Hoban) and for Taunton (Mr. Browne), why it is difficult to draw a clear line to produce an exemption that would achieve the aims of the hon. Member for Dundee, East.

I welcome the acceptance of the principle that price should be used to influence behaviour. That is an important point of agreement throughout the Committee, and it is good to find points of agreement in such debates before homing in on matters on which there might not be 100 per cent. agreement. I recognise the points made by the hon. Members for West Aberdeenshire and Kincardine (Sir Robert Smith) and for Argyll and Bute (Mr. Reid) about the difficulties experienced in their areas and the pressures on rural businesses and industries.

As the hon. Member for Fareham said, it is important to try to get any exemptions on duties right, be that VED or anything else, and to ensure that they can be defended and maintained consistently and coherently. Although the hon. Member for Taunton is supporting the amendment—and taking quite a lot on trust—he made similar points about the practicalities of any of the exemptions suggested. There are some 4x4 vehicles in bands E and F. We hope that the changes to VED rates in this Bill and those that are signalled for future Finance Bills will lead to the introduction of new 4x4 vehicles in lower bands.

Let me answer the specific questions asked by the hon. Member for Dundee, East, especially that about mountain rescue. First, we have been considering the tax treatment for mountain rescue vehicles, but there is an issue with charity law. Government policy on the tax treatment of charities is neutral between them, and we would not want to pursue a policy that appeared to favour one charitable cause over another. The charitable status of mountain rescue organisations therefore presents the Government with potential difficulties, as a specific VED exemption would appear to favour them over other charities. Some mountain rescue vehicles that are registered as ambulances are exempt, but there is a difficulty with other such vehicles, which we are considering whether we can get around. That is one reason why we have not been able to announce a complete exemption for mountain rescue vehicles.

9.15 pm

The hon. Member for Dundee, East discussed a potential exemption, helpfully leaving the relevant definition to the Treasury. It would be difficult to define the exemption in a way that would achieve his aim. His amendment would apply the VED alternative fuel discount to working vehicles, which are undefined in his amendment, but the discount currently applies equally to vehicles that are used primarily either for private travel or for business activity. Adding the condition that only working vehicles that are alternatively fuelled qualify for the reduced rate would undermine the incentive for other vehicles and would unnecessarily complicate the tax system.

We also believe that the compliance and administrative costs of such a change would be considerable, as the hon. Member for Fareham sensibly pointed out. The Driver and Vehicle Licensing Agency would need to verify that a vehicle was a working vehicle, which would be difficult to do on an individual basis and even more difficult to police. Working vehicles such as agricultural vehicles are already exempt from VED, and there is a separate exemption for vehicles, including four-wheel drives, that are used mainly on the land. That exemption is available where a vehicle is used only on a public road for a distance of no more than 1.5 km to pass between different areas of land that are occupied by the same person. So there are already exemptions, which could be policed and guarded more effectively than the very open exemption that the hon. Gentleman suggests.

Mr. MacNeil: I understand what the Minister says about definitions, but surely, someone who receives the single farm payment is highly likely to have a working vehicle, whereas someone who lives in Chelsea, for example, is unlikely to be receiving that payment. Many people who receive the single farm payment use such vehicles, but the Government are going to pretend to be blind to them. The Treasury and the Department for Environment, Food and Rural Affairs will be aware that such people have working vehicles. I ask the Treasury to look through DEFRA's eyes; it should then be clear and plain which are working vehicles.

Angela Eagle: We always try to be reasonable and consider how these matters can sensibly be policed. I know what the hon. Gentleman means, but what looks simple from his constituency might not look simple at the DVLA, which would have to issue all the licences.

I hope that Opposition Members will accept that there are already exemptions, and will consider that working vehicles that are used off-road can use red diesel. Red diesel rates are lower than ordinary petrol rates and are therefore worth a considerable amount of money. Red diesel and main road fuel differentials widened under the 2007 Budget, which gives some advantage to people who use red diesel. That has not been mentioned, but it should not be sniffed at.

The amendment would clearly be administratively burdensome and complex, confusing for motorists and difficult to police. As the hon. Member for Fareham said, it would be difficult to keep within boundaries. I am therefore in sympathy, but I am afraid that I am unable to think of a workable definition for the purpose of the amendment, so I invite the Committee to reject it.

Stewart Hosie: The hon. Member for Argyll and Bute (Mr. Reid) was sympathetic and I entirely agree with him that the regulations should be tightly drawn. The hon. Member for Taunton (Mr. Browne) was sympathetic in parts, but he taught us all the important lesson that one should not speak when one has very little to say. He was followed by the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith), who actually made the speech that the hon. Member for Taunton should have made. The hon. Member for Fareham (Mr. Hoban) spoke about difficulties in defining the matrix and he quite rightly drew a distinction between lifeline and lifestyle—a very good way to put it, but I was disappointed that he followed that up by finding difficulties rather than solutions to what are very real problems in many parts of the country.

That brings me to the Minister. I welcome the fact that the Government are looking at what can be done for mountain rescue, and I appreciate that. There is, however, a singular lack of pragmatism in seeing the equality of treatment between charities as important, yet being unable since last year's discussions to find a way to help lifeline 4x4s for people setting off in mountains in the middle of winter to rescue others and save lives. In short, having listened to what the Minister said, I feel she was seeing difficulties in the solution rather than seeking a solution to the difficulties faced in many remote and rural areas—difficulties that will be intensified not just by the burden of high fuel costs, the burden of high inflation and the burden of low wages, but by the additional higher vehicle excise duty charge on essential vehicles. With that, I am sorry to disappoint the Minister, but I shall press the amendment to a vote.

Question put, That the amendment be made:—

The Committee divided: Ayes 43, Noes 287.

Division No. 162] **[9.21 pm**

AYES

Alexander, Danny
Barrett, John
Brooke, Annette
Browne, Mr. Jeremy
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Davey, Mr. Edward
Davies, Mr. Dai
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Featherstone, Lynne
George, Andrew
Gidley, Sandra
Hancock, Mr. Mike
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Hosie, Stewart
Kennedy, rh Mr. Charles
Lamb, Norman
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Price, Adam
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, rh Mr. Peter
Russell, Bob
Sanders, Mr. Adrian
Simpson, David
Smith, Sir Robert
Spink, Bob
Swinson, Jo
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Williams, Hywel
Younger-Ross, Richard

Tellers for the Ayes:
Pete Wishart and
Mr. Mike Weir

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera

Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vis, Dr. Rudi
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Mr. Sadiq Khan

Question accordingly negatived.

Mr. Hoban: I beg to move amendment No. 6, page 8, line 17, at end add—

'(7) The Treasury shall publish, not later than the date of the Budget 2009, an estimate, audited by the Independent Committee on Climate Change (as established by the Climate Change Act 2008), of the carbon emissions savings resultant from the changes to vehicle excise duty contained in this section.'.

I am delighted to see that the Chief Secretary to the Treasury has decided to respond to this debate; having missed the earlier groups, she has kindly agreed to help her colleagues deal with this amendment. I look forward to her detailed exposition of the excise duty changes. Perhaps I should keep my speech short so as to give her more time to expand at length about her views on the topic. Relief has arrived, however: the Exchequer Secretary to the Treasury has returned to her place, which means that the Chief Secretary need not respond to this debate in her stead.

We must recognise that at the heart of the vehicle excise duty issue is the fact that the reforms announced in the Budget and the increases included in clause 15 will lead to the imposition of higher taxes on motorists. When motorists see their vehicle excise duty rates increasing, they will ask what benefit that brings in terms of reducing carbon emissions. It is worth reminding the Committee that in 2006-07, vehicle excise duty raised about £1.9 billion. In 2008-09, according to an answer given by the Exchequer Secretary, VED will raise £2.9 billion—an increase of £1 billion in the space of two years. That is a significant tax take that has been justified on the basis that VED is an environmental tax.

The Chancellor put the environment at the centre of his Budget and said that

"our greatest obligation to the future must be to tackle climate change."—[*Official Report*, 12 March 2008; Vol. 473, c. 295.]

It was clear that a centrepiece of that was the reform to VED that he announced, with the move from seven bands to 13 to widen the differentials between the most and the least polluting cars, and the introduction of a first-year charge to incentivise people to buy the lowest polluting cars at the moment of choice.

Mr. Redwood: Does my hon. Friend agree that we need to look at the changes against the new background that petrol at the pump has gone up to at least £1.10 a litre, of which a massive 70p is now tax and duty—far more than the Government planned at the time of the Budget? We need to view the VED increases in the light of that big environmental tax that the Government are imposing by stealth.

Mr. Hoban: My right hon. Friend makes a valid point. In fact, just this morning I had an e-mail from one of my constituents who was concerned about the increased tax take that the Government were getting from the increase in petrol prices at the pump. I am conscious that that is outside the scope of amendment No. 6, so I cannot dwell on the issue at as much length as I might have liked to do in other circumstances.

The consequence for many families is that the rate of VED that they have to pay on their car will go up. An analysis of the changes indicates that VED rates will rise on 88 per cent. of cars. The percentage increase on a Nissan Micra is actually greater than that on a Porsche Cayenne. We are starting to see a series of increases in differentials that gives rise to some of the comments mentioned by the hon. Member for Dundee, East (Stewart Hosie) earlier.

The problem is whether people see the increases in VED as simply a tax increase or a legitimate way to tackle carbon emissions. In the evidence given to the Treasury Committee in its inquiry on the 2008 Budget, John Whiting from PricewaterhouseCoopers commented in the context of the environmental measures:

"What is lacking is a clear statement, a clear framework, by Government which says...'Are we raising money by environmental duties or are we changing behaviour?'"

The CBI said that the Government were approaching environmental taxes in "completely the wrong way". It argued that the primary aim of environmental taxes should be to change behaviour and not to raise revenue.

In that context, it is important that there is a mechanism that enables people to measure the behavioural changes that take place as a consequence of the changes announced in the Budget. That is what amendment No. 6 seeks to do, by asking the independent committee on climate change that will be established by the Climate Change Bill to produce a report, not later than Budget 2009, on the carbon emission savings resulting from changes to the vehicle excise duty in this Bill.

Mr. Quentin Davies (Grantham and Stamford) (Lab): Is not the hon. Gentleman making a false antithesis? Surely any increase in price involves a change in behaviour. The extent of the change will be a function of the price elasticity of demand. If one puts up the price of anything, one reduces demand for it, thereby changing behaviour. Is the Conservative party seriously determined to go back on the changes to VED if it comes to power, or is it just thrashing about for a way to criticise a measure without having the courage to pledge to reverse it, and talking about environmental monitoring as a sort of alibi?

Mr. Hoban: The hon. Gentleman should pay more attention to the issues. We have said that we support environmental taxes being used to change behaviour, but unlike the Government whom he now supports, we believe that those additional tax revenues should be used to reduce the burden of taxes on families rather than simply to increase tax revenue. That is part of the problem at the heart of the Budget. We are seeing an increase in vehicle excise duty that will simply fill the Treasury coffers, so people can be much more cynical about environmental taxes. They do not see them as ways of changing behaviour, but simply as a way in which the Government can fill the black hole that is opening up in their finances. The hon. Gentleman is right to say that we should see environmental taxes that help to change behaviour. That is why we want the independent committee on climate change to report on the impact of the amendments.

As I was about to say before the hon. Gentleman intervened, my hon. Friend the Member for Putney (Justine Greening) tabled a question to the Exchequer Secretary to ask what the impact of the VED reforms would be on emissions. The Treasury estimated that by 2020 emissions would be reduced by 160,000 tonnes, which is less than one tenth of 1 per cent. of vehicle emissions. It would appear that the way in which the

changes have been designed has led to a situation where the change of behaviour is estimated to be minimal. That is the problem and it is why people are becoming concerned about whether the taxes are genuine attempts to reduce vehicle emissions or whether they are seen simply as a way of raising revenue for the Exchequer.

It is important, as part of creating a sense of trust about the motives behind the tax increases and ensuring that there is some transparency about their impact, that we should ensure that they are independently reported on. I believe that amendment No. 6 would deliver that objective. All Members who are serious about increasing transparency on climate change and want to see the independent committee make a major contribution to the debate should support the amendment. I hope that they will support us in the Lobby tonight.

Rob Marris: As I was saying before I so rudely interrupted myself, the hon. Member for Taunton (Mr. Browne) gave some figures on transport CO_2 emissions and household CO_2 emissions. The figures that he gave are almost the reverse of the figures in the Red Book—although perhaps he was right. He said that 25 million households produce 27 per cent. of CO_2 emissions in the UK, which was double the amount produced by cars. According to paragraph 6.19 on page 94 of the Red Book, CO_2 emissions from transport account for 28 per cent. of UK CO_2 emissions. Paragraph 6.63 on page 103 states that households account for 14 per cent. of UK CO_2 emissions, albeit that households account for a quarter of energy consumption.

In moving the amendment, the hon. Member for Fareham (Mr. Hoban) said that constituents will ask what they are getting. On one level, he has a point. The changes are designed to change behaviour, yet between 1995 and 2005 the average CO_2 emissions of new vehicles purchased in the UK fell by about 1 per cent. a year. CO_2 emissions overall in the UK this century have increased rather than decreased. However, the amendment considers only—this is a criticism—the causes of climate change. Some hon. Members will know that one thing that upsets me about the tone of public debate in this Chamber and elsewhere is that we do not look sufficiently at the effects of climate change. I do not doubt the hon. Gentleman's figures about the tax take from vehicle excise duty going up markedly from £1.9 billion in 2006-07 to £2.9 billion in 2008-09. That amount of money should mean that our constituents—and constituents around the country—will potentially get protection from the effects of climate change. The part of the equation that we seldom discuss in the House is adaptation, which is the sort of thing that the amendment does not address.

9.45 pm

I have referred to the effects of climate change, and the Association of British Insurers estimates that last summer's flooding, principally in England, cost £3 billion. That money effectively comes from almost every householder in Britain, because the insurance premiums of all households, not just those affected by flooding, go up. The Government have massively increased the spending on flood control, both inland and with coastal defences and so on. That is the sort of thing that VED money is being spent on, albeit that it is not hypothecated, and it is something that our constituents are getting from this green tax. They are getting something that deals with adaptation—the effects side of the equation of climate change; it is not just about causes.

The hon. Member for Fareham went on to say that 88 per cent. of vehicles will pay more. I do not doubt him on that figure. I warn the Government that, next year, we will risk another 10 per cent. kind of debate. This coming year, a vehicle in band F, which emits perhaps 201 g of CO_2 per kilometre, will pay £210 in vehicle excise duty. From 2009-10, it will be in band K, paying £300 in vehicle excise duty. That is a £90 or 42.86 per cent. increase. A vehicle in band E, which emits 181 g of CO_2 per kilometre, will pay £170 in 2008-09. That vehicle will go into band J from 2009-10, and it will pay £260 in vehicle excise duty. That is an increase of 52.94 per cent.

The difficulty with those increases is that, to most of our constituents, they are retrospective. Table A.8a on page 122 of the Red Book is headed "VED bands and rates for cars registered after 1 March 2001". It relates not to new vehicles that are bought with those CO_2 emissions from, say, next year, but to vehicles that are already in the fleet. So, as I understand it—the Exchequer Secretary can correct me if I am wrong—someone who bought a new car in band F in 2002 will experience a 42.86" per cent. increase in their vehicle excise duty for the very same vehicle—or, in the other example that I gave, a 52.94 per cent. increase. My constituents will regard that, quite understandably, as a retrospective tax increase; they will not take kindly to it, and the Government need to think again.

Mr. Jeremy Browne: My party is happy to support the amendment on the basis that it is always good to monitor progress on environmental matters. I suspect that our motivation for supporting it is rather different from that for which it was tabled. That motivation was to try to make a broader political point about the lack of effectiveness in environmental taxation, whereas my party and I are enthusiastic exponents of the potential benefits of such taxation.

I suspect that the Conservative party's true motive for proposing the review is to make a broader case that the Government's policy on vehicle excise duty differentials has been ineffective in dealing with climate change. Therefore, the Conservatives will argue that we ought to conclude that the policy is ineffective and not one to which they are sympathetic, whereas I draw a different conclusion: if the Government's policy on vehicle excise duty differentials is not having the desired impact on CO_2 emissions, it is a good reason for their policy to become more ambitious and the differentials wider to create greater incentives for people to drive fuel-efficient vehicles, rather than for the conclusion that I suspect many Conservative Members draw, which is that the bands should be narrower, because the policy has been deemed to be a failure.

Mr. Hoban: We might draw the conclusion that the Government's approach is not well designed enough to bring about the behavioural changes that they hope it will. It is a design issue, I think.

Mr. Browne: I am grateful for that intervention, because for many years—since before the Government introduced the policy—my party has been an exponent

[Mr. Jeremy Browne]

of the merits of differentials in vehicle excise duty. We want to try to encourage, rather than compel, behavioural change through price mechanisms. In 2001, the Government introduced a timid, modest form of the policy for which the Liberal Democrats have long argued. Over a number of years, the Government have slowly sought to expand the number of bands, and to make the policy more radical. Our argument is that the policy should be more adventurous still, that the rewards for driving low-emission cars ought to be greater, and also that the penalties for driving high-emission cars ought to be greater, with one or two exemptions that we touched on in discussion on the previous group of amendments.

The hon. Member for Fareham (Mr. Hoban) asked whether the differentials in vehicle excise duty were about raising money or changing behaviour. We argue that they are about both. It is perfectly possible for both those effects to be produced simultaneously. Taxation on cigarettes, for example, is designed to try to dissuade people from smoking, but it also raises substantial amounts of revenue for the Treasury.

I agree with the Conservative party spokesman, and the Conservative party more generally, that environmental taxes are discredited if they are used solely as a revenue-raising measure. Certainly, my party would like money raised through environmental taxation to be used to offset other types of taxes, including taxes on income, particularly the income of those on low salaries, who most need assistance at a time of rising prices.

The Conservative party is playing a risky political game. Its leader cycles to work at the House of Commons—*[Interruption.]* I will ignore the interjections about how his clothing gets here. He cycles here, and he and others create the impression that the Conservative party is extremely sympathetic to wind farms and low-emission vehicles, yet that is done with a nod and a wink. For example, in *The Daily Telegraph*'s lead story a few weeks ago, people who might be inclined to vote for the Conservative party were encouraged to believe that the party is not sympathetic to vehicle excise duty differentials. Indeed, in Treasury questions last Thursday, a Conservative Front-Bench spokesman, the hon. Member for Putney (Justine Greening), asked:

"Will the Minister add the band A to J losers to the 10p compensation package review?"—[*Official Report*, 24 April 2008; Vol. 474, c. 1449.]

She sought, slightly bizarrely, to create some sort of parallel between people who drive high-emission vehicles and some of the poorest people in the country who are losing out as a result of the doubling of the 10p rate. That is not an accurate parallel.

The Conservative party is in danger of trying both to persuade people that they are victims of a malicious environmental policy put in place by the Government, and to outflank the Government with their green credentials. The Conservative party says "Vote blue, go green", but what it is effectively saying is "We'll talk green; vote blue."

Anne Main (St. Albans) (Con): May I inquire whether the hon. Gentleman would support the retrospective application of the vehicle excise duty differentials?

Mr. Browne: What we propose is trying to ensure that people are given the greatest encouragement to drive fuel-efficient vehicles.

Mike Penning: The question is simple: yes or no?

Mr. Browne: I will come to the point that is being made. People need to be persuaded to drive fuel-efficient vehicles wherever possible, and they need to be persuaded that there is an environmental benefit from doing so. The Government change vehicle excise duty rates every year, and our view is that those changes should, over a period, persuade people to drive cars that are more fuel-efficient. I warn the Conservative party that it is in danger of trying to have it both ways; it cannot claim, as a rebranding exercise, to be the party of the environment, but consistently refuse to support environmental measures when it comes to votes in the House.

Mr. Redwood: I am glad that my party tabled the amendment. It is important to see whether there would be a reduction in carbon emissions from the rather large further increase in taxation on motorists. I cannot see how such a proposal can change behaviour when it applies to cars that people have already bought, because by definition they cannot change their behaviour—they have already bought their cars—unless it is the Government's intention to have all those cars scrapped prematurely, in which case one needs to do proper carbon accounting to see how much carbon would be emitted in the manufacture of the replacement vehicles, which should be taken into account. That would have to be amortised over their shortened life, if one is to continue the practice of ratcheting up the vehicle excise duty on vehicles already purchased and out there in the vehicle park.

If the main aim of the Government's policy is to reduce emissions from vehicles, surely tax should be placed on use of vehicle and on fuel, which the Government are doing in huge measure anyway. They recently increased that greatly by stealth as a result of the increase in petrol and diesel prices at the pumps, rather than putting the tax on ownership of the vehicle. There is nothing environmentally unfriendly about owning a vehicle once it has been made and purchased, whereas using the vehicle can be environmentally unfriendly.

I hope the Government will think again and will understand that this is another rather difficult equation where we need better carbon accounting in order to know what the true impact of the policy is. We should not let the debate go by without somebody saying that motorists have been clobbered time and again by the Government, who do not seem to understand that many people need working vehicles, and that many people have to go by car because there is no public transport alternative. The provision is just another sign that the Government regard the motorist as a source of massive revenue and are hitting them for owning a car, buying a car and using a car—

Robert Key (Salisbury) (Con): Does my right hon. Friend agree that there is another group of poorly paid workers who are hit doubly? I am referring to community nurses, for example, in large rural areas such as mine.

The HMRC tax-free allowance on mileages has not risen in line. When I pursued the matter with Treasury Ministers, the answer came back that they were trying to change people's behaviour and encourage them to get out of their cars. Try selling that to the district nurse in Tisbury.

Mr. Redwood: My hon. Friend is right. There are other low-paid workers who work antisocial hours and clearly need their car to get to and from work. People often have to take their children to school by car because there is no alternative. I hope that Ministers will think again about the overall magnitude of tax. After all, Ministers must have some spare money to play with, because we know that far more will be collected from diesel and petrol than was in the original Budget forecast. I tabled a question elsewhere to try to get at that figure. Why cannot some of that money be used to abate some of the severity of the proposal?

Angela Eagle: We have had an interesting debate about vehicle excise duty rates. Various Members on both sides of the Committee have made important points and observations about the general approach. The amendment calls for an estimate of the carbon savings that result from the changes to VED contained in the clause, and for that to be audited by the independent committee on climate change, which is being created by the Climate Change Bill. We hope that when that is approved by both Houses and is on the statute book it will enable us to make progress towards our carbon accounting, which we have discussed in relation to more than one amendment this evening.

UK vehicle excise duty rates are set at their current rates for good reasons—to raise revenue to fund essential services, and to help to achieve our environmental obligations and objectives. The changes to vehicle excise duty in 2008-09, which were announced in Budget 2007, further sharpen the environmental signal to motorists to purchase more fuel-efficient vehicles and continue to support the development of the low-carbon market. The rate for the most polluting cars in band G increases by £100 to £400 in 2008-09, whereas the rate for low-carbon band B cars is frozen.

In deciding VED rates the Government take account of all relevant economic, social and environmental factors, including proportionality and fairness to motorists to ensure that there are appropriate signals across the entire system. The vehicle excise duty system is designed to signal, at purchase, that the more polluting the vehicle, the more VED will be payable and the higher its fuel costs will be. As my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) pointed out, table 7.2 of the 2007 Budget sets out the environmental effect of the VED changes announced in that Budget. However, the climate change committee's role is not to audit Government policy, but to advise on technical issues, such as setting carbon budgets and the level of the 2050 carbon emissions target, which will be needed if we are to stabilise climate change.

10 pm

Although the carbon savings from VED changes are initially small, they will increase over time as the number of low-carbon cars is forecast to increase significantly. In addition, VED is part of a package of measures that support the European Union 2012 proposal to reduce average new car CO_2 emissions to 130 g per kilometre, which could save as much as an additional 800 tonnes[1] of CO_2 per year by 2020. Estimating the amounts of CO_2 saved merely through VED rates is a tiny part of the entire picture. It is easy to argue that increases in tax achieve only tiny savings in CO_2 emissions, but that is not the whole story, although some Conservative Members are trying to make out that it is.

The change in respect of CO_2 emissions and engine technology was pointed out by Professor Julia King in her important report, which was published alongside this year's Budget. She said that a 100 g target was achievable by 2020. In the 2008 Budget, the Government confirmed that they will push the EU Commission to include a longer-term target of 100 g per kilometre by 2020 in its proposals for reducing vehicle emissions.

Professor King has also concluded that a typical driver can reduce their fuel bills and CO_2 emissions by 25 per cent. by choosing the most efficient vehicle in the preferred class. That is why this year's Budget contained announcements that further increase the VED signals that aim to encourage people to move from high-emission to low-emission cars; confusingly, however, they are not in this Finance Bill, but for debate in next year's Finance Bill.

My hon. Friend the Member for Wolverhampton, South-West also read out some of the increases planned not for 2008-09, but for 2009-10 and 2010-11. I suppose that he is entitled to consider the very high emitting levels in the top bands, including the six new bands that have been created. However, in the interests of fairness he should also have pointed out that 55 per cent. of drivers will be better off or no worse off as a result of the changes announced in this year's Budget. Their VED bands will be frozen or go down.

The changes to the VED bands are designed to strengthen the signals so that people move from the top-emitting class of car to lower-emitting cars. I am thinking first of purchasers, but the changes are also designed to give those who design and produce new cars further incentives to produce more cars that qualify for the lower bands of VED.

Mr. Russell Brown (Dumfries and Galloway) (Lab): I appreciate that there has been much discussion of working vehicles during the debate on a previous amendment. However, may I draw the Minister's attention to a group that has not been mentioned this evening? I am thinking of disabled people and those who have great difficulty with mobility. A saloon car is extremely difficult for them to access, so they must use a four-wheel drive vehicle. Will she encourage car manufacturers to look hard at the possibility of developing more small-engined, low-emission vehicles to meet the needs of that group of people?

Angela Eagle: I agree that our signals through the VED rates are for those designing and putting new cars on the market, as well as for purchasers. We want to see more accessible vehicles in lower-emission bands. That is why these signals have been sent through the tax system.

1. *[Official Report, 30 April 2008, Vol. 475, c. 6MC.]*

Mr. Bone: What signal is given to people about reducing CO_2 emissions when the biofuel duty discount is reduced? The result is that the price of biofuel is going up.

Angela Eagle: The hon. Gentleman makes an important point, and we could spend a long time talking about it. Some worries are emerging about the effects of biofuels on CO_2 emissions, and work is being done to determine biofuels' whole-life emissions levels. We have to look very carefully to see whether there are advantages to maintaining the differentials for biofuels. The idea of raising the biofuels differential before the new evidence about biofuels' CO_2 emissions and whole-life costs came into the public domain was dealt with in the King report, which I recommend that the hon. Gentleman has a look at. The original idea was to shift the Government's support away from the development of the biofuels industry, and to transfer it to the road transport fuel obligation. However, new and important questions have been asked about biofuels. What are the whole-life costs of producing them? Are they putting food prices up and displacing the growth of food for human consumption? If so, what effects is that having, and what are biofuels' overall CO_2 emission levels?

We could talk about all those things at great length, but I do not want to go down that road this evening. We are talking about VED at the moment, and I am sure that many of the hon. Members who have come into the Chamber to vote would not want me to move away from that.

Rob Marris: The Minister has cited my earlier remark about sending a signal. I agree that we should send a signal to prospective purchasers of new cars, but the changes that will come into force next year and the one after that will send a retrospective signal to people who may have owned a vehicle for upwards of seven years already. The problem with the proposals is that they are retrospective.

Angela Eagle: My hon. Friend makes his point in his own way, but the important thing is to strengthen the signals being given to people with higher-emission cars. We have announced what VED rates will be three years into the future: the higher a car's emissions, the more likely it is that its VED costs will rise. We are attempting to bring about a behavioural change. People need to look at how they can migrate over time to lower-emission cars.

I turn now to why we are opposing amendment No. 6 and recommending that clause 15 stand part—*[Interruption.]*

The First Deputy Chairman of Ways and Means: Order. The level of private conversations among people who have just come into the Chamber has risen considerably in the last few minutes. Some hon. Members have been here throughout the debate and would like to hear the Minister's response.

Angela Eagle: Thank you, Mrs. Heal. I want to emphasise the Government's reasons for opposing amendment No. 6. We do not believe that it is appropriate to use the independent committee on climate change to audit the Government. As we move forward, it is important that we follow the King report's recommendation about making use of new technology. For example, we can ensure that better engine technology reduces emissions if we use VED to send the proper signals to motorists. By the time that the announcements in this year's Budget come into force, 15 of the 30 best selling cars in 2006 will be better off in VED terms, while nine will be no worse off. That means that people will be able to migrate to lower-emission cars in the same class.

We also hope that these tax signals and changes will result, reasonably quickly, in the development of 4x4s in lower VED bands so that people can not only drive the class of car that they want but have lower-emission cars, thereby ensuring that over time we will be able to make considerable carbon savings.

I wish to emphasise that the Government will vote against amendment No. 6 and hope that the clause will stand part of the Bill.

Mr. Hoban: I want to make two brief points in response to the Minister and the debate. Conservative Members believe that taxation can be used to tackle climate change, but also that the tax revenues raised should be replacement revenues, not extra revenues. That is where we part company with the Government on these changes. They will pocket this money, put it into the Exchequer, and fail to reduce the burden on families. That is the approach that is being taken to environmental taxes, and that is why we will oppose this package of measures.

It is also important that where taxes are used to change behaviour, the impact of that should be monitored, and we believe that the independent committee on climate change is the best vehicle for doing so. We therefore wish to press amendment No. 6 to the vote.

Question put, That the amendment be made.

The Committee divided: Ayes 175, Noes 299.

Division No. 163] **[10.11 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew

Gibb, Mr. Nick
Gidley, Sandra
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Price, Adam
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Russell, Bob
Sanders, Mr. Adrian
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Sir Robert
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Stephen
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric

Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vis, Dr. Rudi
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Sadiq Khan and
Ms Diana R. Johnson

Question accordingly negatived.

Motion made, and Question put, That the clause stand part of the Bill:—

The Committee divided: Ayes 325, Noes 145.

Division No. 164] **[10.24 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Cleiland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
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Foster, Michael Jabez *(Hastings and Rye)*
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Gapes, Mike
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda

Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Geraldine
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vis, Dr. Rudi
Walther, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Stephen
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Sadiq Khan and
Ms Diana R. Johnson

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Burns, Mr. Simon
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald

Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Price, Adam
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rosindell, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Syms, Mr. Robert
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Wishart, Pete
Young, rh Sir George

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Clause 15 ordered to stand part of the Bill.

Bill (Clauses 3, 5, 6, 15, 21, 49, 90 and 117 and new clauses amending section 74 of the Finance Act 2003) reported, without amendment, to lie upon the Table.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

Home Information Packs

That the Home Information Pack (Amendment) Regulations 2008 (S.I., No. 572) dated 27th February 2008, be referred to a Delegated Legislation Committee.—*[Alison Seabeck.]*

Question agreed to.

Mr. Deputy Speaker (Sir Michael Lord): I propose to put together the Questions on motions 4, 5 and 6.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

Consumer Protection

That the draft Consumers, Estate Agents and Redress Act 2007 (Commencement No. 3 and Supplementary Provision) Order 2008, which was laid before this House on 10th March, be approved.

Northern Ireland

That the draft Criminal Justice (Northern Ireland) Order 2008, which was laid before this House on 3rd March, be approved.

That the draft Criminal Justice (Northern Ireland Consequential Amendments) Order 2008, which was laid before this House on 3rd March, be approved.—*[Alison Seabeck.]*

Question agreed to.

Mr. Deputy Speaker: I propose to put together the Questions on motions 7 and 8.

BUSINESS OF THE HOUSE

Ordered,

That,

(1) at the sitting on Wednesday 7th May,

(a) notwithstanding paragraph (2)(c) of Standing Order No. 14 (Arrangement of public business) opposition business may be proceeded with, for three hours or until four o'clock whichever is the later, and shall then lapse if not previously disposed of;

(b) notwithstanding Standing Order No. 20 (Time for taking private business) the Private Business set down by the Chairman of Ways and Means shall be entered upon at the conclusion of opposition business (whether before, at or after four o'clock), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business; and

(c) the Speaker shall not adjourn the House until any message from the Lords has been received and any Committee to draw up Reasons which has been appointed at that sitting has reported; and(2) at the sitting on Thursday 8th May, the Speaker shall not adjourn the House until he has notified the Royal Assent to Acts agreed upon by both Houses.

That, at the sitting on Tuesday 13th May, the Motion in the name of Simon Hughes relating to Changes in Immigration Rules (House of Commons Paper No. 321) may be proceeded with as if Standing Order No. 16 (Proceedings under an Act or on European Community documents) was applied to it.—*[Alison Seabeck.]*

PETITIONS

Post Office Closures

10.38 pm

Andrew Rosindell (Romford) (Con): I rise to present a petition of no fewer than 1,725 signatures of the constituents of Romford, who are appalled at the prospect that the Gobions Avenue post office is to be closed under the current review of sub-post offices. As the Member of Parliament for Romford, I urge the Government to consider this petition, because the Gobions Avenue post office covers a large area of north Romford, including Collier Row, Chase Cross, Rise Park and Havering-atte-Bower. The people of that community will be adversely affected if the post office closes. I would like to thank Councillor Sandra Binion,

Councillor Geoff Stearns and the campaign co-ordinator, Billy Taylor, and I would like to present the petition as follows:

The Petition of residents of Romford and surrounding areas,

Declares the Petitioners' belief that the threatened closure of the much valued Gobions Post Office in Collier Row, Romford will have a detrimental effect on the lives of the people who live in Havering-atte-Bower, Chase Cross and Collier Row, if it is closed.

The Petitioners therefore request that the House of Commons urges the Government to reverse the policy of closing sub Post Offices, notably Gobions Post Office, which provide local communities with their only source of accessing vital services.

And the Petitioners remain, etc.

[P000183]

10.39 pm

Andrew Rosindell: I rise again to present a petition to save a second post office within the London borough of Havering—the Hylands post office, which serves the community of Hornchurch and parts of the Romford constituency. The petition has been signed by no fewer than 2,580 local residents of both the Romford and Hornchurch constituencies. The Hylands post office serves a wide area. Many elderly people live in the community and they will be badly affected if local services provided by the post office are closed under the current review. I would like to put on record my thanks to local councillor and mayor of the London borough of Havering, Councillor Georgina Galpin, who has been active in the campaign, and to the campaign co-ordinator, Mr. Osman Dervish. The petition states:

The Petition of residents of Hornchurch and the surrounding areas,

Declares the Petitioners' belief that the threatened closure of the much valued Hylands Post Office in Hornchurch will have a detrimental effect on the lives of the people who live in Hornchurch and Hylands if it is closed.

The Petitioners therefore request that the House of Commons urges the Government to reverse the policy of closing sub Post Offices, notably Hylands Post Office, which provide local communities with their only source of accessing vital services.

And the Petitioners remain, etc.

[P000182]

10.41 pm

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): I have two petitions to present on the same subject of post office closures. The first is signed by 2,595 of my constituents in Shepherd's Bush and it is about the proposed closure of four adjacent branches in the area. The petition

Declares that we cannot afford to lose four Post Office branches

and asks the House of Commons to urge

the Secretary of State for Business, Enterprise and Regulatory Reform to ask Post Office Limited to reconsider their plans to close so many branches in our area.

That is put very reasonably, given the significant number of post offices proposed for closure—four branches in just one small area of my constituency.

Following is the full text of the petition:

[The Petition of the people of Shepherd's Bush and Hammersmith,

Declares that we cannot afford to lose four Post Office branches.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to ask Post Office Limited to reconsider their plans to close so many branches in our area

And the Petitioners remain, etc.]

[P000184]

My second petition is signed by nearly 1,400 people living in the Acton part of my constituency. It reads as follows:

The Petition of the People of Acton,

Declares that we the undersigned strongly object to the planned closure of our local Post Office at Churchfield Road, Action W3.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Business, Enterprise and Regulatory Reform to ask Post Office Limited to reconsider their plans to force the Petitioners to use the inadequate facilities in the Main Post Office on King Street, W3.

And the Petitioners remain, etc.

What both those petitions have in common is the very reasonable terms in which they are put, asking for adequate facilities to be provided in both parts of my constituency. Given how those petitions are put and the number of signatures on them, I hope that even this close to the decision of Post Office Ltd—expected as early as next week—my constituents' complaints will be listened to.

[P000185]

Rape Victim Support

Motion made, and Question proposed, That this House do now adjourn.—*[Alison Seabeck.]*

10.43 pm

Mr. Charles Walker (Broxbourne) (Con): Thank you, Mr. Deputy Speaker, for calling me to speak in this Adjournment debate on support for the victims of rape. Quite understandably, society is not comfortable talking about rape, which is a truly horrendous crime against the individual. Rape is a violent assault committed by the strong against the weak. It is brutal subjugation. Throughout history, rape has been used as a weapon of war and humiliation. I am honoured and privileged to have the chance to discuss it tonight in this important Chamber.

I would like to start with one statistic. Women in this country have a greater chance of being raped or having a violent sexual assault committed against them than they do of contracting breast cancer. Rape is an all too common occurrence in our society.

The consequences of rape are truly horrendous. Women who have been raped often see their families destroyed. They end up getting divorced—women leaving their husbands, or their husbands leaving them—as they struggle to come to terms with the ordeal they experienced or as their husbands cannot face the fact that they were unable to protect and defend their wives. Many women who are raped end up self-harming, and have higher rates of addiction and depression and other mental illnesses. The consequences are long lasting and traumatic and all too often result in women taking their own lives. It is estimated that the cost to society of each rape is £73,000. I do not want to reduce this debate to monetary matters, but that is a huge sum.

The statistics for rape are shocking. It is estimated that 90 per cent. of rapes are never reported to the police. Of the 10 per cent. that are reported, 80 per cent. never make it to court. Of those that make it to court, only one in four end up in a conviction. What do these numbers mean? They mean that in only one in 200 rape cases does the perpetrator end up being convicted of committing the crime. This is almost a crime without consequence for perpetrators, and we in this place must change that.

Of course, one of the concerns often thrown up is that false allegations are made, but academic research proves that false allegations in rape are no more prevalent than in any other assault or crime against the individual. Too often now, women come up against barristers who say that they gave consent. In the issue of rape, the woman is not only the victim but the witness. That is a peculiarity of this crime.

Why do so few women come forward to report rapes? First, there is the shame. Many women do not feel able to talk to their husbands or the people they love. Many women do not feel able to talk to their GP, so they suffer in silence. The reporting process is undoubtedly an ordeal. In the immediate aftermath of a rape, many women are subject to a forensic examination by a male doctor because no female doctor is present. As one woman told me:

> "You've had your power taken away from you once, and then when you have the medical examination, you have your power taken away from you a second time."

We in this place must make sure that female doctors are on hand to conduct forensic examinations.

The woman is then subjected to police questioning. I do not want this debate to turn into an attack on the police; they do a very difficult job, and every police officer whom I know wants to increase rape conviction rates. They have to ask hard, searching questions, because they know what will happen to the woman once she gets to court. Many women find that process humiliating and difficult to handle emotionally, however.

Women face value judgments when reporting rape. Their lifestyles are called into question. They might be asked whether they are mentally ill now or have ever suffered from a mental illness, or how many sexual partners they have had, or whether they are a substance abuser or have ever been a substance abuser. They might be asked how many children they have had with different husbands or partners, or whether they are a prostitute or have been involved in the sex industry. All those questions are designed to undermine the legitimacy of the victim, who is also treated as the witness.

In the few cases that reach court, the Crown Prosecution Service prosecutor often receives the papers only on the day the case is due to be heard. The CPS works extremely hard, but because it is overworked, the prosecutor receives the paper then, whereas the defence lawyer has had months to prepare his case. That case revolves around destroying the credibility of the victim, who is also the witness—it is quite simply character assassination.

We in this House desperately need to increase the number of convictions for rape, because one in 200 is not good enough. Things have gone backwards since 1975, when there were seven convictions in every 200 cases, although that was still a pathetic figure. I know that everyone in this House and every decent person wants the conviction rate to increase.

Women who have been raped need emotional support and they need people to talk to, which is why I am so concerned about what is happening to this country's rape crisis centres. Since 1984, their number has fallen from 68 to 38. Many counties, such as Lincolnshire, are not served by a single rape crisis centre; indeed, Lincolnshire's nearest centre is in the constituency of my hon. Friend the Member for Peterborough (Mr. Jackson), which is in Cambridgeshire. At this point, I would like to pay tribute to the *Lincolnshire Echo*, which has been campaigning on this issue.

Of the existing 38 rape crisis centres, eight face an uncertain future, as they have not secured funding for this financial year. The centres face other problems too. Volunteers who want to be working with women now spend most of their time chasing the money that they need to fund their rape crisis centre's operations. The centres need £80,000 a year to provide a basic service, although all of us in this House believe that they should receive a lot more. Volunteers are spending their time filling in forms, rather than working with clients.

Again, I do not want my next point to be party political. Money has traditionally come from local authorities, but over the past few years more and more of the money that they receive has been ring-fenced for specific projects, so much less discretionary money is available to fund these important services. Let us remember

that rape crisis centres take calls from general practitioners' surgeries, community mental health teams, school counsellors, the Samaritans, the probation service and the Department for Children, Schools and Families. All those organisations have their own funding problems, but they are all funded to far higher levels than rape crisis centres. I would argue that if such organisations use rape crisis centres, they should make a larger contribution towards their funding.

Who do rape crisis centres help and support? They support the victims of rape—many women who were raped years beforehand suddenly find the courage or the will to go to a centre—and the victims of child abuse, who may have been abused decades before. The centres provide a hugely valuable and important service, which allows women to rediscover their self-confidence and build their future with their family.

I shall wind up, because I would like to bring in my hon. Friend the Member for Peterborough, but I should say that I am deeply concerned that waiting lists for rape crisis centres—for a one-on-one discussion with a counsellor—can be as long as three months. The lists are closed in many parts of the country, and people simply cannot get on one, which seems both amazing and wrong.

I am delighted that the Government have recognised the problems and put in place £1 million of additional emergency funding. I know that the Leader of the House, who is also the Minister for Women and Equality, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), has championed the cause, along with the *New Statesman* and Members on both sides of the House, including my hon. Friend the Member for Epping Forest (Mrs. Laing). As a civilised society, we need to ensure that the victims of this awful, invasive crime get the support that they need to put their lives back on track.

A couple of people said to me, "Gosh, Charles, why are you talking about rape? You're a man and it's not really a subject for men, is it?" Well, I am a father, a son and a husband. I can only imagine what it is like for the family of a woman who has been raped. I hope that it never happens to my wife, my daughter or my mother. I hope that it never happens to any family member of anyone here tonight, but if it does, please God let us have the services in place to ensure that it is an ordeal that they can come through.

10.55 pm

Mr. Stewart Jackson (Peterborough) (Con): I pay warm tribute to my hon. Friend the Member for Broxbourne (Mr. Walker) and congratulate him on securing this important debate. I also thank him for his generosity in allowing me to make a few brief remarks.

I draw the House's attention to the valuable work of the Peterborough rape crisis centre, which is a registered charity that has helped thousands of women and girls in the Greater Peterborough area since its inception in 1983. It costs around £40,000 a year to run, and the staff and I are grateful for the funding of some £20,000 that it has received from the victims fund in the last financial year. Unfortunately, it has failed in a bid for further funding in the future, and we are fighting hard to secure funding for it for the next couple of years.

I also welcome the work that the Government have done on a bipartisan basis through the sexual violence action plan published in April last year. The funding has enabled the employment of a development worker, and 15 key volunteers have also helped to deliver an important service for my constituents.

We need to think about three-year funding for such work. A funding regime that lasts for only 12 months breeds instability and does not allow worthwhile organisations the opportunity to plan ahead for the work that they need to do. My hon. Friend is right to say that this issue is not about the financial aspects, but we need to ensure cost-effectiveness in the collaborative work between different agencies, whether it be the police or primary care trusts. If we boil the issue down and take the emotional aspect away, rape costs society. It has an emotional cost, but it also costs society in mental health problems and substance abuse, and other burdens on the criminal justice system and primary care.

We need to review and refresh local area agreements, and I hope that the Minister will address that point when he winds up. We also need to look afresh at public service agreements in respect of this issue, especially PSA23 on making communities safer and PSA24 on criminal justice.

I thank the Minister who will respond to the debate and the Minister for Equality, the hon. Member for Stevenage (Barbara Follett), who is also in her place and who has been sympathetic to my case, as has the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle). We are grateful, but we need funding, as well as a commitment to prevent any further closures of these vital facilities, especially in my constituency. I hope that the Minister will be able to reassure us that the Government recognise the importance of the work of such centres, and that the funding will follow.

10.59 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): I thank the hon. Members for Broxbourne (Mr. Walker) and for Peterborough (Mr. Jackson) for the considered way in which they have put their case on this important issue. It is as well to reflect also on the presence of the hon. Members for Epping Forest (Mrs. Laing) and for Lancaster and Wyre (Mr. Wallace) for the debate. The Minister for Equality, my hon. Friend the Member for Stevenage (Barbara Follett), is also in her place. I know that my hon. Friends the Members for Plymouth, Devonport (Alison Seabeck) and for Wrexham (Ian Lucas), who cannot speak in the debate, are also interested in the subject.

It is important when we discuss such issues and challenges for our society that we do so in a measured and responsible way, as we can then make progress. There will sometimes be arguments and debate between us on various issues, not only across the Chamber but within parties. However, this is a hugely important issue that affects society. Those who watch our debates from the outside will see that, reflect on it and see that Parliament is at its best, in many respects, when dealing with such an important issue.

[Mr. Vernon Coaker]

Rape is about violence. The hon. Member for Broxbourne mentioned the fact that men who speak out on these issues somehow get the reaction, "Why would you speak about that?" I often mention the subject as the Minister with responsibility for tackling sexual and domestic violence, as well as the associated issues of forced marriage and honour-based violence. More men are speaking out on the subject rather than leaving it to be seen as a women's issue, with the hon. Member for Epping Forest or my hon. Friend the Minister for Equality being left to speak out. We all need to speak out. Frankly, the more men who speak up and speak out, the better. It will offer a way forward and accelerate our progress. The hon. Gentleman made an extremely important point, which will, I hope, enable us to move forward.

Let me set out some of the things that the Government are trying to do and some of the progress that we have made. The messages that are given out about reporting rape are often negative: the conviction rate is low, or support services are seen to be failing victims. I agree that we need to make it clear that more needs to be done. Indeed, both hon. Gentlemen who have spoken have pointed out some of the areas where that needs to happen. However, it is important to make it clear that we are making progress in tackling rape and supporting victims. It has been given a priority like never before. An extensive programme of work is under way to improve the situation.

The Government have set out three main actions to tackle rape and sexual violence, which were included in the cross-Government action plan on sexual violence and abuse that was published last year. Those actions are: to increase access to health and support services for victims, such as those mentioned by the hon. Member for Peterborough; to improve the response of the criminal justice system so that victims are sufficiently confident to come forward and report an offence and see it through to conviction, which were all mentioned by the hon. Member for Broxbourne; and to prevent sexual violence in the first place. I know that the hon. Member for Epping Forest and my hon. Friend the Minister for Equality have often talked about that subject at great length. It is not only about doing something when rape has occurred but about trying to prevent it from occurring in the first place.

We have, we believe, made some progress. As I have said, on 18 February the Home Secretary published a three-year action plan for tackling violence. It identified priority areas of work, one of which was sexual violence. In addition, the Government's public service agreements for 2008 to 2011 on making communities safer and justice for all set out our commitment to prioritise action to tackle the most serious violent and sexual offences at a local and national level. As many hon. Members will know, progress is being made.

If the hon. Members for Broxbourne and for Peterborough want to discuss the issues about PSAs, local area agreements and how to make progress on the subject, I am willing to meet them. I am happy for us to meet and discuss the subject in more detail in the Home Office. If the hon. Member for Epping Forest or any other hon. Members want to meet to discuss the matter, I am perfectly happy to do so.

Over the past four years, the Government have spent more than £10 million on supporting the victims of sexual violence, in addition to funding provided locally. Over the past year alone, we have spent £3 million to extend the network of sexual assault referral centres to ensure that victims receive medical care and counselling and can assist the police investigation through a forensic examination. There are currently 19 SARCs, and a further 17 are in development. That is a hugely important reform, and I am sure that Opposition Members have visited some of those centres—indeed, my hon. Friend the Minister for Equality has done so—to see the outstanding work that goes on in them. We have also piloted independent sexual violence advisers in 38 areas to provide advocacy and support for victims. We have also provided funding to voluntary organisations that support the victims of sexual violence.

I want also to mention rape crisis centres. Many people are concerned about the current situation whereby some rape crisis centres are facing closure. The Government are working closely with rape crisis centres to identify what more can be done to assist in increasing their stability. A stakeholder working group, which includes members of Rape Crisis England and Wales, has been set up to look specifically at the issue and will report very soon. We will consider its recommendations urgently. In the meantime, my right hon. and learned Friend the Minister for Women and Equality announced on 18 March an emergency fund of over £1 million to prevent immediate closures.

Mr. Walker: I thank the Minister for his kind offer of a meeting, and many Opposition Members would very much like to attend.

Rape crisis centres are aware of that £1 million, but I understand that there are still some issues with accessing it. I wonder whether the Minister will look at that to see whether their ability to access that money can be accelerated.

Mr. Coaker: I will have a look at that issue. I give that undertaking to the hon. Gentleman. My hon. Friend the Minister for Equality has heard that as well, and if there is a problem, we will try to resolve the issue. However, the Government believe that support services for victims are not solely the responsibility of the voluntary sector and that statutory agencies have a responsibility to provide adequate services.

We have therefore given a commitment to channel substantial resources into sexual assault referral centres and independent sexual violence advisers and have core funded the umbrella organisations—Rape Crisis England and Wales and the Survivors Trust—to help to build the capacity and sustainability of their member organisations. We are also working with the sector to develop commissioning guidance for primary care trusts and local authorities, as well as service standards for the sexual violence sector. Establishing a set of agreed standards for services is key to encouraging local funders to support local sexual violence services.

Supporting victims, however, is not just about ensuring that they can access support services. It is also important to demonstrate to victims that work is being done to ensure that offenders cannot get away with it. At present, the conviction rate for rape is still too low. As hon. Members know, 5.7 per cent. of all rapes reported to

the police result in conviction. So the message that victims hear at the moment may still be, "Is it worth reporting a rape?" I want to change that. That is not easy. The biggest problem that we face is that rape is still under-reported.

The British crime survey for 2005-06 said that more than a third of those who reported being a victim of a serious sexual assault told no one. However, we are working to increase the likelihood that a person who is raped will report it to the police. Some 6,628 rapes were reported in 1997, and 14,443 rapes were reported in 2006-07. That is therefore an improvement, but too many of those reported cases still drop out before getting to court. That is part of the reason for the low conviction rate, and we are working extremely hard on it.

The real problem in many respects is that the attrition rate from reporting to getting a case to court is very high, and all of us need to work to improve that. Of those reported, 2,567 cases did make it to court, and 34 per cent. of them resulted in a conviction. That figure is still far too low, but it is the highest conviction rate for 10 years. The more we get that message across, the greater the confidence a rape victim will have in coming forward. In other words, it is important to say that for those cases that get to court, the conviction rate is increasing. The problem is in moving from a report to a trial. That is the issue that we need to address; we need improvements in that respect, as well as in relation to the reporting of rape.

We have made changes to the criminal justice system, so that when a victim does come forward, he or she—it is sometimes a he, but generally a she—will be supported. I have already mentioned sexual assault referral centres and independent sexual violence advisers; we have also introduced specially trained officers and specialist rape prosecutors, and we have improved training and guidance for the police, the Crown Prosecution Service and barristers.

We have supported police forces in developing action plans to implement the recommendations of "Without Consent", a report on the investigation and prosecution of rape, published in January 2007. We have established a specialist rape prosecutions delivery unit within the Crown Prosecution Service. We have established a rape performance group to manage local performance on tackling rape. Concerns about performance are raised with the relevant chief constable and chief Crown prosecutor, and operational support is provided to areas by a joint team of experts from the Home Office and the Association of Chief Police Officers. The group reports quarterly to the National Criminal Justice Board. The rape champion at ACPO level is the assistant commissioner, John Yates, who has done an excellent job in trying to push that work forward.

We have introduced a range of special measures in court to assist victims in giving evidence, including the use of screens and live links. We have also introduced a statutory code of practice for victims of rape, entitling them to an enhanced service from the criminal justice system. We are pushing in each of those areas to try to improve performance. In a few weeks' time, there is to be a conference on the performance of the criminal justice system with respect to rape, which will enable us to see what more we can do on the issue.

Finally, I would like to mention the work that we are doing to prevent rape and sexual violence. Many hon. Members will be aware of a survey published in 2005 by Amnesty International that showed that a third of people in the UK believe that a woman is partially or totally responsible for being raped if she has been flirting or drinking, or has worn revealing clothing. Recent research entitled "Sexual Assault and the Justice Gap" indicates that little has changed. Addressing those attitudes must start in the education system, and here in the Chamber, with me. I know that all hon. Members present will agree that that statistic is an absolute disgrace; we have to challenge that attitude and get it changed.

As I say, addressing such attitudes must start in the education system. All secondary schools are required to deliver sex and relationship education, and by the end of 2009 we expect all schools to qualify as "healthy schools", meaning that specific standards must be met for personal, social and health education. We must also continue to challenge the behaviour of the minority of men who think that it is acceptable to have sex without consent.

I am grateful to the hon. Member for Broxbourne for initiating the debate, and to all hon. Members who played a part in it, either through their presence or by making a contribution. We are talking about an extremely important area of work. The Government have made considerable progress in many respects, but we know that there is much more to be done; we will rise to the challenge and will do it—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, Mr Deputy Speaker adjourned the House without Question put, pursuant to the Standing Order.

Adjourned at thirteen minutes past Eleven o'clock.

House of Commons

Wednesday 30 April 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

NEW WRIT

Motion made, and Question proposed,

That Mr. Speaker do issue his Warrant for the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the county constituency of Crewe and Nantwich in the room of Gwyneth Patricia Dunwoody, deceased. —*[Mr. Hoon.]*

Hon. Members: Object.

Mr. Speaker: Order. I advise the hon. Member for Macclesfield (Sir Nicholas Winterton) that all he can do now is oppose the motion. If he does so, the matter will be dealt with as the first public business after parliamentary questions. Does he wish to oppose?

Sir Nicholas Winterton (Macclesfield) (Con): I wish to oppose, Mr. Speaker.

Mr. Speaker: In that case, the matter will be taken after questions.

Oral Answers to Questions

INTERNATIONAL DEVELOPMENT

The Secretary of State was asked—

Food Prices

1. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What assessment his Department has made of the effect of increases in world food prices on developing countries. [202410]

The Secretary of State for International Development (Mr. Douglas Alexander): The Government are very concerned about the effect of rising food prices on developing countries. According to the World Bank, 850 million people are already going hungry, and as prices rise that number will increase. The international community must act now both to help the world's poorest people to cope and to address the underlying causes of the current hardship. Last week, the Prime Minister hosted a meeting with leading experts, including the head of the World Food Programme, to strengthen the international response to the growing crisis. In addition, the UK Government announced a £455 million aid package to provide assistance to the hardest hit and to address long-term solutions.

Mr. Crabb: The new money is welcome, although only £30 million is going into emergency food aid. Given that many commentators have been predicting that the dash for biofuels would result in exactly the sort of negative consequences that we are seeing in world food markets, why is it only now that the right hon. Gentleman's Department is sounding a cautionary note about the use of biofuels? Will he confirm whether he is opposed to or in favour of the continued use of the renewable transport fuels obligations?

Mr. Alexander: The Government have announced the Gallagher review to ensure that the full economic, environmental and social impact of biofuel production is taken into account. However, I am intrigued by the hon. Gentleman's line of questioning, given the position that his own party's leader took on the renewable transport fuels obligation. The right hon. Member for Witney (Mr. Cameron) said that—

Mr. Speaker: Order. I will not allow that.

Mr. John Spellar (Warley) (Lab): We all acknowledge that rising living standards, biofuels and some crop failures have all had an impact on rising prices, but is it not a fact that prices have been pushed up to astronomical levels by rampant speculation in the market? Are not these speculators gambling with people's lives, so what will the international community do about it?

Mr. Alexander: As I made clear, a range of different people from a range of different parties have previously argued the case for biofuels, but it is right to recognise that a range of different causes are affecting the rise in food prices. There has been a drought in Australia, which has significantly affected agricultural production; there is, of course, concern about biofuels; there is a rise in commodity prices, not least in the cost of petroleum, which has contributed to a rise in input costs such as fertiliser; and consideration needs to be given to the operation of the agricultural market. That is why we have continued to argue the case for common agricultural policy reform and why our own Prime Minister made clear to G8 leaders the need for a co-ordinated international response.

Hywel Williams (Caernarfon) (PC): Does the Secretary of State accept that the encouragement of home production is a legitimate part of the response to the world food crisis?

Mr. Alexander: There appears to be conflicting evidence as to whether the immediate challenge that we face is a function of sufficient levels of food but inadequacy of distribution through the market, or a global deficit in food production. That is why we need to consider the approach both of the UK Government and of the European Union, while addressing the immediate humanitarian need and raising levels of agricultural production elsewhere in the world, particularly in Africa, where we have seen a decline in agricultural productivity in recent decades, in sharp contrast to countries such as India where we have seen a significant uplift.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): May I draw my right hon. Friend's attention to the worldwide online petition on the crisis, launched by the international citizens' movement, Avaaz, which has already been signed by almost 100,000 people? I invite my right hon. Friend to sign it, as I have. Does he agree that the petition confirms that people worldwide are demanding action from world leaders to solve this crisis—action now, not months of talking and negotiation?

Mr. Alexander: I agree entirely. It is of real concern to billions of people around the world that 850 million people are already hungry, and that the figure is potentially set to rise. That not only presents a challenge to the Government, who have sought a genuinely co-ordinated international response, but imposes a responsibility on business, civil society and individuals.

Malcolm Bruce (Gordon) (LD): Will the Secretary of State acknowledge that there is a need for sustainable biofuels, and that a major reason for rising food prices is rising living standards in countries such as China and India? Will he redeploy the resources at his Department's disposal to ensure that we can raise productivity levels in parts of Africa using the expertise that exists in this country, which the International Development Committee has called on the Government to mobilise more effectively in the future?

Mr. Alexander: It is true that significant and sustained economic growth in China is leading to a different pattern of consumption—principally an increase in meat consumption, which is a direct consequence of the fall in the production of maize and other crops in recent years. The right hon. Gentleman made a more general point about biofuels. Of course we must distinguish between those that may be sustainable and those that are judged not to be. We are at risk of demonising the whole issue of biofuels, when what we actually need are facts rather than anecdotes.

As for the right hon. Gentleman's substantive point about DFID's contribution, at the meeting that he attended in Downing street last week we were able to announce the provision of £400 million for agricultural research, and we want to see that money flow into exactly the sort of productivity increase to which he has referred.

Mr. Lindsay Hoyle (Chorley) (Lab): The dash for biofuels is beginning to have a real effect on the food market—it is leading to food shortages in some countries, and we have observed the escalation of prices—but what effect is it having in countries that are offering people huge grants to grow crops for biofuels rather than food? Is that not what will really damage the world in future?

Mr. Alexander: As I have said, I expect the Gallagher review to examine precisely those issues in trying to discern the contribution of biofuels to sustainability, or to a lack of sustainability. A range of subsidies has been introduced by a range of countries for different reasons to support biofuel production. Research is important to our understanding of the challenge of sustainability, but, as our Prime Minister pointed out in his letter, we also need a co-ordinated international response to ensure that the dialogue is not limited to the United Kingdom but takes place in the other countries that are producing biofuels.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): The Secretary of State is right to draw attention to the increasingly alarming reports of rising food prices and the resulting food shortages. At yesterday's summit in Geneva, it was reported that the emergency appeal for assistance had reached barely half its target. I acknowledge the Government's contribution, but the Secretary of State spoke of calls for international co-ordination. What tangible steps are our European partners and the G8 countries taking in response to that appeal, and is the British Government's contribution a fixed financial amount or will it be used to buy a particular quality of food supplies?

Mr. Alexander: We do not tend to provide food aid in the same way as the United States Government, who purchase in bulk and then transfer food. We provide resources that are available to be used in-country, often for local sourcing. I should be happy to write to the hon. Gentleman listing the countries in which the money—approximately £30 million, or $60 million—to support the World Food Programme's efforts to raise, I believe, $500 million is being used. The United States has made a significant contribution to that appeal as well.

We will continue to discuss this issue with our European partners. I strongly welcome yesterday's statement by Ban Ki-moon, the United Nations Secretary-General, about the need for a co-ordinated response. I am also encouraged by the response from the Bretton Woods institutions—the International Monetary Fund and the World Bank—to the letter that our Prime Minister issued ahead of the spring meetings, arguing for exactly that focus at the G8 meeting that will take place in Japan in July.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): Much of what the Secretary of State has announced about the food crisis is welcome, but is he not somewhat embarrassed by the finding of a report produced by his own Department last year that Ministers have failed to support agriculture in the developing world? Have not rising food prices been met by alarming ministerial complacency?

Mr. Alexander: I thought it would not take the Conservatives long to blame the Department for the global phenomenon of rising food prices. As I said, only last week I was able to announce the investment of £400 million in agricultural research. We have been a major funder of such research over a number of years. The Department has expertise in the shape of, for instance, livelihoods advisers. However, it is right to recognise the challenge presented by the need to raise levels of productivity in a range of countries, and we are working with international partners to achieve that goal.

Mr. Mitchell: But this is the Department for International Development's own report, and it says that direct spending on agriculture by the Department has halved over the past 10 years. Therefore, do we not now need Ministers to bring forward plans to bind together Government, business and scientific research in a new global partnership for agriculture similar to the one that delivered the green revolution in Asia in the 1960s?

Mr. Alexander: DFID spends about £120 million a year on agriculture. We have increased to about £55 million a year our financing for safety nets programmes in Bangladesh and many African countries, which support the poorest farmers and their families in those countries, and we have increased spending on rural infrastructure. Last year, we spent £34 million to reduce the cost of transportation in Africa. The emphasis that I have placed within the Department on growth in Africa naturally and inevitably means a focus on agriculture given the role of smallholder agriculture in Africa. It is right to recognise that we need to work with international partners on agricultural productivity, and we have done that and will continue to do so. It is also right to recognise that we have in recent days made a sizeable contribution to agricultural research.

Gender Equality

2. **Helen Southworth** (Warrington, South) (Lab): What steps his Department has taken to promote gender equality in access to education in developing countries. [202411]

The Parliamentary Under-Secretary of State for International Development (Gillian Merron): The UK Government have committed £8.5 billion for education in developing countries over the 10 years to 2015. We support education plans, policies and programmes that ensure that girls as well as boys benefit in developing countries.

Helen Southworth: When we educate a girl, we also improve the life chances of a future family. In particular, there is a direct link between educating girls and reductions in maternal and infant mortality, but change is not happening fast enough. Will the Government therefore take vigorous steps to increase their efforts at every level, including with other Governments, to ensure that every girl has access to a classroom?

Gillian Merron: What my hon. Friend says is right. Educating girls is one of the best investments that a country can make to further its social and economic development and to improve health. We know that women who have been to school have fewer children, which reduces the risks to them of childbirth and makes it more likely that they will be able to access the care that they need. In addition, their children are healthier; for example, they are 50 per cent. more likely to be immunised. I can therefore confirm to my hon. Friend that although we are making very good progress in getting girls into school, we will be accelerating that work through the call to action and the United Nations-hosted meeting in September. Indeed, our own work through 10-year education plans is bearing fruit.

Mr. Gary Streeter (South-West Devon) (Con): I welcome the Minister's response on this important subject, but is it not also the case that girls who are educated for seven years or more are much more likely to be empowered to reduce the risk of HIV/AIDS in their own lives and in their family? Therefore, if we are to tackle that terrible global disease, is not empowering young women by educating them one of our highest priorities? I commend what the Minister has already said and done, but will she go even further and do even more?

Gillian Merron: I welcome that commendation from the hon. Gentleman, and I thank him for his recognition of the work that the Government and others have done in promoting education. Education has been described to me as a social vaccine against HIV and AIDS, and I concur. Girls who stay in school are much more likely to know key prevention techniques and to persuade their partners to use them, and are less likely to become HIV-positive. The figures speak for themselves. In Swaziland, two thirds of teenage girls in school are free from HIV, whereas two thirds of girls out of school have HIV. Such figures concentrate our minds.

Judy Mallaber (Amber Valley) (Lab): Over the Easter recess, I met two teenage girls in Goma who are desperate to resume their education but cannot leave their camp for fear of being attacked or raped by rebel soldiers or the army. Will the Minister urge the Secretary of State in his forthcoming visit to the Democratic Republic of the Congo and Rwanda to press both Governments to do all they can to uphold the recent peace accords, in order to bring peace to eastern Congo and to allow those girls to resume their education?

Gillian Merron: My hon. Friend makes an important point, and I am sure that my right hon. Friend the Secretary of State will take steps in that regard. It is, indeed, the case that one of the reasons why girls do not go to school in the numbers that they should is that schools are not necessarily the safest places. Therefore, in addition to my hon. Friend's points, I would emphasise the work that we are doing in respect of safer and accessible transport, the provision of separate toilets, teacher training, and work to reduce violence against women in their own homes.

Mr. James Gray (North Wiltshire) (Con): I was lucky enough to visit a couple of DFID-funded projects in Nepal when I was there over the Easter recess to monitor the elections. People are working very hard to get more women into the education system, and into jobs and work. I was concerned by the incoming Maoist Government, who were saying that they did not want what they see as "new imperialism" from the west, in regard to both that area and the Gurkhas. Will the Minister tell us what discussions she has had with the Maoists in Nepal about continuing and expanding these particular projects?

Gillian Merron: The hon. Gentleman will be glad to learn that the Under-Secretary of State for International Development, my hon. Friend the Member for Dewsbury (Mr. Malik), will be visiting Nepal in the near future. I will raise the hon. Gentleman's comments with the Foreign Secretary.

HIV/AIDS

3. **Mr. Graham Allen** (Nottingham, North) (Lab): What progress has been made in halting and reversing the spread of HIV and AIDS globally by 2015 in accordance with millennium development goal 7. [202412]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Progress is being made in the international effort to tackle HIV and AIDS. There has, for example, been a significant scaling up in the level of financial assistance to tackle the epidemic, and the number of people receiving antiretroviral treatment in poor countries has risen from 400,000 to more than 2 million. There is, however, a lot more to do.

Mr. Allen: Will the Minister take this opportunity to distance himself from the more weird and wacky groups that are suggesting that abstinence is the only way to combat HIV/AIDS in parts of the world? Will he also take the opportunity to tell the House that as many moneys will go via voluntary organisations and non-governmental organisations as will go through some of the dubious central Governments who operate in the areas most afflicted by HIV/AIDS?

Mr. Thomas: I can confirm to my hon. Friend that we do not support abstinence-only programmes for HIV prevention, because none of the available evidence suggests that such programmes are an effective strategy for HIV prevention. He raised a point about the valuable contribution that voluntary sector organisations make. I have had the privilege of seeing some of the work that Christian Aid supports in southern Africa, so I take his point about the need for us to continue to work with the voluntary sector. I hope that he will recognise that where we can have confidence in the commitment of Governments to preventing HIV and AIDS, we should continue to help them scale up their ability to tackle AIDS in their countries.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): Will the Department's forthcoming AIDS strategy continue to contain a dedicated funding target for AIDS, and will a percentage of that funding be allocated to supporting vulnerable children and orphans, as happens today?

Mr. Thomas: The reason why the strategy is forthcoming is that there is still work to do on its preparation, so I cannot give the hon. Gentleman a preview of what it will contain. One of the reasons why we included specific targets when we published our previous AIDS strategy in July 2004 was to generate significant new political momentum behind the effort to fight AIDS in general and the AIDS orphans crisis. I hope that he will recognise, from the research that he has done, that political momentum behind the fight against AIDS has increased significantly and that much greater effort is being put into tackling the specific problems faced by AIDS orphans.

Mr. Russell Brown (Dumfries and Galloway) (Lab): Although it is recognised that there are many health-related problems in the developing world, does my hon. Friend agree that when money is specifically targeted at preventing HIV/AIDS and reversing that trend in that area, it should be spent on tackling HIV/AIDS and not on other health-related issues?

Mr. Thomas: We need to do both. We must ensure not only that we continue to help tackle the HIV/AIDS epidemic, but, as the question from my hon. Friend the Member for Warrington, South (Helen Southworth) indicated, that we do more to tackle a range of other health conditions. We cannot fight AIDS without more health workers—more doctors and more nurses—in-country, and we cannot tackle infant and child mortality without there being more health workers in place. We need to do more to tackle the specific problems associated with HIV/AIDS, but we must also ensure that our response to HIV/AIDS helps to tackle those broader health questions.

Mr. Gregory Campbell (East Londonderry) (DUP): Does the Minister accept that on the continent of Africa where HIV/AIDS is a particularly acute problem, as well as education, the other key area is the elimination of corruption, so that the resources deployed can reach those at risk in certain nation states?

Mr. Thomas: We have had many exchanges in the House about the difficulties that corruption causes for Governments who want to help the poorest people in their countries. That is why we have a considerable number of safeguards to help to ensure that our money is spent effectively and goes where it is needed, and to help developing countries to build up their own defences against corruption. I agree that we need to continue to do more in that area.

The hon. Gentleman is also right to say that we must do more to promote education, especially girls' education and access to primary education more generally. That is one of the reasons why my right hon. Friends the Secretary of State and the Prime Minister have made the commitment to an £8.5 billion investment over the next 10 years from the UK to seek to achieve those objectives.

Saudi Arabia

4. **Mrs. Linda Riordan** (Halifax) (Lab/Co-op): What discussions he has had with the Foreign Secretary on human rights in Saudi Arabia. [202413]

The Secretary of State for International Development (Mr. Douglas Alexander): Human rights are a key issue for UK Ministers and are among the many issues that my right hon. Friend the Foreign Secretary and I discuss on a regular basis. While we welcome efforts to address human rights in Saudi Arabia, the UK Government continue to raise concerns about the human rights situation and to work closely with the Saudi Government to encourage reform.

Mrs. Riordan: The oppression of women is a matter of daily life and capital and corporal punishment are part of the Saudis' abuses of human rights. Can the Minister assure me that he will work with colleagues in the Foreign Office to ensure that the Saudi regime is not allowed to continue those practices, which are condemned by the rest of the world?

Mr. Alexander: I can give the assurance to my hon. Friend that we continue to press Saudi Arabia to adopt the recommendations of the convention on the elimination of all forms of discrimination against women, and in 2007, when we hosted the two kingdoms dialogue at Lancaster house, discussions included specific measures in the area of women's rights.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): As chairman of the all-party group on Saudi Arabia, I can tell the Minister that, following my discussions with the Foreign Secretary this week, he was pleased—following his visit to that country—with the tremendous advances on human rights. Will the Minister join me in congratulating King Abdullah and his Government on the advances that they are making in improving human rights?

Mr. Alexander: Of course we welcome any progress that is made on human rights. I know that a productive and effective meeting took place in Riyadh between the Foreign Secretary and the Government of Saudi Arabia.

Economic Partnership Agreements

5. **Jo Swinson** (East Dunbartonshire) (LD): If he will make a statement on the implementation of economic partnership agreements. [202414]

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): We anticipate that the economic partnership agreements that have been agreed with 35 African, Caribbean and Pacific countries will be signed formally over the next 18 months. We will provide aid for trade support to help those ACP countries implement and benefit from the new opportunities provided by EPAs.

Jo Swinson: The Prime Minister has said that poor countries must be allowed the flexibility to decide, plan and sequence their own trade reforms. However, an analysis last week by Oxfam showed that the interim economic partnership agreements that were hastily concluded in December could mean that Africa loses $360 million each year in tariff cuts. Does the Minister think that an independent evaluation of the EPAs should be made with an eye to revisiting problem areas before the deals are finally signed?

Mr. Thomas: I was at a United Nations Conference on Trade and Development meeting in Ghana last week and had the opportunity to discuss the interim EPAs that have been initialled by many of the non-least developed countries, and also to discuss EPAs with LDCs. There was significant support from several of those countries for the interim EPAs. The hon. Lady is right to note that some countries have highlighted one or two issues, and we want the Commission to continue to show flexibility in responding to those concerns. We need to recognise that the duty and quota-free access offer that the Commission has made to non-LDCs is a significant step forward and that many of the ACP countries, such as Botswana and some Caribbean countries, have been warmly supportive of the efforts that the Commission has made to help them with better trading opportunities in the European Union.

Hugh Bayley (City of York) (Lab): What are the Government doing to help African countries to trade with one another by reducing the tariffs that they impose on one another and strengthening the infrastructure to allow transport links from one African country to another?

Mr. Thomas: My hon. Friend makes a good point about the importance of regional integration. We continue to highlight that as one of the potential benefits of moving from interim economic partnership agreements to full regional economic partnership agreements. As I said in my previous answer, we continue to encourage the Commission to show additional flexibility so that we can move from the interim EPAs that have been signed with individual countries to full regional EPAs over the coming months.

Mr. Speaker: Order. Before I start Prime Minister's Question Time, may I point out that it is only right and fitting that hon. Members should be heard when they are putting questions? Sustained shouting looks bad and it is not good for the reputation of the House. I have already had a quiet word with Mr. Campbell.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [202395] **Mr. Brian Jenkins** (Tamworth) (Lab): If he will list his official engagements for Wednesday 30 April.

The Prime Minister (Mr. Gordon Brown): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Jenkins: The Prime Minister is well aware that the global economic turn-down is causing concern to many in our country. Will he assure me today that his top priority will be the British economy, with stability and high employment at its core? Will he assure me that he will never make the statement that 3 million unemployed is a price worth paying?

The Prime Minister: I will never make that statement. It is because of our policies that there are 3 million more people in work than ever before, that we have more vacancies and that unemployment is at its lowest for 30 years. I am grateful to be able to say that in my hon. Friend's constituency, overall unemployment has fallen 42 per cent. since 1997. The choice in future will be between a Conservative party that caused 3 million unemployed and was responsible for two of the worst recessions in history, and a Labour Government who are on the side of home owners facing difficulties and those facing high fuel prices—a Labour Government who have never seen repossessions reach the level that they were at under the Conservatives. We will continue to fight for every job in this country.

Mr. David Cameron (Witney) (Con): The planted questions get tougher and tougher.

As the Prime Minister knows, there is only one thing more uncomfortable than a U-turn, and that is making a U-turn after repeated protestations that one will not make a U-turn. May I offer him an opportunity to retract what he said last week and to admit that he will have to make major concessions on his proposals to extend detention without charge to 42 days?

The Prime Minister: No. We are going ahead with our proposal and we will put it to the House of Commons. The Opposition parties agree with us in

principle that there will be terrorism cases where we will need more than 28 days to interview witnesses. The Opposition agree with us that there are certain emergency conditions in which that will be required, and so do the Liberal party and Liberty. The question is whether we have put in place the civil liberties protections that are necessary. We have done that, and that is why we will go ahead with putting the proposal to the House. The Conservative party should support it.

Mr. Cameron: What we object to is new legislation that threatens civil liberties, that is not necessary and that could make the situation worse. Will the Prime Minister listen to his own Director of Public Prosecutions, who said:

"we do not perceive any need for the period of 28 days to be increased"—*[Official Report, Counter-Terrorism Public Bill Committee*, 22 April 2008; c. 53, Q136.]

and

"our experience is that we have managed comfortably with 28 days"?—*[Official Report, Counter-Terrorism Public Bill Committee*, 22 April 2008; c. 58, Q150.]

He is the man responsible for prosecuting and convicting terrorists. Why will the Prime Minister not listen to him?

The Prime Minister: Will the right hon. Gentleman listen to the police, who have said that they might need the power beyond 28 days? Will he also listen to the independent reviewer, Lord Carlile, who gave evidence only a few days ago about the need for the extra power? Will he not recognise that if we were to have to come to the House in a period of emergency and ask for the extra powers, that would not be the way to go because it would give oxygen to terrorism? It is better to take pre-emptive action now. I think that the Conservative party should be ashamed of itself for not supporting the legislation.

Mr. Cameron: It is not just the DPP who opposes the proposal. The former Attorney-General and Lord Chancellor do too, and the man who was chief inspector of constabulary says that it is wrong. We now know what Labour MPs think about it, as we have been sent a report about that from the Labour Whips' Office. Only this Government could manage to send it across to us—it brings a whole new meaning to the phrase "usual channels". One Minister says that the 42-day limit has been "plucked from thin air." Another MP says that he

"could be persuaded to stay away"—

that is straight from the Prime Minister's book of courage—but my favourite is from the hon. Member for Ealing, who sums up the Labour party's mood when he says that he "will support" it but thinks that it is "barmy." Why does the Prime Minister think that he cannot persuade his own MPs?

The Prime Minister: Is it not remarkable that the right hon. Gentleman will never address the substantial issue? The substantial issue for our country is whether it is right to have the power in law that it may be necessary for the police to go beyond 28 days. The substantial issue is whether, when facing a major terrorist incident, Ministers should have to come before the House and ask for that extra power, when we could take it in a precautionary way.

I believe that we have dealt with the civil liberties arguments on this issue. We have accepted the requirement that the Home Secretary must come to the House if an order is needed in any particular case. We have given new powers to the independent reviewer, so that he can adjudicate the case. We have given new powers to the judiciary, so that every seven days the person involved must come before the judiciary before the detention is confirmed. I believe that we are protecting the country's civil liberties and that the Conservative party is making a mistake if it believes that we should not have this precautionary legislation, in circumstances where sophisticated investigations that go right across the world, involving mobile phones, e-mails and computers, mean that the amount of police work and time needed to investigate cases is a great deal higher. I believe that the Conservatives would be making a mistake if they opposed this legislation.

Mr. Cameron: The Prime Minister is wrong. We have addressed the substantive issues. We said, "Use intercept evidence in terror trials," and he is beginning to take up that proposal. We said, "Question suspects after charge," and that is in the Counter-Terrorism Bill. We said, "Let's have a proper border police force," and the Prime Minister got the "border" bit, but does not seem to understand the "police" bit. The Prime Minister reels off the changes that he has made, but he has not convinced anybody. The former Attorney-General has said that

"not only is it wrong in principle but...also...counter-productive because it can lead to the risk that part of our community... sees this as an attack on them".

How far is he prepared to take this battle with his party? Will the vote be an issue of confidence for his Government?

The Prime Minister: We will put our proposal before the House. It will be one that I believe Conservative and Liberal Members should also think carefully about. If the right hon. Gentleman had to examine the cases for terrorist asset freezes, as I did when I was Chancellor, or if he had to examine the cases that come before the police, he would know the sophistication of the investigations that are now required. They look internationally at a range of matters, including computer documents and e-mails, and that means that there will come a time when it is difficult for the police to do a sophisticated investigation in 28 days.

If I may say so, we as a House should take the precautionary position and adopt the proposed extra power. It cannot be triggered without the Home Secretary coming back again to the House to ask for it. That means that we vote in principle for a 42-days limit, but at the same time say that the Home Secretary must come before the House. I believe that the issue for the House was whether people would be subject to arbitrary detention. We have taken all the precautions necessary against arbitrary detention. We should now go ahead with this measure, and the Conservative party should support it.

Mr. Cameron: The Prime Minister talks about the sophistication of the prosecutions, but who knows more about that—the Prime Minister, or the Director of Public Prosecutions? The DPP is the man responsible for trying to convict and imprison the people involved.

However, the Prime Minister did not answer my question, so let me ask him again. He tells us how much this matters and that he will not make any more concessions, so is this an issue of confidence?

The Prime Minister: We will put this before the House. If I may say so, the head of the Metropolitan police also has some idea of the sophisticated investigations involved. The independent reviewer has been examining all the cases and he is convinced of the need to go beyond 28 days. The Home Affairs Committee looked at the matter and said that there may be a case for going beyond 28 days. Equally, at the same time, the Conservative party, Liberty and the Liberal party have agreed that there might be a case, and they want to trigger the Civil Contingencies Act 2004. If there is a case that some instances will involve going beyond 28 days, surely the right thing for a Government to do is to respect the civil liberties of the individual by avoiding arbitrary treatment, but to take the power that could be triggered again only by the Home Secretary coming before the House. That is the right and responsible way to proceed. We are talking about the security of every citizen in this country.

Mr. Cameron: The Prime Minister will not answer the question about a vote of confidence, so I think that everyone knows what is going to happen: another rebellion, another backdown, another U-turn, and the collapse of stout party. Is not the truth of the 42 days provision exactly the same as the fiasco of the 10p tax rate? He is pushing this not because it is right, but because it is part of a political calculation. With the 10p tax rate, it was about trying to pose as a tax cutter. This time, it is about trying to pose as being tough on terror. Everybody knows what is happening. Today, apparently, he is admitting mistakes. Why does he not admit the biggest mistake of all: that he puts political calculation and self-interest—*[Interruption.]*

Mr. Speaker: Order.

Mr. Cameron: The Prime Minister is putting political calculation and self-interest ahead of the right decisions and the national interest.

The Prime Minister: The right hon. Gentleman never addresses the substance of the question. This is the man who wants to be both tough on crime and hug-a-hoodie at the same time. This is the man for whom political calculation meant that he cycled to work but, at the same time, had a chauffeur-driven car coming behind. This is the man who is a shallow salesman and never addresses the substance of the issue. The important substance of this issue is how we protect the people of this country against terrorism. That is about more than trading a few quotes in the House of Commons. It is about looking at the evidence before us, and the evidence before us is that we will need 42 days. I urge the Conservative party to think again.

Stephen Pound (Ealing, North) (Lab): May I point out that the great and noble borough of Ealing is actually represented by three Labour Members, none of whom made the statement attributed to one of them? However, may I say that the Leader of the Opposition is doing a simply marvellous job of auditioning for the sadly vacant chair of "I'm Sorry I Haven't a Clue"?

Does the Prime Minister agree that it would be the height of irresponsibility for any candidate standing for the mayoralty of London to talk about slashing the Metropolitan police—

Mr. Speaker: Order. I will not invite the Prime Minister to answer that one.

Mr. Nick Clegg (Sheffield, Hallam) (LD): If someone —*[Interruption.]*

Mr. Speaker: Order. Remember what I have said to the House. It is unfair to the right hon. Gentleman, and he should be able to put his two questions.

Mr. Clegg: It is obvious why someone who is a low earner in Britain today would not support the Conservatives tomorrow. However, after doubling the tax rate for the poor, leaving more than 4.5 million people in fuel poverty and closing thousands of post offices, can the Prime Minister explain why any low earner should support his Government?

The Prime Minister: Because we have taken a million pensioners out of poverty. Because we are on the road to taking a million children out of poverty. Because we introduced the new deal to get people in work—opposed by the Liberal party. Because we have introduced child tax credits and raised child benefit, and child tax credits were opposed by the Liberal party. The reason why people should support Labour is that our policies for social justice are not only taking people out of poverty, but giving people the chance of work.

Mr. Clegg: The Prime Minister is living in denial. If he wants people to believe that he cares for the poor, he should act as though he does. Is he not ashamed of the "grotesque chaos", to quote Neil Kinnock, of a Labour Government scuttling around the country handing out closure notices to more than 5,000 local post offices? This morning, the Prime Minister said that he wants to be a listening Prime Minister. Let him prove it. Will he stop all further post office closures, right now?

The Prime Minister: Four million fewer people are using our post offices than did so a few years ago. We have put £1.7 billion into helping the post office network. Once again, the Liberal party is proposing spending huge sums of extra money without having any recognisable means of paying for it. That is why the hon. Gentleman's shadow Home Secretary called him "Calamity Clegg".

Q2. [202396] **Mrs. Madeleine Moon** (Bridgend) (Lab): Gofal, Yellow, Working Links and my local youth offending team are all working hard to place vulnerable youngsters—those with mental health problems, drug and alcohol problems and low educational attainment—in work. Can I give them an assurance that despite the turn-down in the economy, work will still be available for those vulnerable youngsters, and that there is potential for their future?

The Prime Minister: I had the privilege of meeting young people from my hon. Friend's constituency to talk about the challenges that they face in creating and getting jobs, and about the youth facilities in the area. The fact is that in Wales, employment is up 131,000 since 1997. We have helped 120,000 people through the new deal, and we continue to create jobs for young people in Wales. That would not have happened if we had taken the Conservative party's advice and abolished the new deal. We will create jobs; the Conservatives would create unemployment.

Q3. [202397] **Mr. Geoffrey Clifton-Brown** (Cotswold) (Con): The Public Accounts Committee has branded the Olympic budgeting process incompetent, yet Londoners are being forced to pick up the bills. Who has deceived them—the Government, the Mayor, or both?

The Prime Minister: First, we should be proud that the Olympics are coming to London. This gives me the chance to congratulate the Mayor of London on having made sure that the Olympics will come to London. The hon. Gentleman will know that a national contribution to the Olympics is also being made by the Exchequer. I believe that holding the Olympics in London will be a great boost, not just to London but to the whole of the British economy.

Q4. [202398] **Paddy Tipping** (Sherwood) (Lab): After years of discussion, Parliament decided that fox hunting should be banned. Is not the priority now to ensure that the legislation is implemented effectively, and not to promise that it will be repealed at some date in the future?

The Prime Minister: I understand that the Leader of the Opposition has said:

"We would let the House of Commons have a free vote...and...if there was a vote to get rid of the ban...there would be a government bill in government time."

I believe that there is a settled view among the public on the matter and that it would be better if all parties in the House recognised the previous vote of the House of Commons on the issue.

Q5. [202399] **Mr. Mark Harper** (Forest of Dean) (Con): On "The Politics Show West" on Sunday, the hon. Member for Stroud (Mr. Drew), whose question is, I note, next on the Order Paper, said of the Prime Minister:

"He was never my choice. I made it quite clear we should have looked to miss a generation."

He went on to say: "Gordon is a tragedy". On Friday, after the local elections, when the Prime Minister carries out an emergency reshuffle, should the hon. Member for Stroud wait by his telephone?

The Prime Minister: This Government, in the past 11 years, have created more jobs than any other for the people of this country. We have cut poverty, we have doubled investment in the health service and we have improved investment in education. The hon. Gentleman should be congratulating us on what we have done, not criticising us.

Q6. [202400] **Mr. David Drew** (Stroud) (Lab/Co-op): And now we get to some real politics.

May I thank my right hon. Friend for the initiative that he has taken on Darfur, having called a conference in London? I believe that yesterday, he met the Sudanese Foreign Minister and the special adviser to the President of Sudan. I had the opportunity to meet those gentlemen on Monday. Will my right hon. Friend tell me what progress is being made on the conference, and in particular what opportunities are being pursued to make sure that the rebel groups, and particularly the Arab militias, are willing to come to the conference?

The Prime Minister: Our aim is not just to get the rebel parties together, but to get the Government of Sudan to be part of the discussion process. When I spoke to the Sudanese Foreign Minister yesterday, I pressed him about the need for talks to start as soon as possible. I believe that if talks started, we could achieve a ceasefire and at the same time get to the process of reaching a political settlement. The key thing is to get the talks started. That is why approaches have been made to the rebel groups, why the United Nations Secretary-General is involved, why we have offered London as a possible centre for such talks, and why I am hopeful that if we can move matters forward in the next few weeks, there is a chance of talks taking place that could bring peace to that troubled area.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Will the Prime Minister give an undertaking to the House that by the Report stage of the Finance Bill, we will see detailed and concrete proposals on exactly how his Government plan to compensate the 5.3 million low earners who lost out when he doubled the 10p tax rate?

The Prime Minister: The Chancellor has sent a letter to the Treasury Committee Chairman and made it absolutely clear what the Government are ready to do and the action that we are taking to help 60 to 65-year-olds and people who are low paid, and that is what we will do.

Q7. [202401] **Mrs. Claire Curtis-Thomas** (Crosby) (Lab): The faith-based sector in my community is doing a fantastic job. Its members administer half my schools, the hospice and our care homes, and they have been involved in wonderful campaigns such as Drop the Debt, but they are very concerned about the Human Fertilisation and Embryology Bill. We acknowledge that the Prime Minister has given people like me and those of religious conviction a free vote in the Committee stage of the Bill on the Floor of the House. Will my right hon. Friend consider allowing a free vote when the Bill finally comes before the House?

The Prime Minister: I have made it clear that there will be a free vote for Labour Members on provisions relating to saviour siblings, mixed embryos and the need for a father or supportive parenting, because this is the first time that those ethical issues have been debated on the Floor of the House of Commons. The letter that I sent to MPs set out the reasons why we should do that. It is the right way of proceeding on an important Bill. We do not want to lose the benefits of research that is available to help people, but at the same

time we wish to acknowledge that there are new ethical issues before the House that should be debated on a free vote of the House.

Q8. [202402] **Mr. Peter Robinson** (Belfast, East) (DUP): Does the Prime Minister recall, when he was Chancellor, appointing Sir David Varney to carry out a review of the Northern Ireland economy? Sir David's second report is due out later today. Will the Prime Minister ensure that the Government's response to that report is issued before the Northern Ireland-United States investment conference, and will he ensure that part of the Government's response to that report deals with the commitment made by his predecessor five years ago in the joint declaration that they would hand over to the Northern Ireland Executive many of the military and police bases that are now redundant, to enhance the assets that the Executive would have?

The Prime Minister: Let me first, on behalf of the whole House, congratulate the right hon. Gentleman on becoming the leader of his party. I wish him well in the task ahead as we move forward with the devolution proposals for Northern Ireland. He is right: we have talked on a number of occasions about the Varney report and what it can do to bring new investment for Northern Ireland. The investment conference, which will include representation from America, will take place next week and I look forward to meeting him and the American delegation there. The Varney report which is published today will offer a number of proposals on how we can increase the attractiveness of Northern Ireland for inward investment. Some of that is in the incentives for innovation that should be available for companies coming into Northern Ireland or developing there. Some of it is in the area of skills, where we ought to be able to increase and build on the good education offered in Northern Ireland. I look forward to talking to the hon. Gentleman about that and the military bases when we have a chance to meet soon.

Q9. [202403] **Chris Mole** (Ipswich) (Lab): Will my right hon. Friend congratulate the ward deep cleaning team, who won team of the year at the staff awards at the Ipswich hospital last Thursday evening, on their success and on the 68 per cent. reduction in the number of MRSA cases that has been achieved in the past two years? Does my right hon. Friend agree that the colleagues who nominated them and patients would regard that initiative and others from my right hon. Friend, such as extended GP opening hours, as anything other than a gimmick?

The Prime Minister: The deep clean of our hospitals and the doubling of the number of matrons to make sure that all hospital wards are clean are a very important aspect of making the health service better in the future. I join my hon. Friend in congratulating those in his constituency and the hospital, who have done so much good work to make their hospital a better place.

It is also true that GP access is incredibly important to every citizen in this country. That is why it is regrettable that the Conservative spokesman has said that he is against the progress on GP access that has been made, and that he would hand back to GPs the power to decide whether there was access for their patients. That would be a retrograde step.

Q10. [202404] **Mr. Douglas Carswell** (Harwich) (Con): The Prime Minister claims that he had no knowledge of the dodgy loans used to fund the 2005 election campaign, which he ran. Lord Levy has revealed that the Prime Minister knew everything. Is Lord Levy lying?

The Prime Minister: I knew nothing of these loans.

Q11. [202405] **Mr. Stephen Hepburn** (Jarrow) (Lab): The Prime Minister will be aware that European workers receive twice as many bank holidays as British workers. Is he going to give UK workers one extra bank holiday?

The Prime Minister: We are consulting on the nature of citizenship, and one part of the consultation is on potential bank holidays. I have to say also that as a result of the changes that we have made, it will be the legal entitlement of every worker, from 1 April 2009, that statutory paid leave be raised from 24 days to 28 days. That is because of the actions of a Labour Government.

Q12. [202406] **Mr. James Clappison** (Hertsmere) (Con): Is the Prime Minister aware that next week marks the sixth anniversary of the Potters Bar rail crash, yet still no public inquiry or inquest has been held? Is that not most regrettable?

The Prime Minister: We are determined to ensure the safety of passengers on the railways, and I will look into what the hon. Gentleman has said. But I believe that we are taking all the precautions necessary to ensure that our railways are safe.

Mr. Don Touhig (Islwyn) (Lab/Co-op): Wales is a much more prosperous country now than it was 10 years ago, thanks to the policies of this Government. Does my right hon. Friend share my despair that the Welsh people will be betrayed once again by the nationalists, who will do a deal to put the Tories into government, as they put Thatcher into government? Does he agree that a vote for the nationalists tomorrow is a vote for the Tories?

The Prime Minister: There are 131,000 more people in work in Wales as a result of a Labour Government. The only way of safeguarding jobs and prosperity in Wales is to support the Labour party.

Q13. [202407] **Mark Pritchard** (The Wrekin) (Con): Further to the Prime Minister's reply to the hon. Member for Crosby (Mrs. Curtis-Thomas) about the Human Fertilisation and Embryology Bill, will the Prime Minister confirm whether there will be a free vote on Third Reading?

The Prime Minister: That is not the intention. If I may say so, for the legislation passed under the Conservative Government, there was a whipped vote on Third Reading.

Q14. [202408] **John Robertson** (Glasgow, North-West) (Lab): My right hon. Friend will be aware that for a number of years I have been trying to get my Employment Retention Bill through Parliament.

Unfortunately, on Friday the Conservatives objected to my Bill once again. Will he use his high office to talk to the Department for Work and Pensions and try to get the Bill through, to make sure that people who are disabled during employment will receive employment and be able to contribute to the rest of this nation?

The Prime Minister: I congratulate my hon. Friend on introducing a Bill for the employment of the disabled. I also congratulate him on keeping alive the very important idea that every disabled person should have the chance to get employment opportunities in our country. We recognise the importance of helping disabled people into work, we welcome my hon. Friend's concern and we share his aims and determination to do more. The Government launched the cross-party independent living strategy in March 2008, and we will move forward on that. I will be very happy to talk with my hon. Friend about how we can move forward with his proposals, including within the Disability Discrimination Act 2005.

Q15. [202409] **Bill Wiggin** (Leominster) (Con): While the Prime Minister is on the subject of disabled people, may I ask whether he is aware that Labour's attack on vulnerable people has been extended to disabled anglers? They have seen the cost of their fishing licence go up by 37 per cent., as opposed to 2 per cent. for able-bodied people—if, that is, they can find a post office from which to buy one

The Prime Minister: I will look at the facts that the hon. Gentleman brings before us and see what has happened to bring that about. However, I have to say to him that this Government have invested in rural communities, and on post offices we are making £1.7 billion available.

Mr. Virendra Sharma (Ealing, Southall) (Lab): Given that crime in London has fallen in recent years, does my right hon. Friend think that it is now time to cut neighbourhood policing teams?

The Prime Minister: Neighbourhood policing has been so successful in London that it is now used in all parts of England. The reason that crime has come down is that there is a visible police presence in these areas and local people are in touch with their local police forces. That is why, under the current Mayor of London, crime has fallen by 15 per cent. and there are 6,000 more police officers and 4,000 more community support officers. The one thing that would put the policing of London at risk is the election of a Conservative Mayor.

Points of Order

12.30 pm

Mr. Crispin Blunt (Reigate) (Con): On a point of order, Mr. Speaker, of which I have given you and the Minister for Borders and Immigration prior notice. My complaint is that I have been pursuing the case of a constituent since December, and in this particular case, when my interest had been established for a long time, a Labour peer, the noble Lord Goldsmith, was informed of the outcome of the constituent's tragic case and I was not. We jealously guard each other's rights to represent the interests of our constituents in this House, Mr. Speaker, and I am asking you to support my view that the example of the handling of this case by the Home Office would, if repeated more widely, represent a significant and detrimental change to way that we, as individual Members of Parliament, hold Ministers to account for our constituents.

Mr. Speaker: I have to be careful that I do not get involved in this matter because I do not know all the details. Sometimes correspondence can go to someone in good faith and the Department concerned is not always seeking to give offence to hon. Members. I think that the best reply that I can give the hon. Gentleman is that he has put his concerns on record, and the appropriate Department and Minister will take note of his deep concerns. [HON. MEMBERS: "Where is the Minister?"] I do not know where the Minister is.

Nick Herbert (Arundel and South Downs) (Con): On a point of order, Mr. Speaker. On the last morning of every month, the Ministry of Justice publishes details of how many prisoners have been released early during the previous month. This morning, the Ministry of Justice published every set of data scheduled to be released except the early release figures. Given that those figures were due to show that almost 25,000 prisoners, and more than 4,000 violent prisoners, have been released early on to our streets, will you invite the Justice Secretary to reassure the House that these figures will be published immediately and that this was not a shabby attempt to bury bad news on the eve of the local elections?

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw) *rose—*

Mr. Speaker: Order. *[Interruption.]* Order. It is up to Ministers what they publish; it is not a matter for the Chair.

Mr. Straw *rose—*

Mr. Speaker: Order. I am not going to invite the right hon. Gentleman to speak—*[Interruption.]* Order. We have to be careful how we use points of order. I tell the hon. Member for Arundel and South Downs (Nick Herbert) that it may be a point that he wants to raise with the Minister but it is not a point of order, and I will not allow the matter to continue. *[Interruption.]* Order. Hon. Members are getting into a habit of raising points of order about what Ministers did and failed to do. When a point of order is made, it is a matter for me how I handle it. That is the matter finished. It was not a point of order that the hon. Gentleman raised.

New Writ (Crewe and Nantwich)

Mr. Speaker: We now have proceedings on the motion for the writ moved earlier by the Secretary to the Treasury, the right hon. Member for Ashfield (Mr. Hoon), and objected to. I should tell the House that this is treated as a matter of privilege.

Motion made, and Question proposed,

That Mr. Speaker do issue his Warrant for the Clerk of the Crown to make out a new writ for the electing of a Member to serve in this present Parliament for the county constituency of Crewe and Nantwich in the room of Gwyneth Patricia Dunwoody, deceased.—*[Mr. Hoon.]*

12.34 pm

Sir Nicholas Winterton (Macclesfield) (Con): I rise with sadness and regret to oppose the issuing of the writ for the county constituency of Crewe and Nantwich in Cheshire. In doing so, may I apologise to the Chief Whip, the right hon. Member for Ashfield (Mr. Hoon)? I do not wish in any way to frustrate the Government in what they are seeking to do.

As the longest-serving Member in the county of Cheshire, and a close friend of the late Mrs. Dunwoody—I worked with her on many issues in Cheshire over many years—I believe that I represent a view held fairly strongly across the House. It appears to me and many others that the issuing of the writ before the funeral of Mrs. Dunwoody means that this matter is being pursued with unseemly haste.

As you know, Mr. Speaker, Mrs. Gwyneth Dunwoody was hugely respected for what she did in this place. She was a robust, independent socialist who was never frightened to express her view or to stand up for what she believed to be right. She was equally committed to and respected in her constituency and the county of Cheshire as a whole. I merely wish to represent to this House my concern that the writ has been issued before Mrs. Dunwoody's funeral, next Thursday in St. Margaret's church here in Westminster, which I shall attend. I wish to register that point. I do not intend to vote against the issuing of the writ, and I hope that Members of the House will not do so.

12.36 pm

Simon Hughes (North Southwark and Bermondsey) (LD): Ever since I have been here, it has been the tradition that when a colleague dies the party of that colleague moves the writ for the by-election or seeks to persuade Parliament to do so. That has a logic to it, and it is a logic from which my colleagues and I do not dissent. Like the hon. Member for Macclesfield (Sir Nicholas Winterton), none of us has fully taken in or recovered from the fact that only a couple of weeks ago Gwyneth Dunwoody was here, as robust as ever, and now she is not with us any more.

Without seeking to persuade my colleagues to oppose the decision we are about to take, I would like to register my view that we appear to be going down a road of having by-elections much more speedily after deaths of colleagues. There ought to be a convention at least that the funeral takes place first, and clearly there may be a need for talks between the parties to ensure that we return to a slightly more decent, respectful and honourable process. Of course, there is the question of

not wanting to leave a constituency unrepresented for too long, but there are practical issues as well as ones of principle. If a by-election is called quickly, although there is no doubt that we will all—*[Interruption.]*

Mr. Speaker: Order. Let the hon. Gentleman speak. *[Interruption.]* Order. Mr. Brennan, please allow the hon. Gentleman to speak.

Simon Hughes: Thank you, Mr. Speaker. If there is a by-election, we will, of course, all engage in it and fight a robust campaign. Inevitably, that will be the case. However, it is not good to have hasty by-elections, even in practical terms. It reduces the opportunity for people to consider whether they wish to be candidates, and for their parties to consider that matter. It reduces the opportunity for people to apply for postal votes so that they can take part in the process, and it reduces people's ability to take part in the debate about the politics of the constituency and the country.

I hope that we can re-examine the process for and the speed of calling by-elections. I believe that the public would share the view of the hon. Member for Macclesfield that a little more caution and a little less haste is appropriate. However, the Government have made the decision, and so they must have their way and live with the consequences.

12.40 pm

Ann Winterton (Congleton) (Con): I support my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) as a fellow Cheshire Member of Parliament. I know that the sentiments he expressed will be shared by other Cheshire colleagues and hon. Members of all parties.

In almost 25 years, I have never known a writ be moved before a colleague's funeral. I was dismayed at the discourtesy and insensitivity afforded to Mrs. Dunwoody's family and her constituency.

When boundary changes took place in 1983, I inherited part of Gwyneth's former constituency—

Mr. John Spellar (Warley) (Lab): Will the hon. Lady give way?

Mr. Speaker: Order. The hon. Lady is not giving way.

Ann Winterton: I inherited part of Gwyneth Dunwoody's constituency and I know the high esteem in which she was and continues to be held by her former constituents. Gwyneth Dunwoody was a neighbour, a redoubtable woman and a character. She did not deserve such treatment.

Mr. Spellar: I invited the hon. Lady to give way. She claimed to speak on behalf of the family and said that disrespect had been shown to them. Has she asked the family whether that was their view?

Mr. Speaker: I call the Leader of the House.

12.41 pm

The Leader of the House of Commons (Ms Harriet Harman): I wish to raise two points in response to those that have been made. The first is about the wishes of the family and the second is about the conventions of the House.

I shall read to the House a statement from the family in respect of the late Mrs. Gwyneth Dunwoody. They said:

> "We fully support the decision to begin the process of electing a new MP for Crewe and Nantwich. Our mother proudly represented this constituency for 34 years, and would not want to see local people go without an MP. She worked tirelessly for local people and recognised there was always more to do. She would want that job of work to continue, as quickly as possible."

It is a long-standing convention of the House that, when a party loses a member, it decides when to move the writ, which triggers the process that leads to the ensuing by-election.

Crewe and Nantwich has had a doughty advocate for 34 years and it needs a new Member of Parliament. I therefore invite the House to support the motion.

Question put and agreed to.

Citizens' Initiative

12.43 pm

Mr. Douglas Carswell (Harwich) (Con): I beg to move,

That leave be given to bring in a Bill to permit members of the public to initiate legislation; and for connected purposes.

Under the Bill, citizens could trigger debates and votes in Parliament on topics of their choice. Part of the House's legislative agenda would be determined directly by the ordinary citizen, not just MPs and officials. Bills would be introduced on things that mattered to the people, not merely those that excite politicians.

The Bill is sponsored by Members from across the political spectrum, united in wanting a new kind of progressive politics. We most certainly do need a new form of politics. There is a growing problem with the old Westminster politics. There is a gaping gulf between the political classes in SW1 and the country beyond. My Bill would ensure that Westminster was made more directly accountable to those whom we are supposed to serve. In place of the gentlemen's club rules that are used to determine what is on the legislature's agenda, the people would also get to have a say.

To initiate a law, a citizen would submit a written proposal to the Clerk in the Table Office. Just as in New Zealand, the Table Office Clerk could determine the precise wording and rule frivolous or fantastic proposals out of order. Proposals would be out of order if, in the opinion of the Clerk and the Speaker, a similar proposal had been put forward within five years. Once a proposal had been approved by the Table Office, citizens would have 12 months to collect signatures.

In New Zealand, 10 per cent. of voters need to sign up to trigger an initiative. Many western democracies have a right of initiative, including Austria, Italy, Hungary and Lithuania, yet the threshold in such countries has often been set so high that initiatives are rare. High thresholds mean that the popular initiative plays an integral part in the political process in only the United States and Switzerland.

Rather than selecting an arbitrary threshold, under my Bill those six proposals with the most signatures would qualify. Ensuring that each proposal was, in effect, in competition with other proposals would have advantages. It would encourage proposals that were, by definition, able to command widespread support and would favour measures that were inclusive and unifying, and progressive and uplifting, over and above what was narrow and sectional.

The half dozen proposals with the most signatures would then be presented to Parliament during the state opening. Having listed those Bills that the Sir Humphrey Appleby types, the remote officials and even, it has to be said, the occasional Minister wanted, Her Majesty would then read out those Bills that the people wanted on the statue book. And what a Queen's Speech that might be! Perhaps people beyond the Westminster village might want to watch and debate the contents of the Gracious Speech—a speech with purpose, as well as pageantry.

Every couple of months, the Commons would debate and vote on one of the people's Bills. MPs would not be under any obligation to vote for or against them. Perhaps some MPs might not even bother to turn up at all—it has been known—but no longer could politicians avoid the angry gaze of the electorate. No longer could MPs pretend that they did not have the opportunity to confront those issues that matter to the people.

It might be that the party Whips would allow free votes on the people's Bills—and good luck to those who did not. Yet with or without a free vote, each MP would find themselves more accountable not to their Whips but to their constituents. No longer mere cheerleaders for the current Government or cheerleaders for the next, MPs would have to heed the voice of the voter.

My Bill would boost voter turnout, too. Empirical evidence from the US shows that those states with the right of initiative have, on average, 5 per cent. higher turnouts than those states without.

Would a popular initiative open the floodgates to some wildly illiberal populism? No. Restoring capital punishment is simply not a perennial demand among voters in Switzerland. Giving people responsibility makes them responsible. Even if an angry and, some may say, infantilised electorate initially put forward some radical populism, MPs would of course still have the final say.

Hon. Members may recall that the great and hon. Member for Ealing, North (Stephen Pound) once—some might say rather rashly—promised his private Member's Bill slot to Radio 4 listeners. When they promptly suggested a change in the law on self-defence and burglars, he promptly chose not to take up their case. Under my proposal, MPs forced to confront issues that they would rather not face could do likewise, but at least when politicians decided that they were going to ignore the views of the voter, they could not pretend otherwise.

A right of initiative would strengthen Parliament and revive our much diminished standing. Far from bypassing or marginalising the Commons, my Bill would give this institution a little backbone. We would still be, in Edmund Burke's memorable phrase, a "deliberative assembly"; it is just that those assembled here would deliberate what counted with the country. This House, under Governments of both parties, has grown less effective at holding those who wield Executive power to account. It should not surprise any of us that fewer people bother voting in elections to determine who sits here.

Designed in the age of steam trains, our parliamentary system evolved in an era when most people lived and worked in the same parish, and sending a representative off to some remote palace by the Thames was how politics had to be done. Three centuries after the Putney debates, in the age of YouTube, leaving things to politicians is no longer the only way in which politics can be done. In the era of Google, politics is not something that we, the people, must elect them, the politicians, to do on our behalf. Politics can belong to the people between elections, and voters can have a direct say over what MPs debate and vote on.

I conclude with this thought. Throughout the 1980s and 1990s, the mainstream political debates of the day

[Mr. Douglas Carswell]

hinged on questions of economic decentralisation. The big debates were about whether and how to decentralise control of the economy, trade union reform, making the Bank of England independent, privatisation and the big bang in the City. Each of those issues was a step towards decentralising economic control. The new political questions of our age will hinge on decentralising control, not of the economy but of politics and public services. This Bill is a small step towards that overarching aim. I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Mr. Douglas Carswell, Mr. Graham Allen, Mr. Mark Field, Greg Clark, Stephen Hammond, Mr. Frank Field, Mr. Richard Shepherd, Mr. Philip Dunne and Mr. David Gauke.

Citizens' Initiative (Legislation)

Mr. Douglas Carswell accordingly presented a Bill to extend and improve methods of electoral registration: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed [Bill 102].

Orders of the Day

Energy Bill

As amended in the Public Bill Committee, considered.

New Clause 6

Exception for activities carried on partly on land etc

'(1) This Chapter does not apply in relation to—

(a) the use of a controlled place for the unloading of gas to an installation which is connected with land by a permanent structure providing access at all times and for all purposes;

(b) the conversion of a natural feature of which part is in a controlled place and part under land, if the operations necessary for the conversion take place wholly or mainly on, over or under land;

(c) the use of a place for the storage of gas, or the recovery of gas so stored, where—

(i) the gas was, or is to be, introduced into the store by means of a well on land, and

(ii) part of the place is a controlled place and part is under land;

(d) the establishment or maintenance of an installation for the purposes of activities falling within paragraph (a).

(2) In this section—

"land" means—

(a) land in England;

(b) land in Wales;

(c) land in Scotland landward of the low water mark;

"well" includes a borehole.'.—*[Malcolm Wicks.]*

Brought up, and read the First time.

12.52 pm

The Minister for Energy (Malcolm Wicks): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss Government amendments Nos. 2 and 3.

Malcolm Wicks: The purpose of these technical amendments is to prevent gas storage and unloading developments from being subject to double regulation, namely under the planning regime, through town and country planning legislation on the one hand, and under the new regime for offshore gas unloading and storage developments that the Bill introduces on the other. Chapter 2 of part 1 of the Bill provides a new regime to license the unloading and storage of gas in the offshore area, comprising the area within 12 nautical miles of the territorial sea and an area beyond that, extending up to a total distance of 200 nautical miles.

The measures have been widely welcomed by the industry and received cross-party support in Committee. However, in written submissions and discussions, industry players have sought clarity on the relationship between onshore town and country planning regimes and the licences provided for in this part of the Bill. They are particularly anxious to avoid double regulation in cases in which an onshore development falling within the scope of the town and country planning legislation

extends, in part, to the area of the territorial sea, thereby attracting the offshore regulatory regime established in the Bill.

In response to those concerns, we have tabled a new clause and amendments that are designed to prevent an overlap between those onshore and offshore regimes. The effect of those amendments will be to exempt an onshore gas development from needing an offshore gas licence, even if part of the structure or gas storage area in question extends into the offshore area. Such onshore developments will continue to require consent under town and country planning legislation, but they will not need a licence from my Department as well.

Charles Hendry (Wealden) (Con): I am grateful to the Minister for tabling the amendments. It seems sensible to address this potential loophole now, and we agree that investors, above all, need absolute clarity. We support the proposed changes, but feel that they should be considered against the general concern that not enough is being done to address the issue of storage.

We all know that about two and a half years ago we nearly ran out of gas. I have teased the Minister before about that because it happened within hours of his saying that we were awash with gas. We are aware of that significant challenge two and a half years ago, but still not enough has been done to address the issue, which should be seen in that context. Much has happened since then, with new pipelines coming into action, new liquefied natural gas facilities being built and the storage facilities at Rough, which were half out of action, now operating fully again.

The situation is nothing like as tight as it was, but we need a more strategic approach to storage, and the Bill is a missed opportunity in that respect. The Minister should be proposing to the House that he will report to Parliament every year on how much storage he believes we will need to address our energy needs in the medium to long term. If he did that, he would also be able to tell the House what steps were being taken to ensure that that need would be met. I regret that such measures are still missing from the Bill, but we are pleased that the potential loophole that we have discussed is being addressed.

Malcolm Wicks: Let me reply to that point, which featured in our Committee debates. We all recognise that with the decline of gas in the UK continental shelf, in the North sea, we will be ever more reliant, as we approach 2020, on imported gas. For energy security, therefore, we need more gas storage. The Bill is designed to facilitate that with an appropriate, fit-for-purpose regulatory regime—hence the technical amendments to clarify the relevant planning aspects.

Several companies are coming forward with proposals for extra gas storage, and we strongly welcome that. I am not sure that there is a great deal of difference between the hon. Gentleman and me, but I am pleased that he has had the opportunity to make that point again. On the technical amendments, however, there is nothing between us.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 7

DISPOSAL OF HAZARDOUS MATERIAL

'(1) Where the Secretary of State enters an agreement for, or in connection with, the disposal of relevant hazardous material by or on behalf of the Secretary of State, the agreement may provide for a fee to be paid to the Secretary of State.

(2) The Secretary of State may not enter an agreement which provides for the payment of a fee unless the consent of the Treasury has been obtained in relation to the amount of the proposed fee.

(3) The fee for which such an agreement provides may include—

(a) such amount as the Secretary of State considers prudent by reason of any uncertainty which exists about the relevant expenditure which will or may be incurred in connection with the Secretary of State's obligations under the agreement in relation to the relevant hazardous material;

(b) an amount in respect of such proportion as the Secretary of State considers appropriate of the aggregate of—

(i) the relevant expenditure which has been, will or may be, incurred in connection with the design and construction of a repository in which material (including any hazardous material to which the agreement relates) is to be disposed of, and

(ii) such amount as the Secretary of State considers it prudent to make allowance for by reason of any uncertainty which exists about the relevant expenditure which will or may be incurred as mentioned in sub-paragraph (i).

(4) In this section—

"hazardous material" has the meaning given by section 37 of the Energy Act 2004 (c. 20);

"relevant expenditure" means expenditure incurred by the Secretary of State, the Nuclear Decommissioning Authority or any other person;

"relevant hazardous material" means hazardous material which is, or is required to be, the subject of a funded decommissioning programme.'.—*[Malcolm Wicks.]*

Brought up, and read the First time.

Malcolm Wicks: I beg to move, That the clause be read a Second time.

This issue attracted a good deal of attention in Committee, and properly so. The new clause makes explicit in the Bill the policy that the Government have made clear in the nuclear White Paper, in the consultation on the guidance for funded decommissioning programmes, on the Bill's Second Reading and in Committee. The Secretary of State will set a fixed unit price for new nuclear operators, including a significant risk premium for the disposal of waste. The new clause makes transparent our intentions regarding the pricing of long-term waste management.

Let me give a brief recap of our intentions for the benefit of Members who were not present in Committee. We are creating a framework to ensure that operators of new nuclear power stations are responsible for, and make prudent provision to meet, the full costs of decommissioning and their full share of waste management costs. The effect of the framework will be to ensure that operators of new nuclear power stations return the sites, after those stations have been decommissioned, to a state that will be agreed with regulators and the planning authority—it is likely to be similar to a greenfield state.

[Malcolm Wicks]

That will be financed by making provision, throughout the generating life of the power station, for back-end costs.

Under the framework, any potential operator will have to submit a funded decommissioning programme to the Secretary of State for approval. Such programmes will have to include the technical steps that will be required to manage and dispose of radioactive waste and spent fuel and to decommission the power station and clean up the site. They will also have to include a prudent estimate of the costs involved in those steps and proposals on how the operator will accumulate funds to meet those costs. Our intention is that before development consents for new nuclear power stations are granted, the Government will need to be satisfied that effective arrangements exist, or will exist, to manage and dispose of the waste that they will produce.

Mr. Mike Weir (Angus) (SNP): The Minister says that before such projects go ahead, provision will have to be made for cost, but will that be monitored by the Government over the life of the station and the life of the disposal of the waste, which could be for a long time? How will it be dealt with over such a length of time?

Malcolm Wicks: I welcome the interest in the issue from Scotland. We are introducing a regime to put into practice the principle that new nuclear must pay its full costs, including those for the disposal of waste. We are setting up a new committee to help us get the finances right, but the purpose of the fixed price is to give the investor confidence at the beginning of the life of a nuclear reactor about what the costs will be—*[Interruption.]* It may help if I make a little progress. We missed the hon. Gentleman in Committee—I know he would have aided our deliberations—and I am sure that I would have been able to persuade him that new nuclear has a role in a modern economy, whether it be in Scotland or elsewhere in the UK.

1 pm

Paddy Tipping (Sherwood) (Lab): Will the Minister remind us whether the Bill applies to Scotland? Like him, I welcome the comments from the hon. Member for Angus (Mr. Weir), but my impression is that some political parties in Scotland say no to nuclear, which is not a sensible long-term policy.

Malcolm Wicks: That is also my understanding. Some in Scotland are saying no to nuclear, so the Bill's provisions in respect of these issues do not, sadly, apply to Scotland. Let me make some progress.

The Government will set new-build operators a fixed unit price for the disposal of their intermediate level waste and spent fuel. That figure will contain a significant risk premium over and above the expected costs of disposing of intermediate level waste and spent fuel. The fixed unit price will be set by the Government on a case-by-case basis when a new-build operator comes forward to construct a new power station. The risk premium added to the fixed unit price will reflect the level of uncertainty in the cost estimates of waste disposal at the time the agreement is entered into.

For example, the fixed unit price for waste disposal for a power station being constructed in five years' time might well be different from the fixed unit price agreed for a power station being constructed in 10 years' time. The difference arises because, over time, it is likely that understanding of the expected costs of the geological disposal facility and associated activities will increase. Therefore, at the time the agreement is entered into, the Government could be more comfortable attaching a different risk premium to the fixed unit price.

Dr. Stephen Ladyman (South Thanet) (Lab): That raises a question, does it not? We do not know how many people are going to come forward to build new nuclear power stations. If we make an estimate based on, say, five new stations being built, that will imply a certain share of the depository costs being divided five ways. If, in the end, 10 such stations are built—or the Scots come to their senses and allow some new nuclear build in Scotland so that more than the estimated number of stations are built—the share of the repository costs later on will be lower than they were earlier on. Will there be any process to enable rebates to be given to those who made a more than fair share of the contribution because they came forward earlier?

Malcolm Wicks: Obviously, the time scales are important, and they are likely to be long. It is not possible to say exactly when the geological repository will be built and up and running, but it will be some time hence. When a proposal is made to build a new nuclear station, the more immediate task—I appreciate the difficulties—is to seek to estimate what would be a reasonable share of decommissioning and of the costs in the geological repository. Because of the uncertainties, we believe it important to go for the fixed price concept, but also to include the risk premium.

Steve Webb (Northavon) (LD) *rose—*

Malcolm Wicks: I am happy to give way, but then I want to make some progress.

Steve Webb: I am grateful. The form of words used by the Department has always been "the full cost" of decommissioning and "the full share" of the costs of cleaning up the waste, but the concepts of "full" and "share" seem to be at odds with each other. Either it is a share, or it is the full amount. For the sake of clarity, would it be more precise to refer to the charge as for the full marginal costs?

Malcolm Wicks: When it comes to the cost of decommissioning the plant, it is relatively straightforward, although there are all sorts of technical ramifications, but we recognise that we have a duty to clear up our legacy of nuclear waste in any case—hence, as the hon. Gentleman knows, the process to seek a volunteer community for the geological repository. We need a geological repository for the legacy anyway, but with new nuclear reactors, to put it in simple terms, extra space will be needed for new

nuclear waste. Our determination is to ensure that the market or the companies pay the full cost of that extra space.

Steve Webb: I am trying to distinguish between marginal and average costs. If extra waste is produced because I set up a new nuclear power plant, marginal costs will arise, but am I expected to meet only those marginal costs associated with the disposal of that extra waste or should I also make a contribution to the average fixed costs of the operation?

Malcolm Wicks: The operator would also make a contribution to the fixed costs, but let me make some progress.

The risk premium should help ensure that the operator bears the risks associated with uncertainty in waste costs. We believe that it will provide the taxpayer with protection against the eventuality that the actual costs of geological disposal exceed the projected costs.

Mr. Elliot Morley (Scunthorpe) (Lab) *rose—*

Malcolm Wicks: With respect, may I make a little more progress?

The fixed unit price and risk premium will provide new-build operators with clarity on the maximum amount they would be expected to pay the Government. That cost certainty will enable them to make investment decisions and seek financing for new-build. Should the actual costs of providing the waste disposal service prove lower than expected, those lower cost savings would not be passed on to nuclear operators. Instead, they would accrue to the Government because companies would have forgone any advantage in the form of lower costs in return for certainty in the price of waste disposal. Because the Government have taken on the risk, it is only right that they keep any upside that accrues.

In light of the debate in Committee on the fixed price for waste and the request for greater transparency, we decided to draft the new clause to set out clearly the Government's policy intentions on the issue. In essence, the new clause translates our existing stated policy on waste disposal set out in the nuclear White Paper and in the draft guidance on nuclear decommissioning programmes into the Bill. I am now happy to give way to my right hon. Friend.

Mr. Morley: I am grateful to my hon. Friend, who has already addressed some of the risk premium issues that I was contemplating. Will there be a ceiling on what nuclear investors will be expected to pay? Depending on cost overruns or unforeseen costs, which are very likely, they will presumably be charged up to the ceiling on the premium. Is my understanding correct?

Malcolm Wicks: There will be a fixed price, which, as I have indicated, will probably not be the same in respect of a station built in the early days as that for one built 10 years later because by then we will know more about the costs of the geological repository. The principle of the fixed price operates in two parts. First, for the purpose of investor confidence, a fixed price will be determined early in the life of the new nuclear reactor so that money going into the given fund will be paid from year one—a key part of the Bill. Secondly, because of the uncertainties about the costs—we appreciate the difficulties in this respect because we may be talking about waste that does not need to be disposed of for 40, 50 or more years—what we are calling a risk premium will be determined. We are adding an extra amount to the fixed price to safeguard the taxpayer.

Lembit Öpik (Montgomeryshire) (LD) *rose—*

Malcolm Wicks: Before the hon. Gentleman comes in, may I try to give a fuller answer to the question I was asked about the full share of waste costs? As I said, those costs are directly attributable to accepting new-build higher-activity waste into a geological disposal facility. Added to that is a contribution towards the fixed costs of constructing that facility, which the hon. Member for Northavon (Steve Webb) mentioned. That will also involve a significant risk premium to cover uncertainties, and the cost of managing waste pending disposal or transfer for disposal. Separately, operators are also responsible for the full cost of disposing of low-level waste in a disposal facility, and managing that and other waste pending its disposal. We are doing our best to put our principle—that the costs must be paid fully by the operating companies, and that there should be no cost to the taxpayer—into practice.

Lembit Öpik *rose—*

Malcolm Wicks: I do not know whether the hon. Gentleman wishes to intervene on principle or practice or a bit of both, but I am happy to give way to him.

Lembit Öpik: I want to ask about practice. Why is the Minister confident that the new clause provides a mechanism guaranteeing that the taxpayer will not be landed with an additional bill, given the notorious regularity of that phenomenon in the case of the nuclear industry? Has he consulted, for example, the Centre for Alternative Technology, which has gone to great lengths to examine the costs of nuclear power and disposal? Has he factored in the cost of reprocessing waste, which may become necessary as uranium becomes scarcer? All those elements may involve a significant cost to the taxpayer if the new clause is not robust enough to ensure that the industry covers 100 per cent. of the cost.

Malcolm Wicks: That is our intention. We are going into some technical detail, and we are establishing a committee to help us to understand the financial implications and ensure that our intention becomes practice. I know that some people are doubtful about that, pointing to past practice, but we are adamant that there will be no subsidy in this instance—although renewable technology receives a considerable subsidy, and rightly so.

As for consultation, we engaged in one of the widest and most thorough consultations in the history of British public policy. We were given good advice by non-governmental organisations and, indeed, the judiciary, for which we are extremely grateful. The most important part of the process, in my view, was our

[Malcolm Wicks]

random selection from electoral registers of 1,000 people to take part in public consultations in some nine city centres. For a day those people were subjected to the arguments for and against, and I considered it a very good example of modern democracy.

The shorter answer is that I am satisfied that everyone has had an opportunity to contribute thoroughly to consultation on this important issue.

Charles Hendry: I welcome the Minister's intention of clarifying the issue, although I think that some of his explanations made it slightly more complicated than it needed to be, particularly his reply to the question from the right hon. Member for Scunthorpe (Mr. Morley).

It is vital for taxpayers to know how their interests will be protected, and essential for the companies that are potential investors in new-build nuclear to know exactly what costs they will face before embarking on their investment plans. We need absolute clarity on that issue, because, as both we and the Government have said, we must ensure that there is no public subsidy for new-build nuclear. Our position is clear: we are happy for companies to invest in new-build nuclear as long as there is no subsidy, and as long as they are responsible for the full costs of decommissioning and the full long-term costs of disposal of spent fuel and waste. We think that, in return, they should be given a level playing field when it comes to sorting out the planning problems that they have faced in the past, although we do not agree with the Government about the total loss of local democracy in the measures proposed in the Planning Bill.

We think that there should be site and type approval, so that two of the biggest issues that have delayed developments in the past—the precise type and the precise location of reactors—can be excluded from the debate. We are also keen to reassure investors that any change of Government will not pose a threat to their investments, or fundamentally change the ground rules for the investments that they have been considering. We consider it absolutely right for us to work with the Government to ensure that the right system is introduced.

1.15 pm

We are pleased that the new clause gives those who develop new-build nuclear programmes full responsibility for storing the waste on site for a considerable period, potentially as much as 100 years, and for paying their fair share of the long-term disposal costs and some of the infrastructure costs of building nuclear facilities. We also accept the notion of a flat fee and a risk premium, but here the Minister started to make things a little more complicated. The right hon. Member for Scunthorpe asked whether there would be a ceiling for the premium. My understanding is that there will be a fixed cost but also a fixed element that is the risk premium, which means that if the amount is lower than the ceiling, companies will still pay the full fixed premium. In other words, the ceiling is not flexible.

We need much more detail. We know that it cannot be given to us today, but it will be important to our future considerations. Will the fee ultimately be based on the volume of nuclear waste alone, and if so, will it reflect the balance between high-level and intermediate-level waste? Will it take account of radioactivity levels? The extent to which waste needs to be encased may differ according to the level of radioactivity. Building-cost inflation is higher than inflation in general; how will the fee take account of that?

When does the Minister think the repository will be built? What is his best guess? He said that it was difficult to be precise, but we are not asking for precision. Are we looking at three, five, eight or 10 decades? At what point does he think the site for the repository will be identified and earmarked for further investigation? There is a fear that not enough progress has been made in that regard. Does he think that a single repository will be sufficient for the disposal of both legacy waste and all waste from a new-build programme? The Secretary of State said recently that he thought there might be twice as much nuclear power in a few years' time. Does the Minister believe that, in the event of a massive expansion of nuclear power, all the waste could be incorporated in a single facility, or does he think that we might need two? That would involve huge additional infrastructure costs, which would need to be taken into account.

The Minister explained about lower costs, and said that there would be no repayment of the risk premium. If it becomes clear that the Government miscalculated, that the cost of building a repository will be much greater than they estimated and that the cost will therefore be greater than the total amount charged to the nuclear companies, including the risk premium, will there be any scope for the Government to tell the companies, "We suggested this amount in good faith but we got it wrong, so a supplementary charge will be necessary"? I know that the Government are acting in good faith, but they may end up subsidising the nuclear waste disposal regime, and I know that that is not their intention.

Dr. Ladyman: Does the hon. Gentleman share my concern about the opposite risk? Is there not a danger that, because in the early days the Government will go out of their way to ensure that all the costs are covered, the early builders will be quoted a higher fixed charge than the people who come along subsequently? Given that we do not want to discourage people from entering the industry at an early stage, the Government may need to give some thought to the possibility of lowering charges later if it turns out that people are paying too much.

Charles Hendry: That is a valid point. If the assumption in the early days was that five nuclear power stations would be needed, the cost of road infrastructure and the building of the repository would be very high; but if we ended up with 20, the figure would change dramatically. There must be equity, or the cost will be prejudiced against the early developers, and it is they who will kick-start the programme if it is to happen.

Will the Minister also tell us more about his approach on the reprocessing of spent and used fuels? There is considerable potential for that within the industry. Britain has led the world on it in the past, and

will be keen to do so again. It could greatly reduce the volume of waste that needs to be disposed of, particularly for the most radioactive of materials. The Government, however, are being rather coy about their plans on reprocessing. Also, how would this be factored into the costs? If some radioactive material were to be reprocessed and therefore did not require disposal so the volumes were significantly different from those initially estimated, how would that be taken into account in the long-term costs?

In general, we accept the way in which the Government are progressing, but we believe that it is very important to have clarity so far as the industry is concerned, and a lot of detail has still to be sorted out.

Mr. Morley: I welcome the thrust of the new clause. It is disgraceful that the nuclear sector has over the decades moved a lot of its liabilities and debts on to public liabilities—although I have to say that that has been the case in just about every country where there has been nuclear power, so it is not unique to our sector. If we are to have new nuclear, it is of fundamental importance that there should not be Government subsidies or a liability that falls on the public after private companies have made their profits over a period of time.

I think that the Government are genuine in their approach to this matter, and I know that my hon. Friend the Minister is, but this is a very complex and difficult area, as has been picked up on in the debate. I now understand exactly what the risk premium will be and also the thinking behind what the Minister has said. However, I know that the Committee on Radioactive Waste Management first recommended that there should be an interim site for the storage of waste, and I presume that the cost of that site would have to be factored into the calculations, and then goodness knows when the longer term depository will be built. The costs and technical challenges of that are huge. That is where the problem lies, because it will be difficult for the Department to calculate what that risk premium should be. It is a bit optimistic to think that we could go back to the nuclear industry and say, "We got it wrong, so can we have some more money?" as I assume that it will have signed various contracts on the arrangements, and it might be a little reluctant to agree to such an approach.

Will my hon. Friend the Minister give us some more detail? For example, is it feasible to have an upper and lower range in the risk premium? I accept that if there is investment the investors need to have some certainty and to know what their maximum liabilities could be. That is not unreasonable; I understand it for such investment in major infrastructure. However, it is also not unreasonable to have some protection for the public and the taxpayer.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): On the issue of protecting the taxpayer, does the right hon. Gentleman think that there needs to be a further protection against the company becoming financially insolvent and therefore being unable to deliver when the need arises? Should some protection against insolvency be built into the system?

Mr. Morley: The hon. Gentleman is a mind reader, because that was the second point that I was going to raise. There has been a history of financial instability in the private sector in the nuclear industry. We all know what happened to British Energy, for example; it had to be bailed out by the taxpayer. There was no choice in that, because if we want to keep the lights on, we have to step in and pick up such liabilities.

Will my hon. Friend the Minister clarify the following point? I understood from what he said that the investors in new nuclear will make a regular payment into a fund, year on year, which covers part of my point. However, in order to protect the taxpayer from people walking away from their liabilities by just wrapping up and going into bankruptcy, is there an argument for some protection such as a bond? That is not unprecedented. It is the case in the waste industry, for example; the Government rightly require waste disposal companies to put down a bond that guarantees the future maintenance of sites. Might the Minister like to consider something like that?

Martin Horwood (Cheltenham) (LD): It is welcome to have before us a measure that attempts clarification, as the hon. Member for Wealden (Charles Hendry) said, but that is difficult to achieve in this case. Nevertheless, I share the Minister's intention of trying to clarify matters, as I do his high regard for Greenpeace and its contribution to the process that has brought us to this point—although I suspect my tongue is slightly less in my cheek in saying that.

The Liberal Democrat position on the nuclear question is clear. We think that the safest way to ensure that there is no public subsidy for nuclear new-build is not to build it. I assure any investors who may be watching our debate on the parliamentary channel that their investment will be at risk if we play a part in any future Government, because if we had the chance we would seek to slow down, and if possible to stop, the development of nuclear power.

Sammy Wilson (East Antrim) (DUP): I understand where the hon. Gentleman is coming from, but will he therefore outline the Liberal Democrats' position on buying in power from other countries? When there is a need to supplement peak load, would his party oppose buying in from countries that supply power through nuclear power stations?

Martin Horwood: The hon. Gentleman raises a quite different point that does not relate to the Bill, so I shall pass on. Let me say, however, that energy markets are complex and we cannot always prescribe where the energy will come from, but my ideal would be that we do not in future source nuclear power from any country, because I would not want those countries building nuclear either.

Dr. Ladyman: Will the hon. Gentleman give way?

Martin Horwood: I shall not give way, as I wish to make some progress.

Charles Hendry: Will the hon. Gentleman give way?

Martin Horwood: No; I want to make just a little progress.

[Martin Horwood]

The context of this issue is the enormous cost of decommissioning and clean-up with which the first generation of nuclear power stations left us. In Committee, we explored the various current costs that the taxpayer is having to pick up from the nuclear installations inspectorate, CoRWM, the potential nuclear financing assurance board, and the big daddy of them all, the Nuclear Decommissioning Authority. The Minister gave assurances that many of those were intended to be covered under the new regime. That is quite a threat to investors, given the cost of the NDA. The net grant-in-aid contribution of the taxpayer to the NDA in 2007-08 is £1.4 billion. That is rising by 8 per cent.—a very good settlement, as many public sector organisations would agree—in 2008-09, and by almost a further 5 per cent. in 2009-10. Therefore, the taxpayer will soon be facing an annual bill of £1.6 billion from the last generation of nuclear power stations. It is brave of the Government to be leading us down the same path a second time. When we listed all the potential costs to the taxpayer, the Minister gave a lot of assurances about which of them were intended to be entirely covered by the regime, but there was one exception: long-term storage and the financial regime covering that, which the new clause addresses.

It has rightly been said that there is, in effect, a ceiling to the risk to the private sector and an ongoing liability and risk to the taxpayer. We discussed at length in Committee the various time-scale problems. The hon. Member for Wealden has again raised a lot of the questions, many of them unanswered, such as about how the costs can be predicted or divided. For instance, although the new generation of nuclear power stations may, should it ever come to pass, produce radioactive waste in smaller volumes, it may well be much more radioactive and therefore pose new technical challenges that are different from those facing the repository for the current generation of nuclear power stations.

There is also the question of whether we are expecting to take in foreign radioactive waste, as we have done in the past. Are we, in effect, to become the nuclear dustbin of the whole of Europe, or countries further afield, by being one of the few countries brave enough to progress with the idea of repositories?

It is tempting to try to apportion proportions of the blank cheque that we think is at risk of being written, but as the Minister has honestly accepted, the problem is that we cannot know the real context in which all this will be decided in 40 or 50 years' time. We are seriously expected to sign up to licence fees for a repository for radioactive waste that does not exist, in a location that has not been found, for amounts that we cannot calculate, and all for power stations that might never be built and that no sane investor would touch with a barge pole. This is nuclear fairyland, and the Minister has an impossible task in persuading us that he can provide clarity and reassurance on this matter.

1.30 pm

Charles Hendry: We need greater clarity on the position of the hon. Gentleman's party on this matter. He just made the profoundly important comment that Liberal Democrat involvement in government would put at risk investment in this area, and people who might be seeking to invest billions of pounds in this project will need to know exactly what that means. Is he saying that a condition of the Liberal Democrats' entering a coalition would be an end to a nuclear new-build programme? If he is not saying that, what does he mean? If he is saying that, is he therefore saying that the Liberal Democrats would compensate the investment made, or would someone be expected to invest now and then find that that money is simply written off by their involvement?

Martin Horwood: Although I hope that my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg) has great regard for my opinions, he is unlikely to ask me to determine the basis on which the Liberal Democrats might talk to other parties after a general election by what I say when discussing the Energy Bill.

Mr. Brian Binley (Northampton, South) (Con): Will the hon. Gentleman give way?

Martin Horwood: No, not on that point.

The Minister referred in passing to an advisory committee—the proposed nuclear liabilities financing assurance board—which is mentioned in the White Paper but is strangely absent from the Bill. In Committee, we proposed an amendment that would give statutory force to and statutory reassurance about its role, but that was resisted by the Government. I would not mind hearing the Minister again tell us precisely why the NLFAB was excluded from the Bill and why it is not present in the regime described in the new clause, because that relates to one of the arguments that he is using to assure us on the future financing of the nuclear industry, and the NLFAB surely should have been given legal force.

The risk is that 40 years hence some future Government will find themselves with unexpected problems on decommissioning and disposal—perhaps spiralling financial or political costs. They will say that the situation is nothing to do with them and that it is all the fault of Labour Ministers back in the noughties who made bad decisions in 2008, many decades ago, because they did not know what they were planning. They will ask, "How could those Ministers have landed us with all these problems?" In the end, the taxpayer will have to pick up the bill because, as the right hon. Member for Scunthorpe (Mr. Morley), a former Minister, described in relation to the previous process, there is no way that we can avoid doing so if we become reliant on nuclear energy and we are to keep the lights on.

The chance of this new clause and the Bill being intact in 40 years' time is virtually nil, and the Government are leading us down a high-risk path given the poisonous legacy of nuclear power and the creation of radioactive waste that will last for millenniums. The new clause and the system that it will help to create involves a high risk for generations of British taxpayers.

Dr. Ladyman: There are two sets of contributors to this debate: those who, like me, believe that nuclear energy will play a key part in reducing our carbon emissions in decades to come, and those who want to stop nuclear energy at all costs and want to continue this debate as a way of making it as difficult as possible for people to invest in the industry.

Before I deal with the substantive issue of the new clause, I should like to correct one of the myths that we have heard. My right hon. Friend the Member for Scunthorpe (Mr. Morley) slightly fell into the trap of citing it, but it has clearly been enunciated by Liberal Democrat Members. I am talking about the myth that the legacy cost is a private liability that was imposed on the public sector and the taxpayer. It was not, because almost all that liability was generated by a nationalised industry, and that public liability has been retained by the public sector. We need to devise a new process and a new structure that deals with a new industry, which will involve private investment and needs to be carefully controlled to ensure that it does not impose a liability on the public sector. That is what the Minister has sought to do through this new clause.

Martin Horwood: I seem to remember that the taxpayer was told, "This electricity will be too cheap to meter."

Dr. Ladyman: I cannot speak for what people were told in the 1950s, but that is a relevant issue, which is why we need to get the approach right now. The hon. Gentleman has told us that not going forward with the nuclear programme would be a condition of the Liberal Democrats' involvement in a future Government. He has also said, in effect, that were they to get into power, they would tear up the Climate Change Act, because it will require us to commit to ways of reducing our carbon emissions, and that will almost certainly involve a Labour Government—or, perish the thought, a Conservative Government—building new nuclear power stations. The Liberals will come along at some point saying, "We are not going to have these nuclear power stations any more." They will thus have to tear up their commitment to the Climate Change Bill, and as the Bill will provide for a legal commitment on the Government, the Liberals would be able to do so only by repealing the legislation once it is enacted. They have got themselves into a complete knot on this matter.

The Minister should be congratulated on listening to the concerns expressed in Committee about the need to provide the industry with clarity and on coming back to us today with a new clause that deals with the issue in a clear and straightforward way.

Mr. Jamie Reed (Copeland) (Lab): My hon. Friend is a scientist, and he has brought much-needed scientific analysis to the debate that I have thus far heard on the monitors. Does he share my dismay that, in addition to the Liberal Democrat position of deterring billions of pounds of investment in the UK economy, there is a regrettable omission in Opposition Members' analysis of the costs of the waste that we are discussing and their basis? For instance, I have heard it said that the liability costs were incurred by our first fleet of reactors. Does my hon. Friend agree that the costs were essentially incurred as a result of our military programme?

Dr. Ladyman: My hon. Friend is right; the vast majority of the legacy results from defence and military purposes. We need to dispel the myths that have arisen as part of the debate and focus on the way forward.

Mr. Morley: Although I do not disagree with the points being raised and in particular with what is being said about the motivation for the original nuclear programme coming from the military, I seek clarification. That programme was state-funded, and a lot of those costs fell to the state. Whether we like it or not, we now have a privatised nuclear sector. It was privatised by the Conservative party, and, as with many of its privatisations, debts and liabilities were written off to make what was being sold more attractive to investors. The enormous liabilities that we have come from that period, which is why my hon. Friends and I are anxious that that does not happen again.

Dr. Ladyman: My right hon. Friend brings me to the point that I wanted to make about the new clause. By introducing it, the Minister has tried to provide the industry with complete clarity about what it will have to pay in order to contribute a fair share of the cost of decommissioning, cleaning up and storing the new capacity that is generated. He has even made it clear that a risk premium will be imposed on the industry, so it will be clear about that. My concern, which I have expressed in a couple of interventions, is that to ensure that he is 100 per cent. confident that the public sector will not face a new liability in the future, he will have to be cautious in estimating the future costs. He will probably also have to be cautious in estimating the number of nuclear power stations that will be built.

As the need to build more nuclear power stations to provide us with energy security and to attack our carbon emissions in the decades to come becomes clearer and clearer, I suspect we will end up building more nuclear power stations than we initially estimated and the Minister's initial estimates of the costs involved will turn out to have been far too high. I am concerned that we should be able to reassure potential investors that, if it becomes clear in five, 10 or 20 years that they have been charged too much, there will be some process for reducing their costs.

If we can provide such reassurance, it will encourage people to come forward early, even though they are bound to be cautious about potential investments, especially if they hear irresponsible comments such as those made by the Liberal Democrats today threatening to overturn a policy that will have been instituted. Investors are bound to be cautious, but we could tell them that we will do the best we can to estimate the costs and, if it turns out that we have completely overestimated them—although there will be a risk premium—we would consider reducing the cost to the investors of storage and decommissioning in the future.

Malcolm Wicks: We have had a detailed discussion and I am happy to follow the authoritative speech by my hon. Friend the Member for South Thanet (Dr. Ladyman). I thank him for his contribution.

I shall try to deal with the specific questions that have arisen, but I wish to acknowledge that I am aware of the difficulties we face in the quest to put principle into practice. Technically, this is a complex issue and the time scales are very long. I hope to convince the House that we will use our best endeavours to set up processes and advisory services to get this right.

[Malcolm Wicks]

I was asked whether the risk premium has a ceiling. In a sense it does, because there will be a fixed price and a risk premium on top of that. That will not vary up or down. I listened to my hon. Friend, but if the Government make some money out of this—which is not the intention—and the risk premium turns out to have been too high, that is the quid pro quo for the investor having confidence in the costs through the fixed price.

I was asked whether one geological repository would be enough. That is certainly our intention. We are at the early stages of thinking on the repository, the volunteer principle and so on, but that is our intention. If, generations hence, people return to this issue, that will be a matter for them.

I was also asked what would happen if costs for the geological disposal facility overran. We will do our utmost to be rigorous in project management, although it is more likely that cost overruns will occur in relation to the fixed costs of designing, researching and building the repository rather than in relation to incremental costs that are directly attributable to the cost of disposing of new-build waste. The Government would have to incur the costs of designing, researching and building the repository with proper project management. For each station built a fixed unit price will be set above the central estimate of costs, because of the risk premium provision.

Mr. Jamie Reed: Does the Minister agree that one of the other issues that we need to bear in mind when considering potential cost overruns is the savings that the establishment of a repository will make, not only for the NDA but for the UK taxpayer, by slashing the decommissioning costs that we now face? The current nuclear liability costs are estimated at £78 billion, but the sooner we have a repository in place, the sooner we can whittle those costs right down.

Malcolm Wicks: My hon. Friend is an expert in that area and that was a useful contribution.

Steve Webb: Is he right though?

Malcolm Wicks: My hon. Friend makes a fair point, but at this stage I cannot judge whether his optimism is justified. If it were not for optimism, politics would be a dismal science, and I have always thought that my hon. Friend has an optimistic bias.

Mr. Jamie Reed: I may be an optimist, but I think that I am the only Member present who has worked in the nuclear industry. Indeed, I worked in this particular field, so I speak from a position of some authority.

1.45 pm

Malcolm Wicks: My hon. Friend is a humble optimist—*[Interruption.]* Apparently there are other contenders.

The fixed unit price will be based on the best available cost information at the time an operator requests a fixed price, with uncertainty factored in when determining the appropriate risk premium. Consequently, dependent on the date of the nuclear power station's construction, operators of different power stations may be set different fixed unit prices for waste disposal. A road map, published alongside the consultation on the draft guidance, sets out further detail of when we expect to be in a position to publish the methodology we will use to determine the appropriate level for the fixed unit price.

I was asked a difficult question about my best guess on when the repository would be available. We are pursuing an approach to the siting of the geological disposal facility based on voluntarism and partnership. An important part of the process will be to agree an indicative timetable with the volunteer community. Therefore it is not possible to give a firm indication now. However, the "Managing Radioactive Waste Safely" White Paper will include more information and will be published shortly.

I was also asked what would happen if a company or operator went bankrupt. If a nuclear operator were to become insolvent, we would expect that in most circumstances it would be economic to continue running the plant, as the additional costs of operation are likely to be less than the revenue earned from generating electricity. That would make the acquisition of a power station attractive to an alternative nuclear operator. Additionally, moneys in the fund have to be secure in the event of insolvency, and the operator is required to have back-up protection in place to top up an insufficient fund.

The hon. Member for Wealden (Charles Hendry) asked me about radioactivity versus volume and the effect on the price. That is work that is ongoing, and we will publish a methodology and model in due course.

I was asked about reprocessing, and specifically whether the fixed unit price would include possible reprocessing. The fixed unit price will be based on the Government's current policy for waste disposal, as set out in the nuclear White Paper. We consider that spent fuel from new nuclear power stations will not be reprocessed, but will be disposed of in the geological disposal facility. That is not to say that we are closing the door on the idea of reprocessing, but we have to make some assumptions. The fixed unit price will be based on the expected costs of geological disposal of spent fuel, not on any assumption of reprocessing.

I was asked by the hon. Member for Cheltenham (Martin Horwood) whether we will take on foreign waste, as we have in the past. I remind the hon. Gentleman of the international conventions governing the movement and disposal of radioactive waste. Those would need to be taken into account when considering any proposals to dispose of foreign waste in the geological disposal facility.

I turn now to how the fund will be monitored. Operators will be required to have in place arrangements for monitoring both the expected costs and the performance of the fund, which will be at arm's length from the company of course. Arrangements would include annual reviews by the operator and the fund managers, which would be submitted to the Secretary of State; in-depth quinquennial reviews conducted by the operators and fund managers and submitted to the Secretary of State; notification of changes, such as operational or technical changes that materially increase the operator's liabilities; and other specific events, including a change of control or

ownership of the operator, or a change in the credit rating of the operator or parent company. Ministers may also obtain information if required. They may call on the expert advice of the board that we are establishing, the NLFAB, and of independent third parties.

I should say that by creating the new board as an advisory body we are ensuring that the Secretary of State retains overall responsibility for the approval of the funded decommissioning programme. That enables the Secretary of State to take a view not only of the advice of the board on the suitability of the funding arrangements, but of any advice from environmental and health and safety regulators. We can argue, as we have, that this approach is more cost-effective than creating a statutory board that would require further consultations and a permanent body of members.

My ambitions today are twofold. First, with the leave of the House, I want to see Report and Third Reading safely through the Chamber. Secondly, I want to watch the football this evening. It is not my ambition to enter into jests with those on the Liberal Benches, but I heard the hon. Member for Cheltenham say that future investors could have no confidence that a Liberal Government would maintain a nuclear programme. I regret that, of course, because responsibility in government is important. I note that British Energy has a base in Gloucester and employs about 1,000 people. I imagine that some of them reside in the hon. Gentleman's constituency and will have listened to him with great care. I do not know whether he has any further message for the Liberal Democrats who are hoping to hold on to their seats in Barnwood ward, where British Energy resides, and it may be that a change of policy is afoot.

Martin Horwood: I can tell the Minister that I would advise them to vote Liberal Democrat, as they are currently saddled with a Labour MP.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I think we can draw a line under the hustings at this stage.

Malcolm Wicks: Indeed. Anyone would think that there were elections coming up later in the week, would they not, Mr. Deputy Speaker?

That was exactly where I wanted to draw the line—on a trivial note. I hope that I have done enough to satisfy colleagues that our amendment should be accepted.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 8

POWER TO AMEND LICENCE CONDITIONS: SMART METERS

'(1) The Secretary of State may modify—

(a) a condition of a particular licence under section 6(1)(c) or (d) of the Electricity Act 1989 (c. 29) (distribution and supply licences);

(b) the standard conditions incorporated in licences under those provisions by virtue of section 8A of that Act;

(c) a condition of a particular licence under section 7 or 7A of the Gas Act 1986 (c. 44) (transporter, supply and shipping licences);

(d) the standard conditions incorporated in licences under those provisions by virtue of section 8 of that Act;

(e) a document maintained in accordance with the conditions of licences under section 6(1) of the Electricity Act 1989 or section 7 or 7A of the Gas Act 1986, or an agreement that gives effect to a document so maintained.

(2) The Secretary of State may exercise the power in subsection (1) for the purpose only of—

(a) requiring the holder of a licence to provide or install, or facilitate the provision, installation or operation of, meters of a particular kind, or

(b) requiring the holder of a licence to make arrangements related to the matters mentioned in paragraph (a).

(3) Modifications made by virtue of subsection (1) may include—

(a) technical specifications for meters (including specifications in respect of matters relevant to the ability to obtain remote access to meters);

(b) a prohibition on the supply of gas or electricity through a meter other than a meter which complies with a technical specification under paragraph (a);

(c) provision about the installation of meters which comply with a technical specification under paragraph (a) (including provision about the replacement of existing meters);

(d) provision about electricity generated by a customer;

(e) provision about the circumstances in which any pre-payment facilities of a meter may be utilised;

(f) provision about the use of a meter remotely to disconnect a customer's premises;

(g) provision about the protection of consumers;

(h) provision about access to, and the use of, an electricity distribution system or part of an electricity distribution system for communication in connection with a meter;

(i) provision about access to information from meters (including provision enabling a customer, or a person acting on a customer's behalf, to have access to information about the customer's consumption of gas or electricity);

(j) provision about communication of information by or to meters (including provision about its onward communication) and about the use of such information;

(k) provision requiring the holder of the licence to enter (or refrain from entering) into an agreement of a specified kind, or with a specified person;

(l) provision specifying, or enabling the determination of, a date from which a modification is to take effect.

(4) The power conferred by subsection (1)—

(a) may be exercised to make different provision in relation to different classes of customer;

(b) may be exercised generally, only in relation to specified cases or subject to exceptions (including provision for a case to be excepted only so long as specified conditions are satisfied);

(c) may be exercised differently in different cases or circumstances;

(d) includes a power to make incidental, supplementary, consequential or transitional modifications.

(5) The power conferred by subsection (1) may not be exercised after the end of the period of 5 years beginning with the day on which that subsection comes into force.

(6) Provision included in a licence by virtue of that power—

(a) need not relate to the activities authorised by the licence;

(b) in the case of a licence under section 7 or 7A of the Gas Act 1986 (c. 44), may do any of the things authorised by section 7B(5) of that Act (which apply to the Gas and Electricity Market Authority's power with respect to licence conditions under section 7B(4)(a));

(c) in the case of a licence under section 6(1)(c) or (d) of the Electricity Act 1989 (c. 29), may do any of the things authorised by section 7(2) to (4) of that Act (which apply to that Authority's power with respect to licence conditions under section 7(1)(a)).

(7) In this section a reference to a meter includes a reference to a visual display unit, or any other device, associated with or ancillary to a meter.'.—*[Malcolm Wicks.]*

Brought up, and read the First time.

Malcolm Wicks: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this it will be convenient to discuss the following:

Government new clause 9—*Power to amend licence conditions: procedure.*

Government new clause 10—*Smart meters: supplemental.*

New clause 1—*Implementation of new metering arrangements*—

'(1) The relevant licensees for the purposes of this Part are—

(a) gas suppliers and gas transporters within the meaning of Part 1 of the Gas Act 1986 (c. 44); and

(b) electricity suppliers and electricity distributors within the meaning of Part 1 of the Electricity Act 1989 (c. 29).

(2) The effective date for the purposes of this Part is the date which is 10 years after the date on which section 79 comes into force.

(3) Expressions used in this Part have the same meaning as in the Part 1 of the Gas Act 1986 or Part 1 of the Electricity Act 1989.

(4) As from the effective date, a relevant licensee must not supply gas or electricity to any premises that is not subject to the provisions of this section.

(5) The Secretary of State may exempt any relevant licensee from the prohibition imposed by subsection (4) in relation to such premises, for such period of time, and subject to such conditions as he considers appropriate in all the circumstances of the case.

(6) References in this Part to new metering arrangements are to arrangements (including the provision and operation of any necessary communications and data-handling infrastructure) designed to ensure that, by the effective date, all premises supplied with gas or electricity in Great Britain will continue to be so supplied through a meter that conforms to the following three requirements—

(a) that the meter must record and be able to store measured consumption data for multiple time periods;

(b) that the meter, either on its own or with an ancillary device, must facilitate remote access to such data; and

(c) that the meter must meet any specifications that may be set out in any regulations made by the Secretary of State under this Part, pursuant to his duties under Part 1 of the Gas Act 1986 and Part 1 of the Electricity Act 1989, for the purposes of facilitating the introduction of new metering arrangements.

(7) This section may not be brought into force before 1st January 2010.

(8) The Secretary of State may, in accordance with this section, modify—

(a) the conditions of a particular licence held under section 7(1) or 7A(1) or (2) of the Gas Act 1986 or under section 6(1) of the Electricity Act 1989;

(b) the standard conditions of licences of any type mentioned in those subsections

if he considers it necessary or expedient to do so for the purpose of securing the implementation of the provisions of this section.

(9) The power to make modifications under paragraph (a) or (b) of subsection (8) includes powers—

(a) to make modifications requiring licence holders, or classes of licence holder, to cooperate together, under arrangements approved by the Authority;

(b) to make modifications requiring any relevant licensee to take or refrain from taking any specified action, whether in relation to premises supplied with gas or electricity or otherwise;

(c) to make modifications relating to the operation of access to, or use of pipe-line systems and distribution systems; and

(d) to make incidental, consequential, or transitional modifications.

(10) Before making modifications under this section, the Secretary of State must consult the Authority, the holder of any licence being modified, and such other persons as he considers appropriate.

(11) Subsection (10) may be satisfied by consultation undertaken before, as well as by consultation undertaken after, the commencement of this section.

(12) Any modification under subsection (8)(b) of part of a standard condition of a licence shall not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part 1 of the Gas Act 1986 or Part 1 of the Electricity Act 1989.

(13) Where the Secretary of State modifies the standard conditions of licences of any type under subsection (8)(b), the Authority must make the same modifications of those standard conditions for the purposes of their incorporation into licences of that type granted after that time.

(14) The Secretary of State must publish any modifications under this section in such manner as he considers appropriate.

(15) The power of the Secretary of State under this section may not be exercised after the end of the period of five years beginning with the passing of this Act.'.

New clause 3—*Regulations on new meters*—

'Where the Secretary of State makes regulations in connection with new metering arrangements under—

(a) this Act;

(b) Part 1 of the Gas Act 1986; or

(c) Part 1 of the Electricity Act 1989,

such regulations must require that such meters have the facility to use the data that they collect on gas or electricity consumption for the purpose of assisting the householder to select the gas or electricity tariff which is most to the householder's advantage.'.

New clause 16—*Information on carbon dioxide emissions*—

'The Secretary of State shall, within 12 months of the passing of this Act, make regulations requiring companies supplying gas or electricity to specify on consumers' energy bills the volume of carbon dioxide emitted in generating the energy supplied in the period to which the bill relates.'.

Government amendments Nos. 50, 58 and 59.

Malcolm Wicks: It is good to get on to something smart, namely smart meters. The issue was of significant interest during our discussions in Committee and in the slightly wider world. I know that many Members of the House have a keen interest in it.

During our discussions in Committee, it was clear that both sides of the House were in agreement about the potential benefits of smart meters for both consumers and energy suppliers. The benefits include giving consumers better information to help manage their energy use, providing accurate bills and, potentially, providing easier access to a wider range of tariffs. Smart meters also have the potential to contribute to the future development of the energy services market that many of us hope will be forthcoming.

Of course, smart meters can also facilitate the export of electricity from microgeneration to the grid. For suppliers, the benefits include reduced costs, for example through remote meter reading, accurate billing and the potential to switch consumers between tariffs. All that will in turn translate into an improved level of customer service. However, Members also recognised that a roll-out of smart meters to all energy consumers would be a complex and highly challenging project, which would entail significant costs as well as the significant benefits I have already outlined.

Steve Webb: There is clearly a lot of uncertainty about cost. The figures that the industry comes up with and those that the Government use vary hugely, perhaps by a factor of three. The key source that the Government seem to use is a report by Mott MacDonald. If that has not already been placed in the Library, would the Minister be willing to ensure that it is?

Malcolm Wicks: Yes.

The Government published our response to the billing and metering consultation yesterday. I know that yesterday was only yesterday, but I made efforts to ensure that certain colleagues knew about that publication so that they might be able to glance at the report. Last week, we published detailed economic impact assessments of the costs and benefits of a domestic and small business smart meter roll-out, having previously published an impact assessment for a roll-out to medium-sized businesses.

Before I turn to the Government amendments on smart metering, it would be helpful if I reiterated the Government's policy intentions as set out in our response to the consultation. Our policy is most easily explained by examining our proposed approach in each of the three customer segments that we have identified: medium-sized business, small business and domestic consumers. Hon. Members who have had the opportunity to study the impact assessments that we published will be aware that there is a positive cost-benefit analysis for proceeding with smart metering for the medium-sized business sector and that the Government have therefore already announced in the 2008 Budget our intention to mandate a roll-out of smart meters to the sector over the next five years. That decision will see about 170,000 electricity and 40,000 gas meters being updated with more advanced technology, delivering carbon savings of around 140,000 tonnes of carbon per annum by 2020—a small contribution to our carbon targets.

Based on our analysis to date, I believe there is also a good case for a roll-out of smart meters to small businesses. However, that analysis needs further testing to ensure that our assumptions fully reflect the complexities of the small business sector. As such, we will be undertaking further work with stakeholders to ensure that our initial positive findings are accurate before making final policy decisions on a small business roll-out.

A roll-out of smart meters to the domestic sector is, of course, a far larger and much more complex project. It would involve replacing some 47 million electricity and gas meters in every home in Great Britain. Current estimated costs to the economy are potentially between £8 billion and £14 billion over 20 years.

Sir Robert Smith: Does the Minister have the figure for the number of meters that are replaced on a renewals cycle when they come to the end of their natural life?

Malcolm Wicks: I will seek to give the hon. Gentleman an accurate answer. If it does not arrive today, I shall write to him.

Mr. Weir *rose—*

Malcolm Wicks: I might cover some of these points in due course, but I am happy to give way to the hon. Gentleman.

Mr. Weir: The domestic roll-out is important. Smart meters must be compatible with different suppliers, so a roll-out should perhaps be done all at one time to make sure that we do not get an issue with different types of smart meters that prevent switching between suppliers.

Malcolm Wicks: I understand those points. Of course, when it comes to the roll-out of smart meters there are a lot of important issues of that kind to determine.

In answer to the hon. Member for West Aberdeenshire and Kincardine (Sir Robert Smith), I am advised that approximately 5 per cent. of total meter stock per annum is replaced. I can see where the hon. Gentleman was coming from—there is an ongoing investment and we clearly need to factor that in to any cost-benefit analysis.

Charles Hendry: I think Ofgem estimates that 8 per cent. of the meter stock is changed every year, and that is not far from the 10 per cent. that is being recommended. In Committee, the Minister said that the costs could be between £10 billion and £20 billion, and he has now brought that down to between £8 billion and £14 billion. That shows great progress. Ofgem also estimates that the meters would cost between £70 and £90 each, so 47 million would cost about £4.5 billion. Does the Minister think that he might be able to get his costs down a little further on that point, too?

Malcolm Wicks: Well, costs can go up as well as down, as the advertisements say. We are trying to refine the analysis and we need to go further, as all sorts of factors are in play. I said that our current estimates put

[Malcolm Wicks]

the costs at between £8 billion and £14 billion, and I have conceded that we need to do more work to refine those figures. That is something that we need to discuss with industry, but our present analysis does not suggest that there is a net positive business case for proceeding. However, the figures are the result of our initial analysis, and are by no means our final word on the subject. Many of the estimated future costs carry a high degree of uncertainty, and some of the anticipated benefits are challenging to quantify in monetary terms.

2 pm

Lembit Öpik: Will the Minister give way?

Malcolm Wicks: I wonder whether I might make some progress. Just occasionally, I answer a question in advance. It happened once, 10 years ago, but it could just happen again.

As I was saying, the figures are based on our initial analysis, and we need to do more work. For example, we anticipate potential benefits to households as a result of better information, leading to reduced energy usage and, as such, lower energy bills and related carbon savings. We also anticipate benefits for energy suppliers and, in the longer term, for distribution networks. However, analysing in detail the full extent of those benefits and quantifying them is extremely difficult and depends on a number of variables that require further investigation. I suppose that shows that we need more than the back of an envelope to do the calculations on—

Charles Hendry: Is that what they did at Ofgem?

Malcolm Wicks: They have very large envelopes at Ofgem; I have seen them.

The first stage of impact assessment work has been valuable in demonstrating the range of complex issues involved in a domestic smart meter roll-out, and some of them will need further in-depth analysis over the coming months. We therefore intend to take forward a further phase of work in consultation with stakeholders. Our aim will be to ensure that we have the best possible assessment of costs and benefits before taking any final policy decisions on a small business and domestic roll-out.

Before I give way to the hon. Member for Montgomeryshire (Lembit Öpik), I should say that our intention is to report our work on these analyses to the House by the end of the year.

Lembit Öpik: May I report to the House that, for the second time in 10 years, the Minister has answered a question in advance? He anticipated my question, and caused me to convert my intervention into a brief word of praise for him.

The Minister will know that the cost of carbon is a very important consideration when the value of smart meters and other technology is being worked out. In the further consultation that will be held, I hope that he will work through the calculations based on different carbon costs. I hope too that he will consider the benefits of smart meters in respect of the feed-in tariffs that will be vital in promoting microgeneration. I know that we will deal with that point shortly, and I look forward to hearing his views.

Malcolm Wicks: As the hon. Gentleman says, we will discuss feed-in tariffs later, but I thank him for his congratulations. My endeavour now is to answer a question that even he has not yet formulated in his mind.

I turn now to Government new clauses 8, 9 and 10, and the consequential amendments Nos. 50, 58 and 59. I want to explain why we believe that they provide the most appropriate legislative route forward, given the context that I have just outlined.

New clause 8 allows the Secretary of State to modify relevant electricity and gas licences, or other documents made under licence conditions, to require or facilitate the installation of smart meters. As I have indicated, our intention is that this power will underpin the roll-out of smart meters to medium-sized business in the first instance.

As is common practice with technical issues in the energy sector, the intention is to specify the detail of the requirements being placed on licensees, and other relevant arrangements, through modifications of licence conditions or other relevant industry documents rather than including that detail on the face of the enabling legislation. Examples of the type of detail that I am referring to would include the specification of the meter, or the speed of a roll-out.

At this stage, we need to maintain flexibility in defining those details, as they could have significant cost implications. Small changes to the assumptions that we make can have significant impacts on the overall costs, as well as on the potential benefits. We need the flexibility to specify these issues in modifications so that we can identify the optimum, most cost-effective roll-out.

The new clause also recognises that smart metering is an issue of significant interest to Parliament. It is also potentially one of major national importance, with direct implications for business and consumers. Usually, the Secretary of State would make this type of modification without further recourse to Parliament. The new clause proposes going further by providing a mechanism for additional parliamentary scrutiny.

More specifically—in addition to the usual requirements for the Secretary of State to consult relevant licensees, Ofgem and any other appropriate persons—new clause 9 requires the Secretary of State to lay the draft modifications in Parliament and allow a period of 40 days in which either House of Parliament may reject them. I believe that that additional parliamentary scrutiny is appropriate and that it will be welcomed.

Our amendments will allow the Government to move forward now with smart metering for medium-sized business and, subject to further analysis and informal consultation, to be in a position to act as quickly as possible to roll out smart meters to the small business and domestic sectors, should our final analysis support that. That is the most sensible approach, given the inherent flexibility needed in developing and implementing the licensing and other arrangements in this evolving regulatory area.

Paddy Tipping: I suspect that the Minister is coming to the end of his speech, and I have been waiting for the answer to the question that I have wanted to ask. Will he say something about visual display units? There has been a lot of discussion about VDUs, and some parts of Government are very keen on them, but it makes no sense to introduce them if domestic customers are going to have access to smart metering in the relatively near future. What is the present view on VDUs?

Malcolm Wicks: I thank my hon. Friend for that question. We have listened to many people outside the House, and they believe that the main thrust must be the development of the more sophisticated smart meter technology. However, there will be voluntary agreements with the supply companies in respect of VDUs.

It is also worth noting that, as part of finalising our decision on a roll-out to domestic consumers, we would also like the opportunity to take account of the smart metering trials that will produce initial results later this year. I believe that these amendments will successfully enable the roll-out of smart meters. They are an important step forward in fulfilling our ambition, set out in the 2007 energy White Paper, to improve the information that energy customers receive about their energy use.

I therefore hope that colleagues in the House will lend their support to these Government amendments.

Charles Hendry: I thank the Minister for bringing forward these amendments. They are not everything that we asked for, but they show progress from where we were in Committee. We welcome with great enthusiasm any sinner who repents.

The case for smart meters is as strong as ever. Their introduction is supported by the industry, and overwhelmingly by consumer groups, as smart meters will get rid of prepayment meters and estimates forever. There is also great support from the environmental groups, thanks to the important contribution that smart meters can make to tackling energy inefficiency.

We think that the Government should have gone further. We would have liked them to insert a specified time scale of 10 years for the introduction of smart meters across the whole country. However, the fall-back position adopted in Committee was that the Government should table an amendment with permissive powers to avoid the need for primary legislation in due course. They have done that, so perhaps we should give the Minister not three cheers, or two, but one and a half cheers for what he has achieved.

One day in Committee, the Minister told us that he would be going home to fit his own electronic display device. He said that the EDD was in its box in the cupboard, and that we had shamed him into going home and fitting it that very weekend. We expressed our concern that he might electrocute himself in the process, and we are obviously delighted that he did not do so. Nevertheless, did he summon up the courage to fit it, and has he found the device useful? Many of us share the concern of the hon. Member for Sherwood (Paddy Tipping) that VDUs are often almost worse than useless and that they distract from what is a very important debate.

Our view that the Government should have gone further and put in place a time scale is supported by many others. The Energy Saving Trust's briefing to us states:

"We welcome the amendments put down by the Government to facilitate this, but believe the Government needs to go further. Without Government mandating of full smart metering, the carbon saving potential of these devices will not be fully realised."

The Government's policy has changed. In Committee, the Minister made it clear that he was not persuaded that the overall benefits of smart meters outweighed the disadvantages, as he saw them. He could not tell us whether primary or secondary legislation would be required. It is thus clear that there has been a change in the Government's thinking, which we are pleased about.

In November 2007, the Prime Minister said:

"For every household over the next decade there will be the offer of a smart meter that will allow two-way communication between the supplier and customer, giving more accurate bills of course and making it easier for people to generate their own energy through micro generation and sell it on to the grid."

That is not what the Minister is talking about today. That was clearly not the EDD, because that does not allow two-way communication. What did the Prime Minister mean when he made that statement? The Minister seems to be rowing back from the 10-year commitment.

It is clear from those in the industry and others that if this is going to happen, there must be a clear mandate from the Government. The Energy Retail Association's advice to us stated:

"If the ambition to have all homes in Britain fitted with smart meters is to be achieved, the process of planning needs to begin sooner rather than later. In order to achieve the Government's stated expectation that smart meters will be rolled out to every British home within ten years, the industry needs a mandate…It must commit now to a clear timetable and ensure that a decision is made quickly to grant the mandate."

There is concern about the Government's lack of leadership. This morning, about an hour or so before we entered the Chamber, we received the response to the consultation document—I suppose it is better to have it at that stage than not at all. There are areas in the response where we would have looked for more leadership from the Government, rather than just suggestions about a need for further consultation. Indeed, the opening paragraphs of the document suggest that the Government have moved the goalposts since the Prime Minister's suggestion last November, because they say:

"Views were also invited on the Government's expectation that over the next ten years, all domestic gas and electricity customers will be given smart meters with visual displays and on how smart metering could be delivered to smaller businesses."

That was not what the Prime Minister said. He said that this would be delivered to domestic consumers within 10 years.

Lembit Öpik: Does the hon. Gentleman agree that the industry wants leadership, a mandate and clarity from the Government so that it can implement the introduction of smart meters on a level playing field and ensure that the meters are usable by all suppliers, and thus do not act as a barrier to the market? He might have heard that the industry estimates that this

[Lembit Öpik]

could save domestic consumers about £4 billion a year. Does he agree it is important that the industry is heard and provided with the direction that it requests from the Government, which would be at no cost to the Government but of great benefit to consumers and the environment?

Charles Hendry: I agree with the hon. Gentleman. Not only the industry but consumer groups believe that there could be big savings for consumers. Environmental groups believe that smart metering would represent good environmental practice. There is overwhelming support for smart metering as the right way forward, so we need greater leadership from the Government.

The consultation document shows that there was overwhelming support for introducing smart metering for larger and medium-sized businesses. The Government have taken on board that support and say, under the heading "Next steps":

"The Government intends to...undertake a further short consultation in May".

Having got overwhelming support, they will consult further on the detail.

As we know, there was strong support among smaller businesses and domestic users. The Government say:

"Exercising these powers in relation to small businesses and the domestic sector will be dependent on the outcome of further analysis and impact assessment work."

That was what we thought this process was about, and we need further progress.

The document also says:

"Further discussions with stakeholders on the consultation impact assessment and in the areas identified above will take place over the next few months to further refine the impact assessment and define the policy options moving forward."

Ministers do not seem to understand that we do not have time on our side. If we have to wait until the end of this year, a further year will have been lost during which a range of households could have benefited and reductions in carbon emissions could have been brought about through better informed household choices. It is disappointing that the programme is being put off.

2.15 pm

Dr. Alan Whitehead (Southampton, Test) (Lab): Does the hon. Gentleman accept that smart meters could play an important role in dealing with fuel poverty, for example by ending overcharging because of prepayment meters and dealing with back-charging through changing tariffs because of the way in which smart meters work? Perhaps that is a further imperative in support of early adoption.

Will the hon. Gentleman comment on the sunset provision in new clause 8 that requires changes under subsection (1) of the new clause to take place before five years are up? Will he suggest to the Minister that that could be considered as some sort of time scale for ensuring that consultations on the implementation of such a programme end urgently and early?

Charles Hendry: I said earlier that one of the great advantages of the programme was that it could lead to the end of prepayment meters. One of the reasons that it is so strongly supported by Energywatch is that it could make a massive improvement to the service offered to domestic consumers, especially those in fuel poverty. I should say, as an aside, that it is very sad that the Bill does not address fuel poverty. Although the Bill gives us the perfect opportunity to do so, fuel poverty has been excluded completely.

The hon. Gentleman refers to a sunset provision. We need progress within those five years. That is not the time scale in which we will see action, but that in which the Government need to make a decision, and that is an enormous way off. We do not have time on our side, if we are to stand any chance of meeting our 2020 commitments, so we need the programme to move forward more quickly. That is why we support the view of the industry and others that 10 years would have been a sensible time scale. The Government are giving us the smack of firm consultation, but we need decision making and progress. We accept that the new clause represents movement in the right direction, but it is still disappointing that the Minister has not gone further.

New clause 16 is one of several measures that we tabled—sadly, it was the only one selected—that would give consumers more information so that they were able to make better choices. I am certain that consumers want to do more.

Malcolm Wicks: I was rather hoping that the hon. Gentleman was going to address the costs of smart meters. It is not unreasonable for the Government, when faced with the indubitable advantages and benefits of smart meters, nevertheless to address costs seriously. As I said, we need to refine the costs, and we will discuss them with the industry, which will have different ideas. This is clearly a costly national project, so does he not agree that it would be irresponsible for the Government not to pay heed to the costs, not least at a time when our constituents are worried about rising energy bills?

Charles Hendry: Of course we have to pay heed to the costs, but what is frustrating is the speed at which that is being done. The issue has been addressed in the House on many occasions. On Second Reading, I think that every single Member who spoke talked about smart meters and the need for progress. We find that the next consultation will not conclude until the end of the year, but we simply do not have time on our side.

Yes, there is a debate to be had. Centrica's submission to us cited research carried out by Frontier Economics showing that there was a positive cost-benefit to the consumer through the roll-out of smart meters of £3.5 billion by 2020 owing to the energy savings that would be made. The figures are out there and views have been formed. It should now be quite simple for the Minister, in a short space of time, to reach a decision rather than simply knock the issue into the long grass. That is why the frustration arises. I would not wish to disappoint the Minister by not addressing issues that he would like me to consider, but it behoves the Government to speed up the process.

The purpose of new clause 16 is to help consumers to make better informed choices. They want to do more, but they often feel disempowered because they do not know enough and do not have enough information on which to base decisions. We have argued that they should have more information about how much of their energy bill goes on environmental taxes and charges, so that they know what proportion of their bill relates to renewables obligation certificates, the carbon emissions reduction target and the European emissions trading scheme. The Government blocked an amendment that would have allowed that, and we remain disappointed that they do not seem to want consumers to have more information.

New clause 16 is on a separate issue: it would require energy companies to state on people's energy bills the volume of CO_2 emitted in generating the energy for the consumer in the period in question. If the consumer bought green electricity only, the figure would be zero, but if the electricity was generated from coal-fired power stations or came from elsewhere, a much higher figure would be given. That would enable the consumer to say to their supplier, "I want to switch to a company that will produce less CO_2." The figure will, almost by definition, be a bit of an approximation, as we cannot expect the amount to be worked out to the hour for every consumer, but it would mean that suppliers consulted the people who generated the energy, and looked at the sources from which the power was generated over a period. They would then produce a total figure, which could be divided by the number of consumers. That would give the consumer information enabling them to make an informed choice.

Of course, if the measure were taken forward, there are issues that would need to be addressed. For example, how would nuclear be assessed? Would the whole lifetime carbon costs of any construction be considered, or would we consider only the carbon produced in the course of generation? How would energy transported to this country through the French interconnector be assessed? However, those questions do not detract from the valuable contribution that the measure would make to enabling people to make informed choices. We want people to tackle waste and improve the energy efficiency of their homes. We should actively seek to make people do more in those respects, and to make them switch to less polluting electricity suppliers, but at the moment, unless they have a purely green supplier, they simply have no idea of how that is to be done. New clause 16 is a simple measure that would make such a switch possible.

We should not say that the measure is too complicated, because Tesco announced yesterday that it would set out the carbon footprint for 30 of its products as a prelude to doing so much more widely. If that can be done for a packet of beans, a punnet of strawberries or whatever is on the Minister's shopping list for when he sits down to watch the football match tonight, it can be done for electricity bills, too. I hope that the Minister takes that point. On smart meters, I give him one and a half cheers for recognising that a provision addressing the issue should be included in the Bill, but there is still disappointment about the fact that he has not gone further.

Dr. Ladyman: I will not detain the House long. The hon. Member for Wealden (Charles Hendry) is being a little churlish in offering only one and a half cheers; I think that my hon. Friend the Minister listened very carefully to our debate in Committee and has responded far more fully than I expected him to, so he should get more than one and a half cheers.

I want to reiterate a point that I made in Committee. A smart meter will certainly allow a person to choose between tariffs by providing them with the information that they need if they are to make that choice, but because of the way in which the electricity and gas retailing industry works, they would be making a choice between the tariffs offered by a particular company. If someone wants to change companies, they have to work out who has the cheapest tariff. They may have to go online to the website of a company such as uSwitch and enter their details and information about their energy usage; uSwitch will then tell them which the cheapest energy supplier would be, and the person could then sign up with that company. I do not want to do that in future; I want a smart meter that does it for me.

I want a smart meter that I can hand over to a company such as uSwitch, so that it could monitor the energy retailing industry for me and change my tariff and supplier every week or month, or whenever appropriate. I do not want to have to do the work any longer. Why should I, when I have a computer built into my energy meter that should be doing that work for me? My question to my hon. Friend is whether the amendments before us go so far as to make that practicable, so that companies such as uSwitch can decide to step into the market and extend their range of products. According to my reading of the amendments, they probably do allow that to happen, but I would like confirmation from my hon. Friend that my reading is accurate, and I would also like confirmation that when the consultation takes place over the next few months, the need for such a service will be taken into account so that energy retailers are not allowed to block the entry into the market of companies that can provide us with such a service.

Steve Webb: I think that the hon. Gentleman's reading is right; new clause 3, which is in the group of amendments that we are considering, and which I hope the Government will accept, provides that the regulations on smart meters must include a provision allowing a smart meter to be a friend in the cupboard, or on the mantelpiece, that facilitates switching for the consumer. The hon. Gentleman might have heard a lengthy advocacy of that exact principle in Committee, and I am delighted to hear that point reflected in today's debate; I welcome that.

Along with others who have spoken, we very much welcome the Government's new clause 8. As the numbering of the new clauses suggests, we had already tabled new clause 1, which tries to do very much the same thing as new clause 8. We are not too worried about the finer points of the drafting differences between the two. As new clause 8 has the Minister's imprimatur, we are happy to defer to him, and not to pursue new clause 1, with one reservation: as the amendment paper shows, when we tabled new clause 1, we included a time scale. That point has already been touched on. The five-year time scale referred to in Government new clause 8 means that there will be five years before the starting whistle is blown, and before

[Steve Webb]

things might start to happen. The idea that the clock is ticking is important in the context of climate change. If we are shortly to have binding targets for reaching our 2020 and 2050 climate change goals, another year or two, or five, matters. It is the lack of urgency that disturbs us. Let me read a statement of the Government's policy:

"Following our consultation on billing and metering, the Government intends to roll forward a package of measures in Great Britain which will change the way in which energy use is communicated to customers."

One might assume that that came out this week, but in fact it was said a year ago in the energy White Paper of May 2007. The consultation on billing and metering referred to is the previous consultation, and not the most recent consultation or the next consultation. We feel that a line has to be drawn.

I accept that the Government have a trial under way, and there is an argument for saying that we should let the trial finish. However, the statement of May 2007 was written when the trial had barely begun, so it is hard to argue that we need extra time for the trial to run when, over a year ago, before the Government had any clues about how the trial was going, they were already giving undertakings. The Minister cannot have it both ways.

As the hon. Member for Wealden (Charles Hendry) said, the document that was circulated today—we appreciate the help given by the Minister's office in that regard—says that, in summary, the Government's plan, in response to the consultation, is

"to complete further economic assessment work and consultation to finalise policy position".

One wonders what the Government are waiting for. What do they think that they will find out after another six or nine months of dithering that they could not find out in the previous 12 months of dithering? What is the delay? The conclusion of the response to the consultation says:

"Given the complexity of the issues and the number of variables involved, the Government wishes to discuss further...We have therefore published...a consultation impact assessment"—

that is a new one to me—

"on a roll out...and invite comments".

I wonder whether there will be a Government response to the consultation impact assessment, which was the Government's response to the consultation, which followed another consultation. Perhaps then there will be a period of public engagement, reflection and consideration. Can we not just get on with it?

I have been trying to work out why the Government do not want to get on with it, and whether the Minister has caught the ditheritis that comes from the top of Government. I looked back to our deliberations in Committee on 11 March, which was the last time that I challenged the Minister to get on with it. He intervened on me to ask, apropos of smart meters,

"Does he not recognise that by rushing the process"—

rushing? Chance would be a fine thing—

"there is a danger that we could to install the wrong technology"?—*[Official Report, Energy Public Bill Committee,* 11 March 2008; c. 581.]

I do not know whether the Minister has ever bought a computer; I sense that he may never have done so. There is always a danger of buying the wrong technology, and that something better will come round the corner.

Surely there are plenty of examples of working technology out there. It is not staggeringly new. We have a rough idea of how it would all work. The fact that the Government have had a trial of smart meters going for well over a year suggests that it is not cutting edge, alien technology. It is in use in other countries as well, so the technology is not—

Dr. Whitehead: Although I go along with the hon. Gentleman in his suggestion that it is important that rapid progress is made between the consultation and the implementation of smart meter technology, his computer analogy assumes that a choice is made within a common operating system. Does he accept that one of the issues in smart meter roll-out must be to ensure that meters are interoperable and interchangeable, and are not the creature of the company that installed them? It is therefore necessary to get that process right.

2.30 pm

Steve Webb: I agree that we need interoperability and that we need to get the process right, but I do not see why another 12 months, 18 months or any other period of consultation and dithering will make that any more likely. We know that now and we knew it 12 months ago, so let us get on with setting the common standards to which all companies would have to adhere. Why was Ofgem not asked to do that 12 months ago? I agree with the hon. Gentleman on the goal. I do not understand the delay.

Why is it so important that we get on with the task? We have heard some of the advantages of smart meters, but probably not all of them. One that has been understated so far in the debate is the potential for load shifting. If we are thinking about the difficult question of our future energy supply and security, and a structure that will match the peaks of demand that occur, and potentially thinking about a future when we might, for example, be charging up our cars overnight, the importance of load shifting will become greater and greater.

If we can use smart meter technology to ensure that we do not need quite so much total capacity in the system because of a very small number of very high peaks—if we can do something about the peaks—that will have a profound public benefit for the infrastructure that we need. The cost-benefit analysis of smart meters should take that into account. The benefit would not just be private and personal; the entire public infrastructure would benefit from much greater incentives for load shifting. That has not been factored in sufficiently.

We heard mention of fuel poverty. Certainly, we do not want people in fuel poverty to get estimated bills, especially when those are overestimated. The hon. Member for Wealden suggested that smart meters would bring an end to prepayment meters. That is not my understanding. Some consumers choose prepayment because that is the way they prefer to budget and, as I understand it, that method of payment would continue. The meters would

not have slots, like the old fashioned ones had, but charging up a plastic card to obtain credit will still be an option when smart meters are up and running.

The key is to ensure that the tariffs are right. A set of the fuel poor or vulnerable households or a similar category of people could be identified, and smart metering technology could be used to ensure that they were automatically on the best tariff that the given company offered, or the best tariff. That comes back to the point about switching, to which I shall return.

Another aspect of fuel poverty and smart metering that we have not thought about is one of the arguments advanced by the companies. When they are told to target the vulnerable, they do not know who the vulnerable are. The Government know who the vulnerable are, and I have suggested in the past that the Government might once a year send a letter to everyone on pension credit, for example, with a certificate that they could show to their energy supplier to claim entitlement to its best tariff.

In the world of smart metering we could go one better. Central Government could simply issue to the smart meter the eligibility switch. In other words, there could be a mechanism whereby, since the meters can receive data as well as send data, they could receive information that the householder was entitled to the social tariff, whatever it happened to be. It is another way in which the fuel poor could be targeted, which we struggle to do at present.

Dr. Ladyman: Smart meters could go one step further and allocate the fuel poor and the social tariffs among the companies, so that all the companies were paying a fair share of the burden of meeting the needs of vulnerable people.

Steve Webb: The companies are certainly not paying a fair share at present, so that is an interesting suggestion.

We have seen the potential of smart meters for load shifting and for alleviating fuel poverty. The climate change potential through CO_2 savings has been mentioned, although it is possible to overstate those savings. There is some evidence that there is a one-off shift, but it is slightly less clear that the effect is ongoing. Whatever sort of smart metering we have, we clearly need a visual display that is compatible with a smart meter, rather than a clip-on device, so that people have the best possible and most accessible information about their consumption and about the CO_2 emissions to encourage them to think harder about cutting back.

I have a killer fourth point in my notes, which I cannot read. I shall come back to it.

Malcolm Wicks: Will the hon. Gentleman give way?

Steve Webb: Yes, that would be good.

Malcolm Wicks: I like to be kind. The hon. Gentleman will no doubt think of the fourth point. Whether it turns out to be a killer point or not will be for the House to judge.

May I ask the hon. Gentleman, as I asked the hon. Member for Wealden (Charles Hendry), to address the issue of costs? I know that opposition is the art of rhetoric and eloquence unencumbered by economics, but there are serious cost issues involved. We are talking about a major roll-out to every householder. We want that to happen, but I do not apologise for the fact that the Government must consider the cost issues. Even the Liberal Democrats must consider cost issues.

Steve Webb: I am grateful to the Minister for paying tribute to my eloquence. That is very decent of him. As an economist, I have never been accused of being unencumbered by economics—au contraire.

We heard from the hon. Member for Wealden that for individual smart meters the costs are modest, relative to the potential savings to the consumer. So the consumer gets a benefit, the companies clearly get a substantial benefit on billing and so forth, society gets a benefit in terms of CO_2 emissions, load shifting and microgeneration—my crucial fourth point, to which I shall return. Bringing that all together, it is hard to see why the Government's cost-benefit analysis is so at variance with everybody else's. Given that Government money is not involved, I do not understand what the agenda is or the internal DBERR politics.

Malcolm Wicks: I assume that if there are net costs, as I believe there will be, they will be passed on to the consumer. It may not be public spending, but at a time of rising energy costs we must have regard to that. I am a supporter of smart meters and I predict that they will be rolled out for householders, but we need to refine the costs and see what the difference is between ourselves and industry on those cost estimates. Many of the advantages are, in a sense, hypotheses. We hope behaviour will follow those, but we must ground it in some estimate of net costs.

Steve Webb: Indeed, we need to be realistic about costs. Climate change and fuel poverty are urgent imperatives, and because of the delay, industry is wasting huge amounts of money and passing that on to consumers. The Minister told my hon. Friend the Member for West Aberdeenshire and Kincardine (Sir Robert Smith) that over 2 million meters—roughly 5 per cent.—are replaced each year. The further delay between now, when we hoped for a decision, and Christmas, when we might get one, means that another 2 million meters will quickly be obsolete. That is waste as well, which has to be paid for by consumers. I doubt whether the Government's cost-benefit analysis factors that in. There is a net benefit to the companies, the consumer and the wider society, and the sooner we get to that point, the better.

The fourth advantage relates to microgeneration, which we will deal with more fully in the next group of amendments. The ability to measure accurately what has been generated on a micro scale, exported to the grid and so on is integral to some of the issues that will be covered in the next group of amendments. All that is on hold while we dither about smart metering.

New clause 3 deals with what I call "your friend on the mantelpiece". We know that there are sets of consumers who switch. We know that, on average, they are the IT literate and the better off. The people least likely to switch are the fuel poor, the urban poor, the very elderly and frail—people who do not get on with technology. Now that the Government have accepted

[Steve Webb]

that they will be making regulations about what smart meters must do; new clause 3 proposes that one of those should be to do the shopping around for the consumer. That is what I suggested in Committee and I am delighted that the Minister accepts that principle.

I am happy to discuss the fine detail of how that works, whether it involves switching every second or every quarter, and the way that that is finessed. However, the principle of relying on consumers, even with display units, to take the information to the internet seems one step too many for the most vulnerable. The Minister asked me whether the technology was feasible when we debated this issue in Committee. The technology seems self-evidently integral to smart metering; the meters can receive and send data. Once there is interoperability—an essential prerequisite—that will be done in a standard format. The smart meter should be able to go to the internet and check, on the basis of the person's individual consumption, for the best package and tariff. That seems to be a win-win situation.

Rather than there being regulators investigating the industry to see whether it is competitive, why do we not just make it competitive? Why do we not put every consumer in charge? What I suggest is the ultimate in putting consumers in charge and making the companies respond. The companies would have to innovate, because those out of line on tariffs would lose custom dramatically. There would be opportunity for niche marketing, because each smart meter would base its choice on the individual consumer's actual consumption patterns and firms would have an incentive to match tariffs to people's actual consumption patterns. That could revolutionise the industry.

It is the paucity of vision in new clause 8 that bothers me. We could do this thing in a completely different way, and we are missing that opportunity. Through new clause 3, we are seeking the Minister's assurances that when specifications for what smart meters have to do are set out, they will include the proposals in our new clause.

New clause 3 mentions the

"tariff which is most to the householder's advantage."

What constitutes an "advantage" might be interpreted in a variety of ways; some might want to use the smart meter to find the best green tariff, for example. However, the point would be that the digital divide in respect of the poor would cease to apply. That is one of the big problems with the whole presumption that one of the answers to fuel poverty is that poor people should switch. We know that, in general, poor people do not switch. They do not have the information. I still find my fuel bills baffling, and I regard myself as moderately sophisticated on such matters. It is unrealistic to expect the fuel poor to tackle fuel poverty by constantly shopping around online or by any other means. The smart meters could do that for them—and the sooner that they are in place, the better.

Mr. Weir: I was somewhat alarmed by the image, put forward by the hon. Member for South Thanet (Dr. Ladyman), of meters that switched regularly between suppliers and got people the best tariff. That sounds wonderful in theory, but the hon. Gentleman's experience of switching might be different from mine. I am not sure that I would like my meter to change my direct debit or credit card charges. That is the big problem with what the hon. Member for Northavon (Steve Webb) has suggested.

If a meter switches regularly by the second or minute, how would we deal with the billing? The fuel poor do not switch because, as the hon. Gentleman said, they are not familiar with the technology, but if someone is getting a blizzard of different bills from different companies for different sections of their energy use, that would make matters worse. We should not be looking for a brave new world of smart meters that goes beyond what is realistic in respect of what people can deal with. We must bring the issue back to that position.

Dr. Ladyman: The hon. Gentleman is making a good point. It is exactly why I used as an exemplar an agent such as uSwitch, which is not an energy retailer but acts on behalf of the individual purchaser. In other words, the consumer would pay some money through such an agent, which would deal with such things; their bank account details would not be switched.

I am looking for the legislation to be permissive, so that when the details get worked out, the necessary agents are in place and the mechanisms for doing the switching are devised, it will be possible, through this legislation, to make those things happen. I do not want us to have to say, "Well, we could do this now, but the primary legislation does not allow it and we will have to wait for another energy Bill to come along."

2.45 pm

Mr. Weir: I take the hon. Gentleman's point, although I am not sure that putting a middle man in the energy market will necessarily make things better. I merely make the point that we should be considering what can realistically be done. I do not often say this, but I agree with the Minister's approach on this issue. New clause 8 gives a permissive power for the meters to be installed; importantly, subsection (3) gives the power for the technical specifications of meters to be included. That was the point that I made in my earlier intervention—it is vital that, as the hon. Member for Southampton, Test (Dr. Whitehead) said, the meters should be interoperative and that different companies do not run different meters that cannot easily switch.

I notice that all the energy companies support smart meters. I have been to many demonstrations of smart meters and seen many press releases and other papers from the energy companies demanding that the Government show leadership on the issue. I understand that there has to be a national roll-out, but the cynical part of me wonders whether the energy companies are seeking to pin the blame on someone else for the associated increased costs. We should be careful about that: smart meters should be a way of helping people, not of raising costs and pinning the blame on politicians for rising energy costs. There is a danger that that could happen.

Having said that, I support smart meters and their roll-out. There is a difference between electricity and gas smart meters. I understand that it is much easier to

have an electricity smart meter than a gas one, and I wonder whether we should concentrate on electricity in the first roll-out to get the policy moving and show that the system works. The issue is important because of the many things that smart meters can do.

Energywatch gave a briefing for this debate that called for a swift roll-out of smart meters. It made the point that such meters would mean that

"suppliers no longer have any excuses for charging the 5.8 million prepayment meter...customers more for their energy than consumers paying by other methods."

The briefing notes that

"PPM customers are paying on average £215 a year more than customers who can access cheaper online tariffs and, in the most extreme case some consumers could find themselves paying as much as £452 extra each year."

Such a sum is very substantial to someone in fuel poverty. Energywatch also says that

"In the last year alone more than 63 per cent. of the total PPMs installed were put in by companies to recover energy debt...At present 1,000 PPMs are being installed every day to recover a debt, meaning consumers are repaying debt at the highest rates."

Anything that smart meters can do to deal with that problem would be very welcome.

Smart meters would also mean an end to estimated billing. That is interesting; sometimes, I wonder why the energy companies are so keen on that. I pay for my energy by direct debit, and the company comes along every year and says that for the next year, my payments will be x or y. Obviously, I am out most of the day and there are a lot of estimated readings. We phone the companies or go online to tell them the correct reading; in my experience, whether they take note of that or not is another matter.

None the less, the companies come along every year and try to up the direct debits, despite the fact that in my experience people are mostly in credit at the end of the year. That comes back to the need for consumers to show great care in looking at their energy bills and what the energy companies are doing. Basically, there is a lot of overcharging by various means on the part of the energy companies. I would love a smart meter to deal with all those problems and ensure that we pay only for the energy that we use, and at the cheapest possible tariff. However, I have to be realistic. I understand that the roll-out will take time. It is more important that we get the issue right than get it quickly, although we should get it as quickly as possible. Interoperability is the one thing that we must ensure is present when we roll out the system.

Malcolm Wicks: I am grateful to hon. Members for their new clauses. This has been a useful debate which has teased out some of the crucial issues and raised some interesting and novel ideas.

The Government new clause on smart metering represents the most appropriate way forward. Following the guarded support of the hon. Member for Wealden (Charles Hendry) for where we are, I now have one and a half reasons to be cheerful. I am grateful for that as progress of sorts. We are all in agreement about the wide range of potential benefits for energy suppliers and business and domestic customers. We would also agree that in principle we would want those benefits to be delivered as soon as possible. However, we also recognise that a roll-out of smart meters to all energy consumers would be a complex and highly challenging project, and with one opportunity to get the legislative framework right. Although the Government intend to move forward with smart metering for medium-sized business, we need to undertake further work with stakeholders fully to understand the costs and benefits of smart meter roll-out to small businesses and the crucial domestic sector before coming to a final view.

In the context of the policy approach to smart meters that I have described, I must resist new clauses 1 and 3, which seek to specify in the Bill some of the technical details, including the timing of a roll-out and the functions of a meter. At this stage, we need to maintain flexibility in defining some of the details while we complete our analysis and work with stakeholders to identify the optimum, most cost-effective roll-out. I make no apology for being worried about cost-effectiveness. I believe that this is the best approach as we develop our understanding of this evolving regulatory arena. That is one of the key differences in our approach and one of the reasons why I am resisting hon. Members' new clauses.

The additional parliamentary scrutiny provided for in new clause 9 is another important difference between Government amendments and those tabled by hon. Members, although I am sure that they agree that our scrutiny is important. The Government new clause means that we can move forward with smart metering for medium-sized businesses now and, subject to further analysis and informal consultation, be in a position to act as quickly as possible to roll out smart meters to the small business and domestic sector should our final analysis support that, as I hope that it will.

My hon. Friend the Member for South Thanet (Dr. Ladyman), very much in agreement with the Liberal Democrat spokesman, had some intriguing ideas about how the smart meter could become the smartest of meters and the smartest of friends to the consumer in identifying, whether on a minute-by-minute or a daily basis, the best option for the householder.

Mr. Chris Mullin (Sunderland, South) (Lab): Will my hon. Friend give way?

Malcolm Wicks: Yes—I welcome my hon. Friend to the debate.

Mr. Mullin: Does my hon. Friend agree that there could be such a thing as a too-smart meter, just as one could have such a thing as a too-smart-by-half Liberal Democrat?

Malcolm Wicks: My hon. Friend missed my resolution not to be mean to the Liberal Democrats today. I was slightly mean earlier, but I think that I got away with it.

We are not aware of approaches or technologies that would allow for quite the sort of approach suggested, but I will make further inquiries. The hon. Member for Northavon (Steve Webb) wondered why, technically, it could not be possible. I wondered at one stage whether it could mean that at one time we all got our electricity from one company and half an hour later we got it

[Malcolm Wicks]

from another company. We have heard about different niche markets, but I am not sure what the market implications of that might be. However, it is an interesting idea and I will consider it further.

Hon. Members have talked about our approach, and I have noticed that "dithering" seems to be a favourite word in the Opposition's political vocabulary. I do not recognise that. Since the energy White Paper, we have undertaken a consultation and published a significant body of impact assessment work. We have tabled an amendment to the Bill, which we are discussing, and we have already announced our intention to move forward for medium-sized businesses. I make no apology for considering the cost-effectiveness of the measure as well as the benefits. I therefore hope that hon. Members will feel able to support the Government new clause and will not press theirs to a vote.

New clause 16, in the name of the hon. Member for Wealden, seeks to increase transparency for consumers by requiring energy suppliers to specify on a consumer's bill the amount of carbon dioxide that has been emitted in the production of the energy attributed to that bill. As the problem of climate change is now a global one, we all—consumers, business and Government—have a role to play. Indeed, much of today's debate is about how we enable the citizen to become more active in tackling global warming; it is a feature of the next debate, too. A key element of our strategy to tackle climate change is promoting energy efficiency and crucially, as part of that, engaging the individual. Important examples of the Government's work are the "Act on CO_2" campaign by the Department for Environment, Food and Rural Affairs and the fact that two thirds of the estimated savings in the 2007 energy White Paper were as a result of energy efficiency measures. However, we must continue to take action to help consumers to understand the choices that they can make about using cleaner energy and reducing the energy they use.

I support the notions behind new clause 16, but I shall resist it because it would duplicate existing statutory requirements that achieve the same outcome. It might be helpful if we consider this in two parts—electricity and gas—as they are covered by different statutory requirements. Looking first at electricity, in transposing the electricity directive 2003/54/EC the Government laid the Electricity (Fuel Mix Disclosure) Regulations 2005. I am sure that hon. Members remember those quite intimately. Those regulations inserted a new condition into electricity supply licences requiring suppliers to provide information on or with the consumer's energy bill, and in promotional materials, about the environmental impact of the electricity supplied in terms of carbon dioxide emissions. I hope that hon. Members will therefore accept that the requirement for suppliers to provide the specified information in relation to electricity is already accounted for.

The issue of carbon dioxide emissions from gas is somewhat different. Carbon emissions from electricity supplied should result in greater awareness of the relative carbon intensity of different generating technologies, which in turn might incentivise switching among consumers. However, information on carbon emissions from gas supplied would not have the same effect, because gas supplied will have the same carbon emissions regardless of who supplies it—that is, 0.185 kg of CO_2 per kilowatt hour of gas consumed. The information could incentivise more efficient use of energy by consumers. However, there is already a statutory requirement that has the same effect—the requirement for energy suppliers to provide historical information on consumers' bills to help them to understand how much energy they have used. Since we published the energy White Paper last year, the six major energy suppliers have included historical energy usage data on all consumers' bills. That shows consumers, in graphical form, the amount of energy that they have used compared with the same period in the previous year—something that the hon. Member for Angus (Mr. Weir) might study at his leisure.

I am pleased to confirm to the House that having laid the Electricity and Gas (Billing) Regulations 2008 before Parliament earlier this year, we are in the process of cementing that voluntary arrangement in statute. Provisions in those regulations, alongside requirements under the 2005 regulations, mean that I am confident that we have the right statutory requirements on suppliers to enable increased consumer awareness and to incentivise action at an individual level.

Having said that, I listened with great care to the case put again by the hon. Member for Wealden following our discussions in Committee. I have thought through the issues and, notwithstanding my confidence in what I have just said, I wonder whether we should be doing more. I do not think that we need to do more in the Bill, but I would like to discuss these issues with the supply companies to see whether the material that we get in our bills deals with the issues that the hon. Gentleman has raised so well. I rather suspect that we can go further in a cost-effective way, not by trying to itemise CO_2 for every constituency, but by sending the consumer general material about carbon emissions, and perhaps reminding them that, as we tackle carbon emissions, extra costs will be incurred through such things as the renewables obligation.

Given what I have said, I am not sure that we are in the right place. We could go further in voluntary agreements, and we will take into account the way in which the hon. Member for Wealden has spoken to his new clause, as I am sure will the supply companies. Having said that, I hope that the hon. Gentleman will consider not pressing the motion, which we have discussed thoroughly, to a Division.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 9

POWER TO AMEND LICENCE CONDITIONS: PROCEDURE

'(1) Before making a modification, the Secretary of State must consult—

(a) the holder of any licence being modified,

(b) the Gas and Electricity Markets Authority, and

(c) such other persons as the Secretary of State considers appropriate.

(2) Subsection (1) may be satisfied by consultation before, as well as by consultation after, the passing of this Act.

(3) Before making modifications, the Secretary of State must lay a draft of the modifications before Parliament.

(4) If, within the 40-day period, either House of Parliament resolves not to approve the draft, the Secretary of State may not take any further steps in relation to the proposed modifications.

(5) If no such resolution is made within that period, the Secretary of State may make the modifications in the form of the draft.

(6) Subsection (4) does not prevent a new draft of proposed modifications being laid before Parliament.

(7) The Secretary of State must publish details of any modifications as soon as reasonably practicable after they are made.

(8) In this section "40-day period", in relation to a draft of proposed modifications, means the period of 40 days beginning with the day on which the draft is laid before Parliament (or, if it is not laid before each House of Parliament on the same day, the later of the two days on which it is laid).

(9) For the purposes of calculating the 40-day period, no account is to be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than 4 days.

(10) In this section "modification" means a modification under section [*Power to amend licence conditions: smart meters*].'.—*[Malcolm Wicks.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 10

SMART METERS: SUPPLEMENTAL

'(1) A modification under section [Power to amend licence conditions: smart meters] of part of a standard condition of a licence does not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of Part 1 of the Gas Act 1986 (c. 44) or Part 1 of the Electricity Act 1989 (c. 29).

(2) Where the Secretary of State makes modifications under section [Power to amend licence conditions: smart meters](1)(b) or (d) of the standard conditions of a licence of any type, the Gas and Electricity Markets Authority must—

(a) make the same modification of those standard conditions for the purposes of their incorporation in licences of that type granted after that time, and

(b) publish the modification.

(3) The Secretary of State may by order make such modifications of provision made by or under an Act or an Act of the Scottish Parliament (whenever passed or made) as the Secretary of State considers appropriate in consequence of provision made under section [Power to amend licence conditions: smart meters].'.—*[Malcolm Wicks.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 4

TARIFFS FOR RENEWABLE ENERGY

'(1) The Secretary of State shall make regulations within one year of the passing of this Act with the purpose of requiring designated energy suppliers to introduce a renewable energy tariff for specified producers of renewable energy.

(2) In this section—

"renewable energy tariff" means the reward level for each kilowatt hour of energy produced by the renewable source;

"renewable source" has the same meaning as in the Utilities Act 2000 (c.27);

"renewable energy" means energy from renewable sources;

"renewables obligation" means the obligation specified in section 32 of the Electricity Act 1989 (c.29);

"specified" means specified in the regulations.

(3) The renewable energy tariff shall set the reward level for each kilowatt hour of energy produced by the renewable source and may—

(a) be set at different levels for different levels for different types of renewable source;

(b) apply to metered energy produced or to metered energy exported onto public gas or electricity networks;

(c) apply to sizes of renewable sources specified in the regulations;

(d) be varied at different times as prescribed in the order or in successive orders;

(e) make provision for the payment and incidence of the costs of connection of small-scale generators to public networks.

(4) The descriptions of energy supplier upon which an order may impose the payment of a renewable energy tariff are those supplying electricity or gas—

(a) in Great Britain;

(b) in England and Wales;

(c) in Scotland; or

(d) in Northern Ireland

excluding such categories of supplier as are specified.

(5) The regulations shall specify—

(a) the renewable sources in respect of which renewable energy tariffs shall apply;

(b) the tariff applicable to each renewable source;

(c) the maximum level of electricity generation in respect of which the renewable energy tariff shall apply;

(d) which persons and installations generating from renewable sources shall be eligible for the renewable energy tariff, and any provisions to exclude installations accredited under the renewables obligation;

(e) the terms and duration of the renewable energy tariff arrangements;

(f) how the amount of energy produced and upon which the renewable energy tariff is payable shall be measured, determined or deemed;

(g) provisions for the regulation of renewable energy tariff arrangements by a designated body;

(h) provision for the Secretary of State to report periodically on the effectiveness of the regulations made hereunder;

(i) any necessary amendment to distribution licences or supply licences held by any person; and

(j) such other provisions as may be required for the efficient, cost-effective and transparent operation of the renewable energy tariff.

(6) Before making regulations under this section, the Secretary of State must consult—

(a) the Authority;

(b) the energy suppliers to whom the proposed order may apply;

(c) representatives of renewable energy producers to whom the proposed order would apply; and

(d) such other persons, if any, as he considers appropriate.

(7) Regulations under this section shall not be made unless a draft of the instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.'.—*[Alan Simpson.]*

Brought up, and read the First time.

3 pm

Alan Simpson (Nottingham, South) (Lab): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following:

New clause 11—*Electricity from hydro-microgeneration*

'(1) The Secretary of State shall, within one year of the passing of this Act, make regulations with the purpose of encouraging renewable energy generation by means of hydro-microgeneration.

(2) In this section—

"hydro-microgeneration" means the generation of electricity by means of a hydro-turbine of less than 100kW capacity;

"microgeneration plant" has the same meaning given in section 7(6) of the Climate Change and Sustainable Energy Act 2006 (c. 19).

(3) Regulations under this section may prescribe—

(a) the treatment of hydro-microgeneration under sections 32 to 32M of the Electricity Act 1989 (c. 29);

(b) licensing for the use of water in a water-course for the purpose of hydro-microgeneration;

(c) that any requirement for abstraction, transfer or impoundment licences under the

(i) Water Resources Act 1991 (c. 57),

(ii) Environment Act 1995 (c. 25), or

(iii) Water Act 2003 (c. 37)

is repealed in respect of a hydro-microgeneration plant, provided that no water is removed from the watercourse in the process of generation;

(d) that any requirement to ensure the safety and welfare of fish in a watercourse on which a hydro-microgeneration plant is situated is proportional to the risk of detriment to the safety and welfare of fish.

(4) Any reference to the generation of electricity under this or any other act which applies to hydro-microgeneration shall apply as though the reference was to the generation of electricity by means of any hydro-turbine of less than 100kW capacity.

(5) Regulations under this section shall not be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, each House of Parliament.'.

New clause 17—*Promotion of renewable energy*

'In section 7(2) of the Sustainable Energy Act 2003 (c. 30), for "60,000,000" substitute "250,000,000".'.

New clause 20—*Access for renewable energy to the electricity and gas grids*

'(1) After section 3A of the 1989 Electricity Act (c.29) there is inserted—

"3B Access for renewable energy to the electricity networks

(1) In carrying out their respective functions, the Secretary of State and the Authority shall ensure that—

(a) transmission system operators and distribution system operators guarantee the transmission and distribution of electricity produced from renewable energy sources, without prejudice to the maintenance of the reliability and safety of the grid;

(b) transmission system operators and distribution system operators provide for priority access to the grid system for electricity produced from renewable energy sources;

(c) when dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources insofar as the security of the national electricity system permits;

(d) transmission system operators and distribution system operators are required to set up and publish their standard rules relating to the bearing and sharing of costs of technical adaptations, including grid connections and grid reinforcements, which are necessary in order to integrate new producers feeding electricity produced from renewable energy sources into the interconnected grid, and that such rules—

(i) shall be based on objective, transparent and non-discriminatory criteria taking particular account of all the costs and benefits associated with the connection of these producers to the grid and of the particular circumstances of producers located in peripheral regions and in regions of low population density,

(ii) may provide for different types of connection, and

(iii) shall provide for the sharing of costs to be enforced by a mechanism based on objective, transparent and non-discriminatory criteria taking into account the benefits which initially and subsequently connected producers as well as transmission system operators and distribution system operators derive from connections;

(e) transmission system operators and distribution system operators are required to provide any new producer wishing to be connected to the system with a comprehensive and detailed estimate of the costs associated with the connection;

(f) the charging of transmission and distribution fees does not discriminate against electricity from renewable energy sources, including in particular electricity from renewable energy sources produced in peripheral regions, such as island regions, and in regions of low population density;

(g) fees charged by transmission system operators and distribution system operators for the transmission and distribution of electricity from plants using renewable energy sources reflect realisable cost benefits resulting from the plant's connection to the network.

(2) The Secretary of State shall review and take the necessary measures to improve the frameworks and rules for bearing and sharing of costs referred to in paragraph (d) by 30th June 2011 at the latest, and every two years thereafter, in order to ensure the integration of new producers.

(2) After section 4AA of the Gas Act 1986 (c.44) there is inserted—

"4AB Access for renewable gas to the gas networks

(1) In carrying out their respective functions, the Secretary of State and the Authority shall ensure that—

(a) gas network operators guarantee the transport of gas produced from renewable energy sources, without prejudice to the maintenance of the reliability and safety of the gas networks;

(b) gas network operators provide for priority access to the gas networks system for gas produced from renewable energy sources;

(c) when dispatching gas, network operators shall give priority to renewable energy sources insofar as the security of the national gas system permits;

(d) gas network operators are required to set up and publish their standard rules relating to the bearing and sharing of costs of technical adaptations, such as gas network connections and gas network upgrades, which are necessary in order to integrate new producers feeding gas produced from renewable energy sources in to the interconnected gas networks, and that such rules—

(i) shall be based on objective, transparent and non-discriminatory criteria taking particular account of all the costs and benefits associated with the connection of these producers to the gas networks and of the particular circumstances of

producers located in peripheral regions and in regions of low population density,

(ii) may provide for different types of connection, and

(iii) shall provide for the sharing of costs to be enforced by a mechanism based on objective, transparent and non-discriminatory criteria taking into account the benefits which initially and subsequently connected producers as well as gas network operators derive from the connections;

(e) gas network operators are required to provide any new producer wishing to be connected to the system with a comprehensive and detailed estimate of the costs associated with the connection;

(f) the charging of transport fees does not discriminate against gas from renewable energy sources, including in particular gas from renewable energy sources produced in peripheral regions, such as island regions, and in regions of low population density; and

(g) fees charged by gas network operators for the transport of gas from plants using renewable energy sources reflect realisable cost benefits resulting from the plant's connection to the network.

(2) The Secretary of State shall review and take the necessary measures to improve the frameworks and rules for bearing and sharing of costs referred to in paragraph (d) by 30th June 2011 at the latest, and every two years thereafter, in order to ensure the integration of new producers.'".

New clause 21—*Adjustment of transmission charges*

'(1) Section 185 of the Energy Act 2004 (c. 20) (Adjustment of transmission charges) is amended as follows.

(2) In subsection (1)(a) for first 'a' substitute 'any'.

(3) Omit subsections (10), (11) and (12).'.

Amendment No. 1, in clause 36, page 24, line 44, leave out subsections (4) and (5).

Amendment No. 65, page 69, line 16, leave out clause 78.

Alan Simpson: The Minister for Energy just made the point that we want to empower citizens to take a more active lead in addressing the challenge of climate change and the shift to renewable energy systems. In many ways, new clause 4 specifically addresses that challenge. Internationally, it is arguable that the mechanism it deals with is by far the most effective one for engaging citizens and delivering a dynamic sense of change.

In presenting this new clause, I begin by giving credit to those who have given enormous support, in the House and outside, to the principle behind it and the commitments we are asking the House to enter into today. There is an astonishing array of supporters of the new clause, including the House Builders Federation, the Institution of Civil Engineers, the Institution of Mechanical Engineers, the Federation of Master Builders, the National Farmers Union, the WWF, the Royal Society for the Protection of Birds, the Trades Union Congress, Greenpeace, the Country Land and Business Association, the UK Green Building Council, Energywatch, the Energy Saving Trust, the Co-op Group—which has clad its own headquarters in solar panels—Sharp UK, Solarcentury, National Energy Action, the Solar Trade Association, the Ground Source Heat Pumps Association, and interestingly enough, Lily Allen and The Premises studios.

In these days of celebrity, it almost becomes obligatory to have a celebrity on board when arguing a worthy cause, but Lily Allen has a fair claim to be recognised as part of that list. She and the company that she is part of in The Premises studios in Hackney, London, have installed an array of about 18 solar panels on the roof—similar to the array on my home—which generate the electricity that powers the studios. I know that she has written to all of my parliamentary colleagues to say that such action should not just be the prerogative of those in a position to do it as a matter of principle. The Government should reach out actively to promote it in order to make citizens the drivers of dynamic change.

In this House, we have to ask how we begin to bridge the gap between UK undertakings and where we need to be by 2020, and how we bridge the gap between where the UK is now and the position of many of our international comparator countries. The international picture is this: almost 50 countries have introduced some sort of feed-in tariff legislation. As a result, most of those countries are well ahead of the UK in delivering a proportion of energy from renewable sources. The UK currently delivers about 2 per cent. of its energy from renewable sources. According to the aspirations that have been teased out from the Bill, it is clear that, at best, the UK will reach a position where it might be delivering 5 per cent. of our energy from renewable sources by 2020. We have entered into an EU commitment to deliver 15 per cent. of our energy from renewable sources by that time. It is quite clear, therefore, that we will need a quantum shift in the policy framework to allow the UK to deliver 15 per cent. of our energy from renewable sources by 2020.

Steve Webb: The hon. Gentleman makes a powerful case, but is it not a source of national embarrassment that in order to get an EU average of 20 per cent., the UK has been set a target of only 15 per cent., because we are starting so late and from so far behind? Does that not reinforce his point?

Alan Simpson: It is an embarrassment, and those who have read the Lily Allen letter will recall that it is described as a "national disgrace". However, we need to remember that 10 years ago Germany started from a similar position and already, this year, it has exceeded its 2010 targets. It now delivers more than 14 per cent. of its energy from renewable sources, and it has made a step-change transition within the same sort of period that we will have to make one. None of those achievements is outside our reach; the question is whether the achievements are outside our vision. Do we have the political will to make the shift?

Colin Challen (Morley and Rothwell) (Lab): I fully support new clause 4. I wonder whether my hon. Friend agrees that Germany has gone down that road not just because of climate change or for environmental reasons, but because it wanted a new industrial strategy for creating jobs, wealth and exports without breaching EU state aid rules. Has it not squared the circle?

Alan Simpson: It has squared the circle. When we address costs, it is important that we recognise the phenomenal savings associated with a shift to a feed-in tariff system, and the economic gains that come with it. Germany is an astonishing exemplar of that.

[Alan Simpson]

I paid tribute to organisations outside this House for their support for the new clause. I also want to pay tribute to support that I have had from within the House. More than 100 of my Labour colleagues have added their names to early-day motion 890, which stands in my name. The collaboration on this matter involves all the Opposition parties, including the minority parties. Every single party has come together behind this new clause—it has the blessing of an almost unanimous House.

I say "almost" because we come to the stumbling block: the Department for Business, Enterprise and Regulatory Reform. So far, we have been unable to persuade the Minister or the civil servants to take the revolutionary step of returning to the House within one year of the passage of this Bill with proposals for feed-in tariff regulations that relate to renewable electricity, heat and gas. I find that sad, because the Government will have it do it anyway. There is a commitment to conduct a review of the microgeneration strategy, and that must report back in six months. During the French presidency, the UK's 15 per cent. target will be defined. Britain will not be allowed to pay someone else to do the job for us—we must do it ourselves. The matter will be forced back on our agenda, and we must determine the policy mechanisms that will allow us to deliver.

The principal objections that I have heard so far to the new clause are fairly spurious. It is claimed that feed-in tariffs are expensive and that their adoption would somehow mess up the success of the renewables obligation, which Britain introduced six years ago. I shall try to deal with those objections.

First, those who have been involved in discussions with the German Government do not understand the claims that the feed-in tariff system is expensive. It is less expensive than the intervention measures that the UK Government introduced and are currently in place but which have delivered little. The figures from the German Government for feed-in tariff costs last year show that they contribute approximately €35—about £25—to the average German household energy bill. If we total the current UK intervention measures—the climate change levy, climate change agreements, the renewables obligation, the carbon emissions reduction target, contributions from the energy industry and the emissions trading scheme—they add more than £150 to the average UK household energy bill and deliver next to nothing.

The claims that the new clause will mess up the renewables obligation do not stand up either. We could continue with it and the Minister would be free to return in a year with a scheme that did not intrude on support for developing offshore wind, but allowed for a much more imaginative feed-in tariff system relating to a series of initiatives for decentralised energy provision, without which we almost certainly cannot deliver our eco town or eco city aspirations. None is deliverable without a more serious engagement with decentralised energy and a feed-in tariff system.

The renewables obligation needs to be judged on its record. The Minister sent a letter to parliamentary colleagues spelling out how, within six years of its introduction, the renewables obligation has been responsible for generating capacity of 2 GWe. That is the same amount as Germany delivers every year from its onshore wind installations alone. Our record is not one of dynamic achievement and growth. Indeed, the international assessment and that of the Audit Commission suggests that the renewables obligation has historically been an expensive mechanism for delivering little apart from big subsidies to existing energy companies. To break out of that trap, we need to engage with mechanisms that have a track record of working.

My hon. Friend and colleague the Member for Morley and Rothwell (Colin Challen) pointed out that the Germans have not taken action simply to be ecologically pure, but have also been driven by clear economic self-interest. One of the architects of the German scheme, a politician called Herman Scheer, has twice been to the House of Commons to try to discuss the precise economics with parliamentarians. One can summarise it simply: since the introduction of the feed-in tariff legislation nearly four years ago, Germany has created 250,000 new jobs in the renewable energy sector. That industry has a turnover of almost £25 billion. Germany is considering setting its own targets, which double the 2020 commitments of 20 per cent. of energy coming from renewable sources because it is already well ahead of the game.

Far from the feed-in tariff system costing the German Exchequer money, reports to the federal Government last December pointed out the huge gains through the sector's driving reductions of energy charges into the system.

3.15 pm

Moreover, talking to German citizens makes one realise that a momentum has been unleashed that we would do well to understand and encourage here. I have visited several German cities to examine the operation of feed-in tariff systems. When I asked the mayors what their biggest problem was, they replied, "Keeping up with citizens' demand." Such is the momentum that, in the previous German elections, not one political party would countenance revoking feed-in tariff legislation because that would have been an act of political suicide. The current joke is that Germans will put a solar panel on anything that does not move. If a dog is asleep in a garden for half an hour, it will wake up with a solar panel on its back.

In Munich alone, there are 1,200 citizens' solar clubs. The momentum gains pace, driving down the unit cost of solar installations and driving up the proportion of energy that renewable sources provide.

Jeremy Corbyn (Islington, North) (Lab): When the system was introduced in Germany, was there much opposition from the energy companies, which faced competition, and is the same happening in this country?

Alan Simpson: I discussed the matter in last year's Budget debate with my right hon. Friend the Member for East Ham (Mr. Timms) when he was a Treasury Minister, and it was suggested that the scheme was contentious and unpopular in Germany. I asked the German Government whether that was the case and they said that it was not unpopular with the public or

the political parties but that there had been some trouble with the energy companies. In the previous year, the federal Government or municipal government had to take energy companies to court on approximately 150 occasions for failure to comply with the law. On each occasion, the public won and the energy companies lost. Energy company interests were the most contentious part of the programme. That is a lesson for us in the UK. We have found ourselves too deeply enmeshed in the large-scale corporate interests of a feeding system for the big energy companies, which has not necessarily fed the momentum for change to renewable energy systems throughout the UK.

Fortunately, none of the challenges in Germany about state aid and market distortion was upheld by the courts. The European Court ruled that the feed-in tariff system constituted a perfectly legitimate way to create a dynamic market with a different competitor base. I believe that we must make that intellectual shift.

However, the debate goes beyond traditional terms. The focus has mainly been on electricity generation. Friends of the Earth, the Renewable Energy Association and other non-governmental organisations put a wonderful advert in the national newspapers last week. It tried to capture the contrasts between the UK and Germany through a different perception of our traditional Anglo-German rivalry. It depicted a mythical Euro solar league, with a shoot-out. There was a goal with lots of footballs in the back, an England goalkeeper in a state of despair and a scoreboard that read, "Germany 200, England 1". That is the ratio—200:1—of installed solar generating capacity between the two countries. *[Interruption.]* Yes, there was mention of 1966.

If we widen the focus, the comparisons are even starker. We do just as badly in other aspects of the renewable energy sectors. By the end of 2007, the UK had installed approximately 80,000 solar thermal energy units; in contrast, Germany had more than 1 million. By the end of 2007, the UK had installed approximately 1,000 heat pumps, while Germany installed 44,000 heat pumps in 2006 alone. The contrast in solar photovoltaic energy is between around 2,500 solar roofs in this country and 300,000 in Germany. The UK has 150 wood pellet boilers and Germany has 70,000, while the UK has 17 biogas plants and Germany has 3,800. All that has happened relatively recently, in the past three to four years.

I want to widen the focus of the debate from just electricity to what we do about renewable heat and renewable biogas. We had a public meeting on that last night. Some interest was generated when it was announced that BERR had a team on heat. *[Laughter.]* Eyes watered and people made discreet inquiries about what exactly that meant. That team is looking into the issue.

Let me address the practicalities of what is already done through feed-in tariff regulations in Germany in those 3,800 biogas plants. Essentially, in our system in the UK, the only way someone trying to reclaim methane from waste—whether it be food, farm or animal waste, or sewage—can receive any assistance or recognition is if the waste is converted into energy at the plant. That means that the producers of the energy are left with heat at a remote location and huge infrastructure costs in transmitting heat back into the towns or cities where the waste came from.

The Germans said, "Why waste all that effort in creating the ducting for heat? Why don't we just put it back into the system as gas and allow people to take the credit at the point at which they convert the gas back into energy?" The Germans allow that process to take place at combined heat and power plants that are located in the communities that provide the waste in the first place.

The scope for that process is vast. To put it in context, half the food currently produced in the UK ends up as food waste. A study conducted in Germany at the end of last year calculated that if, at the European level, we used food, farm and animal waste, and perhaps even sewage, for the production of biomethane that we then fed back into our gas systems, by 2020 the entire EU could be economically non-dependent on Russian gas. That is the scale of what is possible. However, we have to make the shift, by changing the rules in order to provide the incentives that will at least allow that to happen.

At a time when Centrica is already telling us that it will not be able to control future gas prices, because we now have to buy gas on an international market, which drives prices up, German companies can offer their customers gas prices that will not rise other than by the retail prices index, because that gas is being generated from their waste.

It has also been pointed out that two forms of waste come out of the biogas production process. One is a solid fuel waste, which is a farm-grade fertiliser, which the companies are supplying back to the farms. Again, we should bear in mind that fertiliser prices doubled for UK farmers last year alone. The ability to supply fertiliser back to our farmers has an economic virtue in itself. The second form of waste is a liquid waste, which turns out to be a biofuel. The Germans are using that biofuel to drive the vehicles to collect the waste from people's houses in the first place.

That is the sort of virtuous circle that is unleashed as a result of making that shift. The sense of empowerment in the process is driven by that community involvement. Hermann Scheer made an additional point, to which the Minister and the Treasury ought to show some sensitivity. More than 90 per cent. of investment in the renewables process in Germany comes from individuals, communities, public authorities and the business sector. Why? Because they can all be stakeholders in the process and because they receive payments from it.

We have locked ourselves into a system in which those who are willing to go down that path refuse to do so without Government subsidy. However, the Germans and almost 50 other countries are showing that it is possible to make the change in a completely different way—one that makes little or no impact on the Exchequer and delivers huge savings and growth in the economy as a whole.

Dr. Brian Iddon (Bolton, South-East) (Lab): As my hon. Friend knows, I raised this issue in Committee. The Government's response was twofold: first, that there is a pressure problem in feeding biogas into the British mains system; secondly, that biogas has impurities that have to be removed. Has he studied those two issues in the German context, and what can he tell our hon. Friend the Minister about them?

Alan Simpson: I have indeed looked into the problem. The German biogas plants have said that they need over 91 per cent. purity to meet the purity standards for biomethane. However, they are delivering methane into the system at 95 per cent. purity, so purity is just not an issue. Accessing the system is a relatively minor technical problem. The greater problem is a political problem and concerns whether we should require the system to be open to inputs in the way that the German system is. The key is an acceptance of the need for a progressive shift to decentralised energy systems.

3.30 pm

The economic arguments against feed-in tariffs do not stack up. I have repeatedly asked the Minister and the Departments to come up with the figures to justify that. I am happy to have them tested against other, international experience of doing what we are told is not possible in Britain. So far I have not had that evidence, but if we are making a claim, we ought to stand it up to be tested.

Mr. Charles Clarke (Norwich, South) (Lab): Is my hon. Friend aware that utility companies such as Anglian Water in my constituency, which has a sewerage plant outside the constituency, are taking steps of the kind that he describes, which are making a difference? However, Anglian Water feels that the renewables obligation certificates system, current arrangements and incentives work against its developing in that way, and that it would need some kind of incentive, of the type described in the new clause, to take that work forward. Such companies, which operate at a bigger level than microgeneration, need some form of incentive to encourage that kind of work, which they want to do.

Alan Simpson: I understand that. The problem is that such companies would lose their entitlements to ROCs if they were to put the gas back into the system and take it out where it is needed, yet that is the most coherent way of doing this. There has to be a change of rules.

It is important that the House understands that the potential gains apply far more widely than just to the big energy generators. We brought some of the German companies across to talk to communities in the UK. Some of them are able to say, in relation to some areas, "Not only will we build the biodigester plant for free, in exchange for a 10 or 15-year contract to reprocess the waste, but we will enter into partnership agreements with the citizens who are our customers. If they supply the waste, we will pay them for it and convert it back into energy." That is what the feed-in tariff allows them to do. It allows citizens to become the drivers of the agenda for change. What is more, it delivers change on a scale to which the UK does not even aspire. In Germany, last year, that measure alone delivered 97 million tonnes of carbon savings. That is 10 times the UK's aspirational target, which we are nowhere near delivering. Perhaps we do not have big enough dreams.

Dr. Whitehead: Does my hon. Friend accept that different forms of incentive are needed to ensure that renewable gas is either put into the system—which I think is the right way forward—or used in a way other than indirectly to get ROCs by generating electricity? Such incentives either already exist under the current RO system or could easily be organised using a feed-in tariff that would apply primarily to microgeneration. Does he think that either a renewable gas obligation or some form of obligation concerning the efficient use of heat would be appropriate?

Alan Simpson: That is a legitimate point to address. One of the great virtues of the new clause is that it gives the Minister and the Government a year in which to address the specifics. There is nothing to bind the Minister to a particular scheme or set of thresholds. Indeed, it invites him to explore as widely as possible what are the most appropriate ways of dealing with renewable electricity, heat and gas. It is an invitation to come up with the most appropriate schemes. I cannot see why there is a reluctance to engage with that, given that the only commitment that is required is to say that we will come back within a year with something that will deliver change, rather than continually consult on the process.

Jeremy Corbyn: In his suggestion, will my hon. Friend make it clear that his definition of biofuels involves the use of food waste, farm waste and other forms of waste to generate gas with which to generate energy, rather than crop-related biofuels, which are very damaging to food supplies in general?

Alan Simpson: Absolutely. It is important to recognise that we should not go down such a damaging path. The displacement of food production from agricultural land for fuel-based production would be disastrous. We can address the issue by managing our waste. For those who have missed that dimension of the issue, it is worth pointing out that when the 2010 EU directive on landfill comes into effect, the UK could end up with a daily bill of £300,000 under our current waste framework, because we have not come up with solutions to deal with our present waste levels. The proposal offers all sorts of ways out of the problem.

Mr. Hugo Swire (East Devon) (Con): On that very point, does the hon. Gentleman agree that there is some confusion among the agricultural community? At one point they were encouraged to grow alternative crops in order to feed the fuel need, but they are now being told that that is the wrong thing to do. I appreciate that the hon. Gentleman is talking about something marginally different, but this is a very significant point, because the agricultural community is now in limbo, not knowing whether to grow those crops or not.

Alan Simpson: That is a perfectly valid point, but again I would draw colleagues' attention back to the comparison with Germany, where the farmers are part of this process. Some farmers grow crops and have solar panels; some farmers rear livestock and have solar panels; some have set-aside and solar panels. Huge amounts of renewable energy from the sun are thus coming from the farms and farmers of Germany. If we are examining the dynamics of a rural agenda to address both food and energy security, all the lessons in how to do so are there within the feed-in tariff structure that is already in place in Germany.

Let me finish with this point. The great message that I want the Minister to hear is that all parties throughout the House have stood solidly alongside each other on this issue, inviting the Government and the Minister to take hold of the reins and give a lead in the knowledge that there will be no political division. There should be no political division, particularly around an issue that the Government will in any case be forced to accept within a year. My concern is that I want to be part of a Labour Government who do not have to be dragged kicking and screaming into the present, let alone the future. That is why I ask the Minister yet again to take over the ownership of the new clause and incorporate it into the Bill, to continue the process of taking forward an issue that unites the whole House, and probably the whole country, in a real dynamic that will give us a sustainable energy future.

Charles Hendry: I begin by paying tribute to the hon. Member for Nottingham, South (Alan Simpson) both for tabling the new clause and for the immensely authoritative way in which he introduced it. He spoke about the importance of having Lily Allen and other celebrity endorsement. For many people, however, he is the star of this debate—[HON. MEMBERS: "Hear, hear."] He has been the driving force, putting the issue on the agenda so that it is no longer peripheral but absolutely mainstream to the whole energy debate.

As the hon. Gentleman said, we need to see the issue against the background of the immense challenge we face. If we are to come close to the European target of getting 20 per cent. of our energy from renewables by 2020, it translates into securing about 40 per cent. of our electricity generation from renewables. That is an immense challenge, but given our overall needs for renewable energy, not just electricity, it is a huge mountain that we have to climb. If we are to succeed, we need every bit of help we can get. It means having onshore and offshore wind; it means exploring the potential of the Severn barrage.

On Monday, I was looking at the barrage in La Rance in France to see what lessons we can learn from it. We need to look into biomass, solar, thermal and ground sources, air source and heat pumps, and we need to look fundamentally at microgeneration. Our vision should be to make as many households as possible not consumers but generators of electricity. That is the nub of the whole debate.

Ten years ago, the UK and Germany started from the same low base in respect of generating electricity from renewables. Today, whereas we get 2 per cent. of our energy from renewables, Germany gets 8.5 per cent. That was a 1 per cent. increase in just one year in the amount of energy Germany gets from renewables—the same amount that we got over a 10-year period. The key to Germany's success was the adoption of feed-in tariffs, which helped to drive the programme forward. There should be no doubt that the issue is of interest to more people than just politicians. There is widespread political interest in it, but all the experts in the sector looking at the issue from outside are also pushing in this direction. Today, Terry Barker, director of the Cambridge centre for climate change, which is engaged in mitigation research, and other experts published a letter in the *Financial Times*. It says:

"The policies of the UK government to support the development of renewable energy have seen it become one of the worst-performing countries in Europe and stand no chance of getting the UK to meeting its share of the EU target.

We urge the government to adopt a feed-in tariff policy, which has proved so successful in other countries."

The Energy Saving Trust, set up by the Government, has said:

"We would welcome enabling measures in the Bill to introduce a feed in tariff and signal the Government's positive approach to encouraging domestic microgeneration."

Solarcentury, which has campaigned effectively on the issue, has said:

"Throughout Europe, renewable energy feed-in tariffs are a proven and cost effective measure for promoting the rapid uptake of wind, solar, biomass and other technologies. Feed-in tariffs are the principal support mechanism for renewable energy in 22 European countries."

The National Farmers Union has also given us advice and support.

The key point is that the new clause does not adopt a prescriptive approach. It is an enabling measure which allows the fundamental decisions to be made elsewhere, and by the Minister in due course. A submission that we received from the Renewable Energy Association states:

"At this stage Clause 4 only commits the Secretary of State to the establishment of a reward scheme for metered renewable energy and to do so within one year. The Clause leaves open until after consultation the detail of how a metered UK tariff would work, which scale and types of renewable technology would qualify and the level of any Tariff.

It is intended that the Tariff works alongside the Renewable Obligation".

so we need not be specific at this stage.

Mr. John Redwood (Wokingham) (Con): Will my hon. Friend confirm that given that flexibility, it would be possible to devise incentives for both microgeneration and bigger renewable schemes? I think we wish to encourage both, but they may require slightly different balances or packages.

Charles Hendry: My right hon. Friend is absolutely right. There is no specific provision in the new clause requiring that distinction to be made. Some would argue that a feed-in tariff would be appropriate for larger-scale generation. I think that the renewables obligation works well to encourage both kinds of generation and that we could run the two systems side by side, but nothing in the new clause requires such a decision to be made. The aim must be to achieve the optimal combination from different sources of power. In Germany, private individuals and investors are responsible for 90 per cent. of the investment in renewables, and just 10 per cent. of the investment comes from the major energy companies. In this country, the situation is not reversed; it is even worse than that.

Mr. Swire: Someone who erected four 10 m high wind turbines at a capital cost of £35,000 could put 16,000 kW back into the grid and receive an annual payback of £500 a year. There is no incentive inherent in that. Does my hon. Friend agree that if we genuinely want everyone to attempt to produce energy from renewable sources, we must move towards the German, or continental, model and provide incentives? Otherwise people will simply give up.

Charles Hendry: The current system provides no incentive, although there is tremendous enthusiasm. At a meeting that I attended in my constituency recently, about 50 people were asked how many of them generated their own heat and electricity. About three hands went up. When they were asked how many would be interested in doing so, every hand went up. There is an enormous appetite for renewable generation. What is holding people back is the lack of the predictable income stream that could be achieved through feed-in tariffs.

I am conscious of the time and I know that others wish to speak, so I shall not prolong the debate. However, I want the hon. Member for Nottingham, South to know that we strongly support his new clause and will vote for it if he pushes it to a Division, because we consider it a crucial part of our attempt to enable this aspect of the energy debate to take off.

I have tabled a new clause and an amendment. New clause 17 concerns the way in which moneys are looked after. Before the renewables obligation, renewable developments were funded under contract to the Non-Fossil Purchasing Agency. The NFPA continues to operate contracts for existing developments. It auctions the renewables obligation certificates and renewables levy exemption certificates that arise from them, and uses the proceeds to service the contracts.

Over time a surplus has built up, as the value of the ROCs and LECs has exceeded the cost of managing the contracts. Clearly that surplus has been contributed by customers for the purpose of renewables development. At present, however, that money simply sits on the Chancellor's balance sheet as yet another stealth tax. That was recognised in the Sustainable Energy Act 2003, which provided for £60 million of the surplus to be spent on renewable energy. That funded the grants for round 1 of offshore wind and it has been fully spent. However, some £180 million is currently sitting unused in the surplus account. It could be used to help to develop renewables, especially from market technologies that are further away from development at present, such as marine. The measure I propose would remove the statutory bar that prevents that money from being spent for the purposes for which consumers paid it. It gives the Government an option, but not a duty, to direct that that money is spent rather than treated as a hidden reserve. I hope the Minister will accept it as a step in the right direction.

3.45 pm

Amendment No. 65—which we will return to, particularly in another place—addresses the Government's responsibilities to report. The Bill as it stands proposes a reduction in such Government responsibilities in these areas. If it is enacted, the Government will no longer need to report on the following: what is being done on a range of specified energy sources, particularly renewables and microgeneration; measures being taken to ensure that the necessary expertise is available; and what is being done to achieve their energy efficiency aims, as required under the 2003 Act.

The Bill also gives scope for changing the reporting periods. In future, reports might cover not a whole year but more than or less than a year. At a time when we are trying to get people more involved in these issues, reducing the reporting requirement on the Government is a step in the wrong direction. We want people to have more information and a better understanding of the issues.

The Government are currently trying to take matters in the wrong direction. They have resisted our attempts to get more information on gas storage availability, which is a crucial part of our energy security. They have resisted our attempts to make sure we have a better understanding of the skills base, which is particularly needed in order to build new-build nuclear power stations. They have resisted our attempts to make sure that there is a better understanding of what is being done to tackle fuel poverty. They have resisted measures for consumers to be told how much of their money is going on environmental taxes. We will pursue this matter further.

The key issue in this entire Report stage is feed-in tariffs. The hon. Member for Nottingham, South set that out extremely eloquently in introducing his new clause. We will support him today. It is crucial that we push this forward as a way of making microgeneration not just an aspiration in this country but a reality—and one that we can deliver now, so that we do not end up asking in 10 years' time, "Why didn't we start that earlier?"

Dr. Whitehead: I support the idea of having a feed-in tariff, particularly for microgeneration, because it is important to distinguish between different forms of incentive for various kinds of generation—large and small generation and microgeneration. As this debate progresses—with increasing urgency, I hope—questions must also be asked about incentives to make sure that heat is used efficiently and that biogas comes on stream as a substantial element of our power mix.

In Committee, I moved a new clause on feed-in tariffs, which I particularly wanted to be considered in the context of microgeneration. I did not press it to a Division, in part because of the response that was received in Committee.

On feed-in tariffs, it is important to be clear about what we want to do in future concerning incentives for microgeneration—which, as my hon. Friend the Member for Nottingham, South (Alan Simpson) mentioned, will inevitably be an increasingly important part of our energy mix. Indeed, the Energy Saving Trust suggested that by 2050 some 30 per cent. of our total electricity supply could be provided, in one way or another, by smaller-scale generation or microgeneration: by individuals or communities placing the surplus that they have gained from generation in their homes or communities in the grid, thereby adding to the total amount of power available to the general population. We must consider what kind of incentive is the most useful and important in securing that move forward. What will ensure that large amount of renewable generation at all levels, which will ensure that input across a more distributed electricity grid?

I have some experience in this area because I am in the process of installing a solar photovoltaic roof on my house. I hope that it will generate 3 kW of electricity. I mentioned in Committee that I had not gone down the grant route, but I am delighted to tell the House that I subsequently applied for a grant and it was instantly accepted, in what was one of the most speedy turnarounds of any piece of Government bureaucracy that I have

ever encountered: within a day of my applying for the grant, I received a message on my computer telling me that my application had been accepted. Even so, the grant will subsidise only a small proportion of the total cost of my solar photovoltaic installation.

I may receive a renewables obligation certificate for my generation, but I want to know what I will get for the surplus that I export from my house now. That is a different form of motivation from the one that large energy generators thinking of investing in renewables will have at the front of their minds. They will want to know what the market will be like by the time they have considered and completed their investment and taken part in the build, and their investment, whatever it might be, is ready to produce for the market. They will also want to know what the market will be like during the life of that particular investment. Thus, they will want to know, among other things, that the market will be stable over a considerable period of time.

That is one of the key considerations in ensuring that renewables obligations have the right banding in terms of generation. We have discussed that issue during the passage of the Bill and there was no disagreement about it in Committee from any side. We must also consider over what period that obligation exists and, indeed, what headroom will exist in respect of the obligation to ensure that the pull through continues. That matter was also discussed in Committee.

Large generators will take considerable cognisance of all those issues. There is considerable evidence to suggest that although the emplacement of large-scale renewables facilities has lagged in this country for particular historical reasons, the installation of large-scale offshore wind facilities is proceeding rapidly. That is due, at least in part, to the security that the renewables obligation gives those installations and to the idea that they will therefore be able to export their product over a considerable period of time with the support of the renewables obligation behind them. As far as large-scale generation is concerned, it appears to me that the renewables obligation has begun to have a considerable effect.

Gregory Barker (Bexhill and Battle) (Con): Why during its first six years did the renewables obligation not encourage large-scale offshore wind power? Nothing has changed in the North sea and nothing has changed in the renewables obligation, so what has happened suddenly, after six years? Why is it such an ineffective mechanism that it took six years to have an impact? That has to be compared with the rapid progress that has been made in Germany.

Dr. Whitehead: The hon. Gentleman makes a valid point about the progress of the installation of larger-scale renewable generation, but the picture in the UK is complex. It relates partly to incentives and partly to planning permission. The record of several authorities—I shall not mention which party is in control in those areas because that would be otiose as far as this debate is concerned—for uncertainty when it comes to planning applications has been a factor in the rate of progress of installations.

Another substantial factor, which I attempted to address in Committee, is the issue of connections to the grid. At the moment, there is a substantial delay to projects that already have investment agreement and, in some cases, planning agreement because they do not have a reliable time for connection to the grid and, therefore, they do not have the ability to make money from the electricity they are exporting.

Mr. Swire: The Government have now been in power for 10 years. Does the hon. Gentleman agree that if they had wanted to be at the forefront of this change they would have overcome all these hurdles of connectivity to the grid, planning permission and other issues, as have other European countries such as Germany? We have had a complete absence of leadership on this and we are now beginning to pay the price.

Dr. Whitehead: Moving as rapidly as we would want from the position that the UK was in, for particular reasons relating to the source of its energy supplies and the choices that it made historically about those sources—and therefore the mechanism by which those supplies would be delivered—to where we know we have to get to in the near future with regard to the proportion of energy supply that comes from renewables sources, has been a considerable challenge, and will remain so. It is true that the planning environment has not helped in that process. The Planning Bill will address some of the issues of larger-scale renewable power stations and the Marine Bill, which will be introduced later this year, will provide a single permission regime for offshore generation. So things are changing, and so will the circumstances in which large-scale renewable sources operate.

It is true that if we take all the investment proposals for both onshore and offshore installations that are in the pipeline, that are consented but awaiting build, or that have everything in place but no date yet for connection, the total amount of electricity generation represented is getting on towards filling the gap in power supply that we need to fill over the next few years. That represents a substantial change in large-scale electricity supply.

There are therefore several different factors affecting the development of large-scale renewable installations, one of which is the nature of the incentive for investment in the first place. The renewables obligation has generally worked relatively well to bring those investment decisions forward. However, the renewables obligation has barely touched microgeneration. As I have demonstrated, it is not a particular incentive for those who are developing microgeneration. A feed-in tariff would be a much better incentive in that area. The issue that we would then have to address, which is central to my concerns, is that we are not in a position to build incentives on a tabula rasa. We have a series of existing arrangements for developing power and the importation of renewable electricity that are based on the renewables obligation. If we chucked all those arrangements out of the window and went for a universal feed-in tariff tomorrow, that would fundamentally disrupt a number of the investment decisions on larger-scale electricity generation. In fact, large-scale electricity generation would be put in reverse.

4 pm

It is important not only to get the feed-in tariff right, but to get the tariff's application right. If we are thinking along the lines of introducing such a tariff, it is important to get its nature right, particularly as regards microgeneration. Should a feed-in tariff be

based on the total production undertaken by a microgenerator? Should it be a net tariff based on what the microgenerator exports? Should it be an estimated tariff as a proportion of the total invested? A number of different instruments could be used depending on what is decided.

The way in which the feed-in tariff works in Germany has led to a few perverse consequences, although I agree with my hon. Friend the Member for Nottingham, South that it has been immensely positive in terms of drawing through microgeneration. However, those who install solar photovoltaic panels export all the electricity generated from those panels into the grid, take a feed-in tariff for that and then buy all their domestic electricity from the grid. The perverse consequence of that is the lack of interchange between what those people produce from the panels on their roof and what they consume in their houses.

It seems to me that one of the purposes of engaging in the development of microgeneration, particularly microgeneration that is locally sourced and distributed, is that there should be a relationship between the electricity consumed in the house and that produced by the roof panels. If the system does not connect the two, part of the purpose of such microgeneration is missed. That might be an accidental consequence, but it results from the design and operation of the feed-in tariff.

It is important that we get any feed-in tariff right, because I agree with my hon. Friend the Member for Nottingham, South that such a tariff is almost inevitable. It seems that there is no better way to move microgeneration to the next phase of implementation than some form of feed-in tariff. However, we need to consider different incentives, for example on renewable heat and gas, and to be clear about how they apply.

After I moved my clause in Committee, I was encouraged to hear my hon. Friend the Minister suggest that the idea of a microgeneration feed-in tariff in particular would be one of the subjects of a review this summer. It is fair to say that he has developed that policy since the Committee sat. The question for the House, as it was in Committee, is whether the amendment or a similar one should be left on the table or whether we should go for a vote. In order to ensure that we get things right and undertake the consultation over this summer that was suggested by my hon. Friend, the amendment should remain on the table—it should not be withdrawn and never heard of again. There should be an understanding that we will have to go in this direction, so it is important that we get that direction right, that the review is completed quickly and that the mechanism for getting microgeneration right in the UK is implemented.

I hope that the review will be the subject of a further energy Bill next year, as has been widely suggested. That Bill should deal with questions such as how we obligate and implement action on renewable heat and make sure that the present escape into the air of heat that has no energy output is covered by an obligation system. Energy companies should be obliged to do something with that heat, or suffer a penalty for not doing so.

Martin Horwood: I should like to join in the congratulations to the hon. Member for Nottingham, South (Alan Simpson) on bringing forward new clause 4, and on the elegant and persuasive way in which he proposed it. I am happy and honoured to be one of the new clause's co-signatories.

The hon. Member for Nottingham, South has gathered an extraordinary coalition to support new clause 4. At the last count, 276 hon. Members had signed the early-day motion, and the hon. Gentleman has managed to unite the right hon. Member for Wokingham (Mr. Redwood) at one extreme with the hon. Member for Bethnal Green and Bow (Mr. Galloway) at the other—something that must be virtually unique. He has also brought the National Farmers Union together with Greenpeace, and the TUC with the Country Land and Business Association, and he has generated wide support in the renewable energy sector.

For me personally, though, the icing on the cake is that the hon. Member for Nottingham, South has got the support of Lily Allen. That is extremely welcome: I am sure that he will agree that "All Right Still" is a work of genius, and that "Lily and Friends" is a much underrated show. If the Minister were to accept new clause 4, I am sure that the hon. Gentleman would put in a good word, so it is possible that we will see the Minister on Lily's sofa before too long. That would be great.

More seriously, the Government's direction of travel on this matter has been positive, but once again it seems to be leading us towards more consultation, and possibly yet another energy Bill. The Government seem reluctant to accept even the modest and flexible powers set out in new clause 4. Oppositions are quick enough to criticise Ministers who want to take on too much power, but this Minister should seize this opportunity to be praised from all sides of the House for taking on at least some powers that we all want him to have.

More delay would be a serious concern, as it would mean that we would drift on with this matter into 2009 or 2010, with further primary or secondary legislation—perhaps both—needing to be discussed. The question is why would we need to delay further, when so much work has been done already?

The Government commissioned a world-leading piece of work to analyse policies for climate change mitigation in detail. It is called the Stern report, and it addresses the question of feed-in tariffs in some detail. Stern says:

"Comparisons between deployment support through tradable quotas—

in other words, the sort that we have already—

"and feed-in tariff price support suggest that feed-in mechanisms achieve larger deployment at lower costs. Central to this is the assurance of long-term price guarantees...the levels of deployment are much greater in the German scheme and the prices are lower than comparable tradable support mechanisms".

Stern goes on to say:

"Contrary to criticisms of the feed-in tariff, analysis suggests that competition is greater than in the UK Renewable Obligations Certificate scheme. These benefits are logical as...uncertainty...discourages investment and increases the cost of capital as the risks associated with the uncertain rewards require greater rewards."

In other words, the price guarantee delivered by feed-in tariffs offers a better environment for investment. The investment that has been delivered in Germany is striking, as it has engaged a far wider array of investors than the traditional energy companies. The

Renewable Energy Association has pointed out that just 10 per cent. of investment in the German feed-in tariff scheme has come from the major energy companies, while 90 per cent. has come from private individuals, private investors and municipal energy companies.

That is a remarkable opportunity and a key part of the success of the German scheme. That is why the German Federal Environment Ministry expects the scheme to save 52 millions tonnes of CO_2 in 2010 alone, and why Germany has 10 times more wind power than us, according to Greenpeace, and 300 times more solar power. That is why Germany benefits from 170,000 people working in the renewable energy sector, which is worth €8.7 billion to its economy.

If Stern is not enough, there is further Government-commissioned advice. Their specialist low-carbon technology agency, the Carbon Trust, has also addressed feed-in tariffs. Its July 2006 report said:

"The most efficient solution in terms of cost per unit of energy and achieving maximum offshore wind capacity by 2015 involves moving away from the current RO towards a fixed mechanism... Feed-in tariffs have been proven to be successful elsewhere (Spain and Germany) in generating significant deployment of low-cost renewable energy. The analysis suggests that a Renewable Development Premium"—

a feed-in tariff—

"in the UK will result in 8.8GW of additional wind capacity by 2015, when combined with additional funding... This is c.3.5GW more wind capacity than the base case representing the current RO policy".

If all the work, the views of the agencies and the consultations are not enough, will the Minister listen to the Secretary of State? On Second Reading, he said:

"Germany has benefited from a consistently supportive policy for renewables since the early 1990s, and it is paying dividends. That clarity and consistency of approach has been a big part of Germany's success, which we celebrate with our German colleagues...UK renewables investors have highlighted certainty and consistency as two of the factors that will be crucial to continued and rapid growth and development of renewables in the UK."—[*Official Report*, 22 January 2008; Vol. 470, c. 1368.]

Kelvin Hopkins (Luton, North) (Lab): On that basis, can the hon. Gentleman explain why the Government do not now simply imitate precisely what the Germans are doing?

Martin Horwood: There are differences between the German and British energy markets; for example, we have a more deregulated and liberalised market. However, if the hon. Gentleman is suggesting that we should move towards the German model much more quickly, I entirely agree.

I give due credit to the Minister because, in Committee, he seemed to be moving in the direction of feed-in tariffs. However, in the words of the hon. Member for Nottingham, South, we need quickly to unleash much greater momentum. I am afraid that the Minister must move considerably faster, and new clause 4 is the method by which he can do that.

Paddy Tipping: The hon. Gentleman is right that the Minister was encouraging in Committee about feed-in tariffs. However, does he agree that the renewable obligation and feed-in tariffs can work in tandem? Given that, surely careful thought is needed about how they can be introduced so that those things work together effectively.

Martin Horwood: I agree absolutely. During the Committee's evidence sessions, we specifically asked several expert witnesses whether the renewables obligation could continue alongside the introduction of feed-in tariffs, and the consistent view was that it could. Care must be taken with the introduction of such tariffs, but that is why the hon. Member for Nottingham, South has wisely included a provision in the new clause for a 12-month lead-in time. If that is not enough, we are doing something fundamentally wrong. If the Minister accepts new clause 4, he can really start to put his foot on the accelerator, if that is not an inappropriate phrase for a low-carbon debate.

Let me touch on several other measures in the group. New clause 11 was tabled by my hon. Friend the Member for Somerton and Frome (Mr. Heath) and my neighbour, the hon. Member for Stroud (Mr. Drew), who has been a controversial figure today, although he can make many welcome contributions to the green debate. New clause 11 highlights a problem with not only hydro-microgeneration, but the 50 kW definition for microgeneration, which is causing arguments in the wind energy sector. We need a flexible and adaptable approach to renewable energy that recognises real opportunities such as those offered by micro-hydro. It would be wonderful to see a traditional and highly environmentally-friendly form of energy coming back into wider use in a new and modern form, so I welcome new clause 11.

I also welcome the Conservatives' new clause 17, which, as I understand it, would raise the cap on the amount that the Government can spend on promoting renewable energy. That reflects the fact that surplus funds are building up at the Non-Fossil Purchasing Agency. Amendment No. 1, tabled by the hon. Member for Angus (Mr. Weir), touches on an important issue raised by my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso). There is genuine concern that innovative businesses in renewable energy may be put in an impossible financial situation. I am sympathetic to the issues raised by my hon. Friend and the hon. Member for Angus.

4.13 pm

New clauses 20 and 21 and amendment No. 65 are welcome improvements to the Bill, and we would happily support them. Indeed, amendment No. 65 appears to be modelled on a Liberal Democrat amendment tabled in Committee. The amendment is designed, as the hon. Member for Wealden (Charles Hendry) rightly pointed out, to keep Government reporting to fixed timetables, and to ensure that reporting is clearly focused on the Government's progress in supporting renewable energy. That is needed more than ever. Renewable energy offers us the opportunity to have many new, clean sources of power, to have a more efficient, decentralised and resilient energy system, and to make an important contribution to the battle against climate change.

The Government need to grasp the urgency of the situation. I would love to quote a lyric from the Lily Allen song "Alfie" that sums up exactly what is needed, but it would certainly be unparliamentary language.

The gist of it is that there is an urgent need to dismiss distractions and get on with what really needs to be done. I agree with the hon. Member for Wealden that new clause 4 is the single most important opportunity to ensure that that happens that we are being offered today.

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): I will not detain the House long. I have been struck by the fact that, as I am opposed to nuclear power being developed, I face the discipline of having to consider all the other forms of energy that might make up an efficient energy mix in future. I have considered what my hon. Friend the Member for Nottingham, South (Alan Simpson) said about feed-in tariffs; he explained better than I could that they are efficient, help to ensure security of supply, and help to produce a plurality in the energy market that would otherwise not be there.

I am also struck by the idea that if we are not careful we will construct a process that is very much in the hands of big power, whether that is nuclear power or any of the array of providers that will be in place. The process that my hon. Friend outlined involves a democratisation of the argument; I wish that he had said a bit more about that. New clause 4 would bring local people into the process in a different way, and would produce a plurality in the market that could generate efficiency. To people who are interested in competition, I add that it would create greater, better and efficient competition.

Some of my hon. Friends are concerned about how the measures fit with the other obligations. As I understand it, new clause 4 says, "Go and consider the issue for 12 months, and come up with mechanisms that produce not conflict but co-operation and collaboration that results in the best of both worlds." I would have thought that the term, "a third way", might have been tempting for some Labour Members. The new clause also does other things: it imposes a discipline on us to ensure that what I have outlined happens. I say to my hon. Friends that the review in the summer and the other measures mentioned are necessary—in fact, they should happen in any event; they are just matters of efficiency—but if the new clause is added to the Bill, it will provide the discipline that will ensure that things happen in a structured way. It will give the House the capacity to understand, monitor and control the process, so that it comes back to us.

Let me reinforce the point that the new clause is one way of ensuring that, in future, individuals can understand where they are, in terms of the consumption, supply and generation of electricity, because it allows communities to get involved, as well as individuals. It allows collective capacity; it is not just about an individual putting a windmill on their roof. The measure is about communities, planning, consent, and co-operation. To me, the democracy argument is as important as the efficiency argument.

Mr. Weir: I support new clause 4, which was so ably introduced by the hon. Member for Nottingham, South (Alan Simpson). He said more about it than I could ever say, so I shall move on to my amendment No. 1, which is much more technical and deals with the interaction between research and development grants and renewables obligation certificates for certain projects.

There is a concern that efforts to avoid giving projects double help may put in doubt the future of some projects. That was suggested to me by those who were involved in the DOWNVInD programme, which I am told is one of the largest renewable energy research and technology development programmes in Europe. The project is funded by Talisman Energy and Scottish and Southern Energy, with significant contributions in kind from many of its 18 other participants from seven EU countries.

I understand that in addition to private capital, the project received research funding from the European Commission's sixth framework research and technology development programme, the then Department of Trade and Industry's new and renewable energy programme, and the Scottish Government's science and technology development programme. The public sector support for the project was predicated on the observation that offshore wind was an emerging technology confined to shallow near-shore waters.

The DOWNVInD programme was essential to move the offshore wind technology to deeper waters more distant from shore, and was obviously looking to the future of offshore wind. That was noted in the then DTI's grant offer letter, which stated that

"the project is high risk, and does present an opportunity to better understand the economic and technical prospects for offshore deepwater windfarms".

The problem is that, because of the way the subsections that I am seeking to delete from the Bill are written, as the project has received public sector grants, it might not be able to take up the new banded ROCs. Special arrangements will apply to projects in receipt of capital grants, but that would mean that if projects qualified for up-banding, they would have to pay back some of the research grant, as proposed new section 32E(5)(a) sets out:

"if the grant or any part of it has been paid, to repay to the Secretary of State the whole or a specified part of the grant or part before the repayment date".

The result of that would be that projects that received ROCs would have to repay grants.

I am told that the proposal was originally aimed at post-demonstration projects in receipt of capital grant, such as the round 1 offshore wind projects. However, the wording means that projects such as DOWNVInD would become subject to the regulations and would no longer be able to get ROCs. They would never be able to move beyond the demonstration stage because they would be unable to produce energy and get the benefit of ROCs.

Mr. Swire: Does the hon. Gentleman agree that although the UK is a world leader in marine energy technology, the incentives for the offshore ROCs, as opposed to the other mature technologies, are so few that they do little to incentivise the offshore technology?

Mr. Weir: Indeed. Onshore wind is now a mature technology, and that is recognised in the proposals for the new ROC bandings, where it will remain at one ROC. We need to incentivise emerging technologies such as deep-water offshore wind—but not only wind technologies. The hon. Member for Cheltenham

(Martin Horwood) mentioned the concerns of his hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso) about tidal projects in the Pentland firth, which have huge potential but need the capital funds for research and development in the first stage. If they are to produce electricity, they need access to the ROC procedure. However, under the provisions as written, that would not happen. I ask the Minister to reconsider that point and not to put at risk projects such as DOWNVInD and the tidal and wave development project in the Pentland firth. Such projects require the grants to get off the ground in the first instance, but they also need the support of ROCs, as do those involving other renewable technologies.

I turn briefly to new clause 20, which is in the name of the hon. Member for Brighton, Kemptown (Dr. Turner). It refers to transmission charges. It would not do for an Energy Bill to pass without my talking about such charges; I seem to have been doing that for years in this place. I support what the hon. Gentleman is trying to do. I shall be interested in what he says about the new clause; if I read it correctly, it seeks to end the discrimination in transmission charges. That has been a matter of huge concern to many of us in Scotland for many years.

Although Scotland has huge potential for renewable development, there is a problem with the transmission charges and how Ofgem has developed them. It means that there is discrimination against projects in remoter rural areas; it is considerably more expensive to transmit energy from such projects than it is from developments in, say, the south-east of England. If the intention behind the new clause is to do away with that discrimination—and I think that it is—I wholeheartedly support it. I hope that the Minister will take it on board and finally deal with the matter, so that I no longer have to stand here and talk about transmission charges and I can move on to something else.

Dr. Desmond Turner (Brighton, Kemptown) (Lab): I must confess to a grave feeling of personal disappointment with the Bill, because it is being published at a time when Parliament has thoroughly recognised the vital importance of combating climate change and, I hope, of promoting renewable energy, which is one of our most potent weapons for fighting climate change. I am disappointed because this legislative vehicle has nothing to promote renewable energy, with the exception of the banded renewables obligation certificates, which are welcome. However, that is only one measure, and we need a comprehensive policy framework. New clauses 4, 20 and 21 form part of a proposed comprehensive framework. Clause 19 would have been another part of it had it been selected by Mr. Speaker.

I should like to express my support for new clause 4. The banding of ROCs goes some way towards doing what feed-in tariffs do in Germany. However, the ROCs are still expensive to administer and still provide uncertain value; the redemption value of a ROC is not fixed, so there is still investment uncertainty. It is still worth considering feed-in tariffs not only for microgeneration, for which they are clearly the only workable approach, but as a parallel mechanism for larger, commercial-scale generation. Existing generators could elect to stay with ROCs and new generators could have the option of going either with ROCs or a new feed-in tariff system. There is no need for conflict. Another great advantage to feed-in tariffs is that they do not cost the Treasury a bean, whereas operating the ROC system is very expensive to the public purse.

Mr. Gregory Campbell (East Londonderry) (DUP): In light of the cross-party support for new clause 4 that has been heard in the House, would not the Minister bring great credit to himself and display great courage by adopting it as a policy?

4.30 pm

Dr. Turner: I thank the hon. Gentleman for his suggestion. I was going to put that point to my hon. Friend in almost the same words when I finish.

It does not matter whether we have feed-in tariffs or ROCs, as this is not the only policy instrument that is necessary if we are to get the large-scale and rapid deployment of renewable energy that we need. That is not the sole secret of Germany's success—it is just one measure contained in the German Renewable Energy Sources Act, which also contains many other vital provisions. New clause 20 would carry out the proposed EU renewable energy directive, which is itself based on the German Act. The two most important provisions concern grid access. In this country, we have the bizarre situation whereby 15 GW of totally approved wind generation cannot get access to the grid, and will not get access for many years. That is a totally unacceptable situation that we must do something about if we are getting serious. New clause 20 proposes that there should be guaranteed access to the grid for renewable generators. If that means that the grid needs to be strengthened or reinforced or to have new lines laid, then so be it—the grid operators would have to do that. They would have to raise the capital in the normal commercial way, and Ofgem would have to approve it. That is what happens in Germany, and it works. The grid operators may grumble, but they do it.

It is no good if the generator is installed and connected if its output is not maximally used. If we want to maximise renewable energy, the output of a renewable generator should have a priority call on the grid whenever it is generating. That is the provision in the renewable energy directive and the provision that holds good in Germany under the Renewable Energy Sources Act, and that is what new clause 20 would provide. Whichever financial incentive mechanism we use, whether multi-banded ROCs or feed-in tariffs, if we do not have the facility to take the electricity and use it, it is of no value. We need a comprehensive framework.

New clause 21 is drafted with the Scottish situation in mind, as I am sure the hon. Member for Angus (Mr. Weir)—I am delighted to have his support—will remember from remarks made in the Committee considering the previous Energy Bill. When the British electricity trading and transmission arrangements were introduced in the Energy Act 2004, we got zonal transmission charges. The effect of zonal transmission charges is that a generator is penalised for its distance from a notional centre of consumption in the system. The further away the generator is, the more it pays in transmission charges. We are talking about incentives, and the incentivisation under that system would be to

[Dr. Desmond Turner]

concentrate generation at some notional point about 50 miles north of Birmingham, where renewable resources are not at their strongest. I do not think that it is to be recommended.

The most potent bits of our magnificent renewable resources, such as offshore wind, wave and tidal stream, happen to be geographically located a long way from a central point north of Birmingham. They are also technologies that at the moment are commercially difficult because they are expensive, because of their situation and, in the case of wave and tidal stream, because they are emerging new technologies—the first commercial tidal stream machinery has only just been installed. Naturally, such technologies cannot match the cost of other generating technologies at this time. Investment decisions, therefore, will have to be finely balanced. To add 2p or 3p per kW extra in transmission charges could be the straw that breaks the camel's back, and such investment does not happen.

There is a real disincentive built in to the BETTA system. There is a mechanism for dealing with the matter in section 185 of the Energy Act, and new clause 21 would amend that. Section 185 provides for a power to cap transmission charges and the Secretary of State can do that by nominating one—only one, as the Act is currently drafted—specific zone for the production of renewable energy. However, it may be necessary to have more than one. Subsection (2) of the new clause would replace "a" with "any" so that the Secretary of State has freedom of choice. He can select any of several, or more, suitable areas to which to apply the capping powers. The other deficiency in section 185 is that it contains sunset provisions. The import of three of its subsections is that the capping protection cannot last for more than 10 years. That will not give investors any confidence in commercial stability either. I found that provision difficult to understand at the time, and equally difficult now.

Mr. Weir: Is it not also the case that 10 years is one period? It depends on when the generator starts generating in that 10-year period; for individual generators, it could be much less than 10 years.

Dr. Turner: Exactly. That is why I said a maximum of 10 years' protection. I see no justification for the sunset provisions at all, in all logic, so I wish to remove them. We would then have a reasonable protective measure that would fulfil what the Government probably intended when they drafted section 185 of the 2004 Act.

I submit to my hon. Friend the Minister that there is no reason for delay in legislating to get rapid deployment of renewable energy. We need a comprehensive set of measures; new clauses 4 and 20 are clearly central to that process. Without new clause 20, new clause 4 will not be fully effective. New clause 21 is a further addition, and new clause 19 was not selected but refers to Ofgem's responsibilities. Ofgem plays a pivotal role and if its primary responsibility is sustainability, it will make a huge difference. I will not expand on that because new clause 19 was not selected, but its purpose needs to be kept firmly in mind.

I appeal to my hon. Friend the Minister to recognise that the Government's best course is to accept new clauses 4, 20, 21 and others. There is no question of party advantage, but potential for great advantage for the country. I therefore strongly urge my hon. Friend to accept the new clause.

Mr. David Heath (Somerton and Frome) (LD): I want to speak about new clause 11, which deals with hydro-microgeneration. Before doing so, let me express my enthusiastic support for the new clause and the remarks of the hon. Member for Nottingham, South (Alan Simpson). If the new clause were accepted, it would do some of what I am trying to achieve in stimulating the growth of hydro-microgeneration.

It is frustrating that we appear to spend so much time in this country hugging ourselves, congratulating ourselves and telling ourselves how wonderfully wise, green and environmentally friendly we are and that we are world beaters, when much of the outside world passes us by and gets ahead of us through mechanisms that are available to us if only we would use them. I say to the hon. Member for Southampton, Test (Dr. Whitehead) that I see no purpose in agreeing with an amendment and then letting it lie on the table. It should not lie on the table; it should be activated. The Minister would be advised to accept the new clause today.

I do not pretend that hydro-microgeneration is the answer to all our renewable energy problems—of course it is not. It is a small part of the portfolio of renewables that we need. Patently, not everybody has a house on a river with a mill. Hydro-microgeneration will not therefore be a huge contributor, but it is part of the process. I am a great believer in decentralisation and finding small solutions and putting them together to make a big difference.

Hydro-microgeneration represents a small but significant part of the renewables market. I had the great pleasure of helping to open a new facility in my constituency last year. Tellisford mill is an old water mill in a beautiful place. Anthony Battersby and his wife Rachel have done a wonderful job in investing in a new water turbine in the mill. They not only provide energy from a renewable source but are socially and environmentally aware in being good neighbours. The mill is not like some renewable energy sources, with which people have a problem. We are considering an old mill, which is being used for the same purpose for which it was used 200 years ago, and that is good. It produces renewable energy for 65 houses, which is good news.

The Mendip Power Group has a series of mills along the River Frome. When they are fully operational, they will provide 2,100 MWh, which is a significant contribution. The Mendip Power Group is one of three such groups in my immediate area. We also have the South Somerset Hydropower Group and the Stour and Vale Hydro Group, which is based in Dorset. Between Somerset and Dorset, more than 100 water turbines provide renewable energy. However, everyone involved in the process says that the difficulty of getting past the existing bureaucracy is such a disincentive that they often feel as though they are banging their heads against a brick wall. I want to illustrate and address those frustrations in my remarks.

4.45 pm

Mr. David Drew (Stroud) (Lab/Co-op): Will the hon. Gentleman give way?

Mr. Heath: I will of course give way to a co-sponsor of my new clause 11.

Mr. Drew: I am pleased to co-sponsor new clause 11. Does the hon. Gentleman agree that another issue that we should examine closely is flood prevention? Much as we need to generate electricity—that is the point of new clause 11—if we get that right, we will also remove the flood risks that will inevitably follow if we do not manage the water properly.

Mr. Heath: The hon. Gentleman is right. A sensible community would manage a whole river basin in a much more sustainable way than we do now. We are trying to do that in Somerset and some other parts of the country, but that means taking energy from the river, using appropriate storage of water to prevent flooding and using the entire ecosystem in a water basin in the most effective way, so the hon. Gentleman is right.

What are the current difficulties? The Minister knows what they are, because I have written to him, as have those who operate the mills, who have also had meetings with his Department and tried to explain the issues. The principal issue is the definition of microgeneration for hydro power. We have mixed definitions of the maximum allowable in microgeneration, but the most effective one, including in respect of the renewables obligation certificate, is a maximum of 50 kW. However, a great number of water turbines generate between 50 kW and 100 kW. I accept that 50 kW is a perfectly viable maximum for many renewable sources; one would need quite a large photovoltaic array on top of one's house to reach 50 kW. However, that is not a large figure for a water turbine. Indeed, at its best, the technology used in the new water turbines generally produces more than 50 kW.

We conducted a survey of the 100 or so mill installations that I have mentioned in Somerset and Dorset. That survey could be taken as proving the Government's point. The majority of those mills—89 of them—generated less than 50 kW and only 13 generated more. However, those 13 generated more electricity than the other 89 put together. If we are interested in getting the maximum yield of renewable electricity, the 50 kW cut-off is absurd.

Because 50 kW is the cut-off for the double ROC, those who have installed such facilities or who intend to do so have a strange decision: either they run their installation at less than full capacity, in order to keep within the double ROC maximum, or they take a financial loss. What sort of policy nonsense is it to have renewable capacity, but run it at less than full capacity? There is of course an extra financial loss, because the 50 kW maximum is also used for the income tax exemption, so there is a double hit.

The other financial difficulty that many people face concerns the grid connection, which has already been mentioned. I am told that a 400 m connection can cost £16,500. That is a lot of money on top of the initial capital outlay already required. Oddly enough, mills are usually on rivers and are not normally very close to communities; therefore, there is an inherent cost in providing the infrastructure required to run a renewable installation.

The second issue that I want to raise is the licensing regime. It seems that the Environment Agency has never talked to the energy Department, in whatever form it has taken, about what is needed. If one tries to get a water abstraction licence for one's water mill, one might be told that one needs an abstraction licence, an impoundment licence or a transfer licence—one might even be told to get all three. All that for water that never leaves the river. It goes into a leat, is used by the turbine and is returned to the river. It is nonsense to call that an abstraction, yet all those licences are obligations, dealt with by the Environment Agency, that have to be paid for. One has to apply for them and go through all the bureaucracy that comes with that.

There is no consistency in the way that the system is applied. I have two mills in my constituency, one of which I have mentioned. Tellisford has an impoundment licence, while Stowford, which is a little further down the stream, has an abstraction licence. The mills do the same thing, but the Environment Agency is determined that they need different licences, whereas another mill on the same river, Lullington, needs all three licences. Surely, it is not beyond the wit of the Government to devise a single licensing regime for hydro-microgeneration that obviates what I describe, particularly given that water is not being abstracted.

Not only does one need a licence, but one has to report daily on abstraction. No water is leaving the watercourse, but one still has to report to the Environment Agency every day about how much water has been abstracted from the stream into the leat, and how much has passed back from the leat into the river. It is the same amount on either side. That is also nonsense. Each year, from every mill, 365 flow readings go to the Environment Agency, which I doubt is desperate for more work, but that achieves nothing because the same water is going in and out.

Another issue that the Environment Agency is very concerned about is reserved flow, but for all the reasons that I have given, there is no consequence from a mill stream taking water into a loop and then feeding it back into the main watercourse. The stream has probably done that for hundreds of years. That is not a new thing; it was there before the water turbine and will be there after it, but the Environment Agency thinks it an important thing to measure. Interestingly, an Environment Agency officer said to Mr. Battersby, who gave me this information:

> "We are very good at measuring change, but absolute rubbish at deciding if it matters or not."

That sums up the regime in which those officers are working.

The final subject that I want to talk about is fish. I do not want to be unkind to fish. They are very important, and I do not want to do anything that would be detrimental to the safety or health of the various species. The Environment Agency considers water turbines to be a major hazard to fish, even in a stream that has no migrating species. I understand the need to put facilities in a stream along which salmon or trout migrate and need a passage through a weir or need to bypass a turbine, but not if there are no migrating species. If the weir has been there for hundreds of years, the fish, if they have any species memory, will presumably know that it is there by now, and will use the main river course instead, rather than

[Mr. Heath]

bump into the weir and hurt their snouts. That is not a serious issue. Why, then, does the Environment Agency expand it to become a major obstacle to the production of energy from this source?

I do not wish to detain the House any longer, but I want the Minister to understand that many people are desperate to invest in renewable energy and they have the means to do so in a way that is socially and environmentally responsible. They can make a real contribution—not the biggest contribution in the world, but a real contribution nevertheless—to providing energy into the system. Obstacles and impediments are in their way, which could be avoided if only the Department and the Environment Agency would take these concerns seriously.

I do not intend to press my new clause to a Division, but rather like that put forward by the hon. Member for Nottingham, South, mine provides a year for the Government to get their house in order and provide the necessary changes to regulation in order to accomplish what we all want. I hope that the Minister will not tell me just what is technically wrong with the new clause. I am sure that he can find something wrong with it, but that is not the point. My intention was to stimulate debate about one small sector of renewable energy that we could encourage to a much greater extent if we avoided the obstacles and made the fiscal arrangements more appropriate than they are now.

I would love it if the Minister were to stand up and declare that he supports the feed-in tariff proposal, and if he will not, I hope that the House will persuade him to change his mind. In the same breath, I hope that he will also look seriously at the issues in my new clause, and put in the necessary changes in order to stimulate this small but important sector of microgeneration.

Malcolm Wicks: This group of amendments covers a wide range of renewables issues, so I hope the House will forgive me if I am on my feet for some time trying to answer all the points raised. I would like to try to do justice to them and address as many of them as possible. I would like first to deal with the renewables obligation-related amending provisions; secondly, with issues related to transmission; thirdly, with the Government's reporting on energy; and, finally, with the issue of feed-in tariffs.

The intention behind new clause 11 is, as we have just heard, to encourage the deployment of hydro-microgeneration. It proposes exempting micro-hydro installations from the licensing requirements set out by the Environment Agency. Those requirements were put in place for the purpose of protecting our rivers and wildlife. However, there is always a balance to be struck and I am aware of the micro-hydro sector's concerns around the burdens that the regulations place on it. Those impacts are not always easy to assess, which is why I believe it is right to pursue a route to better co-operation between the industry and the regulator, rather than to disapply regulatory protections.

My officials are aware of the issue and they are keen to find a way forward, if possible, with the Environment Agency. For example, my Department has funded a project between the industry and the Environment Agency to develop a good practice guide on the environmental impact of micro-hydro schemes.

The new clause also proposes changes to the treatment of micro-hydro under the renewables obligation. The detail of how it is implemented is already set out in the Renewables Obligation Order 2006, which takes account of relevant differences between technologies, including hydro-generation. I believe it would be inappropriate—not to mention increasingly complex—for microgenerators to have separate regulations, as seems to be suggested, dealing just with hydro-microgeneration for the purposes of the renewables obligation.

Specifically on the definition of hydro-microgeneration, the bands for all technologies will be set out in the order and there is no need for either separate secondary legislation or a definition in primary legislation to deal with the issue. All the changes to the order, including the thresholds for support levels, will be subject to statutory consultation before introduction. My officials have met representatives of the industry to discuss these issues and have committed to consider them further in the light of a study that the British Hydro Association is carrying out on the scope for micro-hydro, so I believe that the right place for the industry and others to voice their concerns is as part of that consultation and not through this Bill.

Mr. Heath *rose—*

Malcolm Wicks: I was about to say that I hope I have provided the hon. Gentleman with some reassurance, but I give way to him now.

Mr. Heath: Very little reassurance, but the Minister has said that consultations will continue, which is welcome. May I point out to him that on his own Department's website a micro-hydro plant is defined as being below 100 kW, not below 50 kW? I hope he will bear that in mind.

5 pm

Malcolm Wicks: The issue at stake is how that relates to the renewables obligation, but I hope I have given the hon. Gentleman the reassurances that he wanted.

New clause 17 amends the Sustainable Energy Act 2003 to increase the money available for spending on the promotion of renewables that is available from the non-fossil fuel obligation levy fund. That money arises from transitional arrangements introduced when the support system for renewable electricity generation moved from the non-fossil fuel obligation to the renewables obligation. Through the Sustainable Energy Act, we have already made available £60 million of the money arising from the NFFO transitional arrangements for spending on renewables.

I understand what hon. Members are trying to achieve in seeking to increase Government expenditure on renewables, but I think we should focus on the bigger picture and the Government's existing wide range of support for renewables. Public sector funding for renewables and low-carbon technology innovation is increasing steadily, both in the UK and more generally in the European Union.

Research councils' expenditure on energy-related basic, strategic and applied research is planned to reach £300 million over the current comprehensive spending review period. The Energy Technologies Institute, a new public-private partnership designed to co-ordinate research on and development funding for low-carbon energy technologies, currently has a budget of £600 million over the next 10 years, with the potential to increase to £1 billion with the addition of new partners. The Technology Strategy Board has a total budget of more than £1 billion over the current CSR period, which will include funding for energy development technologies. The UK element of the environmental transformation fund has £400 million over the next CSR period to invest in low-carbon and energy efficiency demonstration technologies.

Most important of all, we must not forget the substantial support that is available through the renewables obligation. Along with exemptions from the climate change levy, the RO will provide around £1 billion of support each year by 2010. Moreover, we will be considering a full range of policy options for supporting a step change in the deployment of renewable energy as part of our renewable energy strategy. Any decisions on additional funding will be made in the context of future spending settlements.

In the light of the assurances that I have given, I hope that the new clause will not be pressed to a Division.

Before I deal with amendment No. 1, let me explain the purpose of the subsections that the amendment seeks to remove. Because of the importance of getting our reforms of the RO right, it has taken some time for the Government—consulting industry and others—to develop the proposals. To ensure that developers continued to contribute new investment in the interim, we made a commitment to allow any projects becoming operational after 11 July 2006, before the banding proposals come into effect, to benefit from the greater levels of support afforded through banding. A tidal power station coming on stream tomorrow would receive two ROCs per MWh when banding comes into effect. There was a significant risk that, without such a commitment, developers would hold back vital investment in renewables while waiting for the increased levels of support to kick in. That would not have been an acceptable outcome.

However, some of the existing projects that will become eligible for a higher level of support once banding is introduced will also be in receipt of grant funding. The grants will have been notified to the European Commission as state aid, and will have been assessed on the basis that the generators will receive one ROC per MWh. We therefore need a mechanism to ensure that we do not find ourselves in breach of state aid rules through generators' accumulating subsidies from different support mechanisms beyond the allowable thresholds.

The amendment proposes to remove the power for the order to allow generators in receipt of a grant to choose between receiving the new higher band for ROCs, but surrendering the grant, and retaining the grant and continuing to receive one ROC per MWh. Ultimately that will be a commercial decision for generators, but it allows them the option of "banding up" when they could otherwise be barred from doing so by state aid rules. It is important for that power to remain in the Bill so that when a banded RO is introduced generators can make a commercial decision on the path that they prefer, while ensuring both that state aid rules are not infringed and that consumers and taxpayers are given value for money. I hope that the amendment will not be pressed to a vote.

Mr. Weir: I understand what the Minister is saying, but is there not a danger that the research and development stage will never come about if there is no guarantee of a sustainable future?

Malcolm Wicks: I do not quite understand that point; I will be happy to discuss it with the hon. Gentleman outside the Chamber. We have got substantial support for research and development, but our purpose is to try to avoid double subsidy, not just because of state aid principles but because that would not be a proper use of money.

Sir Robert Smith: Will the Minister give way?

Malcolm Wicks: I have a long way to go in my speech before I reach some of the issues of particular interest, but I shall give way once more.

Sir Robert Smith: The Minister just said that this was not about state aid rules alone. If it were just about state aid rules, could there not be flexibility so that if the project truly needed the double ROCs and the initial grant to overcome the start-up costs, the issue could be revisited to see that it still complied with state aid rules?

Malcolm Wicks: This is more a matter of not subsidising something twice when that was never the intention; that would be a perverse consequence.

New clause 20 seeks to provide priority access to the electricity and gas transmission and distribution systems to electricity and gas produced from renewable energy sources. The text of the first part of this amendment, which relates to electricity, comes from the draft EU renewables directive. Before I start analysing the provisions further, I should make it clear that once the Commission's proposals for priority access are finished and the directive agreed, these proposals could be implemented in the UK in a number of ways, not all of them involving primary legislation. We need to be careful not to implement something now just because we have the legislative opportunity.

Turning to the substance of the amendment, the first issue is that there is no current definition of priority access. Without a clear meaning of priority access, it would be difficult to avoid uncertainty, which would impact on existing generators and those planning future investments. That could discourage investments and would have serious repercussions on the meeting of our energy needs and targets.

The next issue is whether priority access is both consistent with our wider energy policy goals and the best route to accelerate the growth in renewable generation. It is important to have conventional generation alongside renewables, but it is essential that the access regime encourage new investment in reserve capacity. Without that, we could have serious difficulties in maintaining a

[Malcolm Wicks]

reliable electricity system. In this context, we are considering reforms to grid access arrangements as part of the transmission access review with Ofgem, to ensure that the regulatory framework remains fit for purpose in the medium and long term, and to speed up the connection of renewable generation. It is clear from this work that there are ways in which we could significantly improve the connection opportunities for renewable generation. We will set out that analysis when the final report of the review is published in May. However, it is important also to remember that from the perspective of a renewable developer, connection in a reasonable time consistent with the development programme for their project timetable is likely to be more important than whether they have been treated more favourably than other technologies.

On the second part of the new clause, which is not part of the EU directive I mentioned earlier, let me reiterate what I said in Committee: the Government are keen to support and investigate the cost-effective potential of renewable gas to contribute to the UK share of the EU target to achieve 20 per cent. of the EU's energy from renewables by 2020. Renewable gas, or biogas, is produced by feeding organic material such as food waste, sewage sludge, animal slurries or energy crops into an anaerobic digestion plant, or from the decomposition of organic matter in landfill sites. It is important to remember that through this Bill anaerobic digestion—the biomethane it produces—will achieve two ROCs under the revised and reformed RO procedure.

By removing the carbon dioxide and other impurities, biogas can also be used to make biomethane. Theoretically, it is possible to inject biomethane directly on to the gas network in the UK, provided that the biomethane can meet the gas quality standards and pressure requirements of the national grid. The "Heat Call for Evidence" invited contributions on the potential of biomethane, the barriers to its deployment, and how best to tackle these. We will be feeding these considerations into our broader work on the renewable energy strategy. Until we have reviewed the evidence about the costs and processes involved in upgrading biogas to biomethane and injecting it into the gas system, we cannot judge what potential unintended or undesirable consequences might flow from the changes to the duties of the Secretary of State and the authority that are being proposed.

Moreover, we need to look at this matter in the round. We need to assess how biomethane fits with the ongoing work to develop a new renewable energy strategy by spring 2009. That will include looking at all renewable heat technologies and potential support mechanisms, rather than focusing on a single technology, as the new clause does. The kind of market enablement that it would provide thus seems entirely premature, and I ask hon. Members not to press it to a Division.

New clause 21 proposes changing section 185 of the Energy Act 2004. Section 185 was introduced as a transitional provision to ease the implementation of cost-reflective transmission in Scotland. It allows the Secretary of State to adjust transmission charges in a particular area of the country to help to mitigate any material hindrance to renewables development caused by the charges.

The new clause proposes the following changes to expand the scope of section 185: removing the provisions that set time limits on the duration of a scheme adjusting transmission charges, and removing the requirement that only one scheme can be in force under section 185 at any one time. We are in the process of analysing whether there is a case for adjusting transmission charges on the Scottish islands under section 185. Renewable developers also face other practical issues, and that fact, along with section 185's narrow focus on transmission charges, makes me believe that it is not the right instrument for supporting the development of renewables for the country as a whole.

Moreover, as we have just discussed, negotiations are under way at a European level to grant renewables priority access to the grid, and I have also made it clear that transmission will be one of the issues that will be closely examined in this summer's consultation on our renewable energy strategy. I therefore ask hon. Members not to press the new clause to a Division.

On amendment No. 65, I would like to remind hon. Members of why we have included clause 78 in the Bill. We did so, first, to introduce flexibility in the timing of our annual energy report and, secondly, to remove statutory requirements that are either replicated elsewhere or are over-prescriptive. I believe it is right that we streamline our reporting requirements to ensure that our report is topical. We need reporting to be sufficiently flexible so as to allow us to exclude less relevant technologies and to include more relevant ones as developments dictate. Our changes facilitate that and, as such, we should retain them as part of the Bill.

There was some concern in Committee that we were repealing the requirement to report on energy efficiency. Let me reassure hon. Members that that important issue will still be covered in a number of reports produced by Government: under the Housing Act 2004, we are required to report on energy efficiency targets in residential accommodation; we produce the UK energy efficiency action plan, which we will regularly update as required under the EU services directive; and we would also expect to capture energy efficiency issues as part of our reporting on carbon emissions in the annual sustainable energy report.

I hope I can also reassure the House that we will still be reporting on the important issue of security of supply through the energy markets outlook, which is a commitment from the 2007 energy White Paper, and as a result of the duties to report under two EU directives relating to supply of gas and electricity. I remain convinced that those reports will cover the practical information on security of supply in which Parliament and wider stakeholders would be interested.

Our proposals to create some flexibility in the reporting period and cycle were designed to ensure that we could publish a report that was as relevant as possible by timing its publication around the availability of the most recent data. Such an approach would also allow us to join up with the reporting cycle proposed in the Climate Change Bill. I therefore listened with interest to the concerns being raised in Committee that our proposal to introduce flexibility on the reporting period and publication date could raise the spectre of the Government being tempted to use that flexibility to take the opportunity to delay publication of our report in order to obscure bad news. That was never our intention. The Government take the issue of reporting progress very seriously.

Even so, I have reflected on those concerns and considered whether there was an alternative way to allow the Government to produce a more relevant and up-to-date report while meeting the concerns about flexibility. In view of that, I have asked my officials to review whether we should consider a specific reporting period or specifying a publication date. The Government will return to the issue in due course, and I therefore hope that the amendment will be withdrawn.

Finally, I deal with feed-in tariffs and new clause 4, which I know are of some interest to the House. For those who take an interest in contemporary Labour history, it is interesting to note that this time my hon. Friend the Member for Nottingham, South (Alan Simpson) is supporting new clause 4.

Alan Simpson: I have always argued that clause 4 would be back. *[Laughter.]*

Malcolm Wicks: Indeed.

5.15 pm

I am not surprised that we are again revisiting this issue and that there is considerable cross-party support for a feed-in tariff for microgeneration. Although I can appreciate the desire to ensure that we have the right incentives and mechanisms in place to increase the deployment of renewable energy, especially in the light of our EU 2020 target, I cannot—for reasons that I hope to convince the House of—support this particular new clause. It seeks to require the Secretary of State to introduce a feed-in tariff, but it does not specify the size of generation it covers. It could cover all sizes of energy generation, large as well as small. If adopted, that could have a potentially serious effect on investor confidence.

Mr. Swire: Does the Minister agree that it would be an enormous assistance to the production of renewable energy, through the utilisation of waste or bio products, in rural areas such as my own if we had some mechanism that would reward that better?

Malcolm Wicks: Perhaps the hon. Gentleman will allow me to proceed with my argument.

I turn to the effect that amending the Bill in the way suggested would have on large-scale generation. The renewables obligation has been hugely successful since its implementation in 2002, adding some 2 GW of new renewable capacity. Hon. Members sometimes underestimate the momentum now behind renewables in this country and therefore inadvertently talk down the great efforts that have been made by that sector. In addition to the 2 GW that we now have, the renewables obligation has also been the major incentive for the 1.5 GW of renewables capacity that is now under construction, the 6.5 GW that has been consented and is awaiting construction and the 10 GW that is now in the planning process. That amounts to an additional 18 GW of pipeline projects in just six years of operation.

Most weeks, a couple of hon. Members approach me to urge that I not go ahead with a wind farm in their constituency. If we were not doing some of the right things, I would not be getting those representations, although that is not to say that we will always agree to every project.

It is also important to recognise that later this year the UK will probably overtake Denmark as the world's leading nation in offshore wind generation. I am also pleased to remind the House that some months ago we gave planning consent to the biomass plant in Port Talbot, which will be the world's largest. I do not accept the criticism that we have stalled or are moving slowly on this issue. We started from a low base, and Opposition Members can explain that, because it did not occur under our stewardship—although that is rarely recognised in speeches. We started from a low base, but there is now a great deal of momentum.

Much has been said about the success of feed-in tariffs in other countries, particularly Germany. We should remember that Germany has benefited from a consistent supportive policy, as the Secretary of State reminded us, since the early 1990s—a period when I had no responsibility for such matters. The consistency of that approach has been a big part of Germany's success, giving investors a solid base in which to invest. Consistency is important in relation to the renewables obligation, which is why I mention it. Whatever the merits of feed-in tariffs in other countries, we need to consider what will work best in the UK. I know that it is sometimes tempting to go to a country such as Germany and say that everything looks greener, but we need to beware of simple comparisons.

Feed-in tariffs and the renewables obligation are simply different methods of providing support to renewables projects. There should be no theology about this. We are talking about different mechanisms and which mechanisms might be fit for purpose in the UK.

Mark Fisher (Stoke-on-Trent, Central) (Lab): Is my hon. Friend saying that things are not better in Germany, that we do not have things to learn from that country and that we should not be following it down this road?

Malcolm Wicks: I am not saying that. I want to continue with my argument. We have things to learn from one another when it comes to climate change and carbon emissions. Maybe Germany can learn something from us about the need for a major demonstration project on carbon capture and storage in Germany—another way of cutting carbon emissions. I refuse to believe that somehow things are altogether better in another country than they are in the UK.

Gregory Barker: Will the Minister give way?

Malcolm Wicks: Not just yet, although it is nice to see the hon. Gentleman.

People sometimes talk about feed-in tariffs as though they were cost-free. That is not the case. We need to look at the costs as well as the benefits. As the International Energy Agency's 2007 report on the German system recognises:

"The country's feed-in tariff for renewables has resulted in rapid deployment of new electricity capacity, but has done so at a high cost."

[Malcolm Wicks]

The IEA report estimates that the German feed-in tariff regime between 2000 and 2012 will result in payments of €68 billion, of which some €30 billion to €36 billion will be the additional costs of renewables. It is important to point those facts out. By 2012, the annual cost would be between €8 billion and €9.5 billion.

It is also worth reporting the IEA's finding that solar PV would provide some 4.5 per cent. of Germany's electricity while taking some 20 per cent. of the potential payments. When we compare systems, it is important that we look at the costs as well as the benefits.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I apologise that I was unable to be present to hear all the Minister's comments. As I left my office, I heard on the monitor some of his arguments against new clause 4 and they seemed reminiscent of those used by the Department on the subject of agency workers: we ought not to do anything here, because it might scupper our efforts in Europe. In fact, Britain was not playing ball with Europe in the most progressive way.

Malcolm Wicks: I think that I need to reflect further on the comparison, which has not immediately struck me as helpful, but it might be. I will reflect on it.

Mr. Swire: Will the Minister give way?

Malcolm Wicks: Not just yet, no, as I have given way to the hon. Gentleman a couple of times. I shall come back to him later.

Alan Simpson: I am grateful for the Minister's comments on the cost, but does he also accept that we need to take on board, in full, the German Government's report on costs and on economic savings that come out of their commitment to renewables? Their figures show clearly that they can deliver savings of up to €5 billion a year, and the economic benefits of 250,000 new jobs generate spending in the economy. Meeting their own energy needs rather than having to buy from external sources is an enormous cost saving as well as a huge boost to their energy security.

Malcolm Wicks: I agree that we need to look at both costs and benefits, but we also need to accept that long-term consistency is the hallmark of the German regime. Therefore, it might not be sensible for us to change horses now and move away from the RO.

Mr. Swire: The hon. Member for Nottingham, South (Alan Simpson) is right to suggest that we need leadership from the Minister and the Government, because we are simply not getting it. The Minister says that he is weighing up the costs and the benefits, but I can tell him that the costs are the subsidies involved, and that the benefit is that microproducers will be encouraged to take energy production seriously. The Government need to lead on this, because otherwise we will fall behind other countries just as we have already fallen behind Germany.

Malcolm Wicks: As far as Germany is concerned, we must remember that the endgame of all the different mechanisms is to reduce carbon emissions. Again, I refuse to accept the simple comparison that suggests that Germany is in a better place than we are—

Gregory Barker: It is!

Malcolm Wicks: I shall explain what I mean, as I want to be helpful to the hon. Gentleman. Per capita carbon dioxide emissions of 9,937 kg in the UK compare with 10,936 kg in Germany, which suggests that something is going right here. Moreover, energy use per capita is significantly higher in Germany than it is in the UK. We have to careful about comparisons, because the endgame is about two things—climate change and energy security.

On consistency, industry representatives have told us again and again that they want the Government to ensure that decisions are implemented as quickly as possible so that investors can rely on a stable and consistent policy framework. We have given that commitment, so the new clause could have an effect opposite to what those who propose it intend. Industry and investors have told us that it would be likely to create uncertainty in the market that would lead to delays in new investment.

We are moving forward with reforming the RO. Indeed, the Bill amends the RO to make it sensitive, and it will remain the main policy mechanism for renewable electricity. Any move that threatens to replace the RO would destroy investor confidence and would be likely to result in significant delays to projects coming on line. That could put the delivery of the EU emissions target at risk.

The Government have also received a clear steer from industry that financial support for large-scale generation is not the main barrier to delivering more renewable energy. We are also working hard, as colleagues know, to address a range of other factors, including the planning system and grid access.

I want to turn now to smaller-scale generation.

Mr. Morley: Will the Minister give way?

Malcolm Wicks: If my right hon. Friend is not going to talk about smaller-scale generation, I will give way to him.

Mr. Morley: I am grateful to my hon. Friend for giving way. Many of us accept that there has been consistency in Germany about the feed-in tariff, and that we have been consistent about ROs, but all sorts of new micro-technologies are being developed, and my hon. Friend the Member for Nottingham, South (Alan Simpson) has made a persuasive case about them. The Minister is about to deal with those new micro-technologies, but is he prepared to look at different ways to incentivise that new sector that would not disturb the consistency that he has described?

Malcolm Wicks: As I anticipated, my right hon. Friend's question leads me into the next section of my argument. It is important, because I sometimes think that there is a bit of confusion in the debate about renewable instruments—that is, feed-in tariffs as opposed

to ROs. Are we talking about how to incentivise all renewable projects, macro as well as micro, or is the House mainly interested in microgeneration? That is why I now want to discuss smaller-scale generation, which has been the subject of much debate in the media and in this House, especially over the past week or so but also for a longer period of time. I recognise the great support for the early-day motion. I sympathise with, and fully support, people's yearning for appropriate incentives to encourage the faster take-up of microgeneration. Several hon. Members will know that I have long been an advocate of microgeneration, both in principle and through my attempted practice as a citizen. I have long held the view that if we are to tackle climate change and global warming, there will be important roles for big institutions—the EU, the G8 and the United Nations— big Governments and big corporations. There is also a need for a proper carbon market. However, I have also always taken the view that we need to empower more of our concerned citizens—the recycling generation, if I may call them that, who want to do something about their dwellings and community buildings—to be active citizens on behalf of the environment.

5.30 pm

Colin Challen: Will my hon. Friend give way?

Malcolm Wicks: Let me make some progress before I come back to my hon. Friend—[Hon. Members: "Give way!"] I do not think that I will, because my hon. Friend is eager to hear my argument.

Under the low-carbon building programme, we have made some £86 million available in capital grants to reduce the cost of buying and installing equipment. We have removed the need for planning permission for domestic installations that have little or no impact beyond the host property. People have called for that for some time, and the Government—the Department for Communities and Local Government—have listened. We have also announced double the support for all microgeneration technologies under the RO, once banding is introduced. That support will be maintained after the first banding review of 2013.

We often hear that the RO is complex, especially for microgeneration, compared with Germany's feed-in tariff. I understand that there are 500 different feed-in tariffs in Germany, with about 120 to 150 more tariffs being added each year. That is not the simple, straightforward picture that some people assume is the case. However, we are not complacent about the changes required to simplify our RO. In April 2007, we introduced the use of agents within the RO. Since then, the number of microgenerators accredited under the RO has increased by more than 250 per cent. We have simplified the accreditation form, and such forms can now be completed and submitted online.

Additionally, suppliers are voluntarily, albeit supported by the RO, offering a tariff system for electricity generation from microgeneration—really, a feed-in tariff. For example, Scottish and Southern Energy is offering 18p a kWh to small generators for their electricity that is exported to the grid. However, that is not all. We will launch a consultation this summer on what we should do to increase renewable energy use to meet our share of the EU 2020 target. That will cover a broad range of issues and involve collaborative efforts across Government and with business, consumers and the wider community. The proposals will strive for the best value for money for UK taxpayers and consumers. As the Prime Minister explained in November, we want a serious national debate about how to achieve our targets.

Some hon. Members will be aware that I announced in Committee that as part of the strategy, we will examine a range of options further to support microgeneration, including a consideration of whether a feed-in tariff might be a better support mechanism than the renewables obligation for small-scale generation—I am thinking of domestic dwellings, community schemes, small civic buildings and small businesses. It would not be right to impose a requirement to introduce a feed-in tariff now without first carefully examining precisely how it would operate, whether there might be better alternatives, and the impact that it might have. We need to be confident that any legislation covers all scenarios and does not impact negatively on existing legislation. In my view, such work can be taken forward only in the wider context of what else we might do to meet our target.

Colin Challen *rose—*

Malcolm Wicks: I give way to my hon. Friend.

Hon. Members: Never give up!

Colin Challen: I had nearly given up. I appreciate a great deal of what my hon. Friend the Minister says. There are lessons to be learned from Germany; one of them is that Germany is still proposing new coal-fired power stations without carbon capture and storage, so it is not all green on the other side of the street. My question is: if a group of people want to come together to set up some kind of community microgeneration, why should we set an artificial cap on the power that the group can generate? I think that he is saying that we would artificially cap microgeneration at, say, 50 kW to preserve the renewables obligation.

Malcolm Wicks: As we saw in the case of micro-hydro, there is always the issue of where one draws the line, yes? [Hon. Members: "Yes!"] I am happy to draw the line under the positive arguments that I am putting forward. *[Laughter.]* It is nice to amuse the latecomers. As I have said, I recognise that there is a financial gap in the renewable energy strategy, and that there is a need for a new financial incentive. We will look properly at feed-in tariffs—I said that weeks ago; I am not just saying it today—and at other mechanisms for householders and community schemes. I understand the importance of what my hon. Friend says, because renewables should not solely be about big corporations doing things to local communities. We should enable communities to do things for themselves as part of the active citizen agenda.

I hope that hon. Members are reassured that we are taking the issues seriously. After the renewable energy strategy, we will bring forward appropriate proposals—including proposals for legislation, if necessary—as soon as possible. I ask my hon. Friend the Member for Nottingham, South to consider withdrawing new clause 4 in light of my comments.

Alan Simpson: I have listened to the concerns and arguments that the Minister has put forward. Let me try to address two of his concerns, and then his arguments. The first concern is about the commitment that he has already made to considering the issue of microgeneration. The great difficulty is that there is a whole series of issues that the Government have agreed to consider. For instance, they agreed to look at the 2010 fuel poverty targets. Unfortunately, having done so, they decided that the targets were too difficult to reach, and that we will not meet them, so that commitment will not get us out of the mess that we are in.

Secondly, the Minister expressed concern about the fact that if a feed-in tariff scheme were applied too widely, it could create chaos. He did not mention the fact that he would be in charge of determining how widely the scheme would apply, so the chaos would be his, as is the current chaos. We have to recognise that although good things that are beginning to happen, they are beginning to happen in a country that is at the bottom of the European renewables league. There is nothing in our programme that will allow us to meet the 2010 targets to which we have committed ourselves.

What we are asking colleagues to vote for, through the new clause, is a commitment on the part of the Government to come back within a year with a framework that sets out how we would introduce appropriate feed-in tariff legislation that applies to the different technologies and to electricity generation, heat generation and the production of biogas. We are talking about a timetable, more than anything else.

Let me explain the significance of the timetable. Last December, our Government sent Ministers to the conference on climate change in Bali. The scientists reporting to that conference said to global leaders that in the next five to eight years we will determine the fate of the generations that will follow. It is what we do in those five to eight years that will determine whether we pass the tipping-point for climate chaos or not. We cannot avoid having to deal with the crises ahead of us, but we do not need to allow chaos to develop. That requires us to act on a dramatic scale now. There is nothing in the framework before the House that will allow us or equip us to take that step. I am asking colleagues from all parties in the House to have the courage to take that step.

I know that many of us have mentioned the name of Lily Allen during the debate, but I hope she will forgive me if I end with some lines from another singer, Tracy Chapman, who sung:

"A love declared for days to come,

Is as good as none."

Consultations without commitments are as good as none. The House today has the opportunity to make a commitment that crosses party divides, that crosses interests in society, but that unites us in a commitment to deliver something meaningful and sustainable. I hope we have the courage to do so.

Question put, That the clause be read a Second time:—

The House divided: Ayes 210, Noes 250.

Division No. 165] **[5.41 pm**

AYES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Breed, Mr. Colin
Bruce, rh Malcolm
Burgon, Colin
Burns, Mr. Simon
Burt, Alistair
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Challen, Colin
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cohen, Harry
Cook, Frank
Corbyn, Jeremy
Cousins, Jim
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Drew, Mr. David
Duncan, Alan
Duncan Smith, rh Mr. Iain
Etherington, Bill
Evans, Mr. Nigel
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Flynn, Paul
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Goldsworthy, Julia
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Grogan, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hamilton, Mr. Fabian
Hands, Mr. Greg
Harper, Mr. Mark
Harvey, Nick
Havard, Mr. Dai
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Heyes, David
Hoban, Mr. Mark
Hoey, Kate
Hollobone, Mr. Philip
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Jones, Lynne
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lansley, Mr. Andrew
Leigh, Mr. Edward
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Meacher, rh Mr. Michael
Mercer, Patrick
Mitchell, Mr. Austin
Moore, Mr. Michael
Moss, Mr. Malcolm

Mullin, Mr. Chris
Mundell, David
Newmark, Mr. Brooks
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Rogerson, Dan
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Short, rh Clare
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Soulsby, Sir Peter
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Thurso, John
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Wallace, Mr. Ben
Walter, Mr. Robert
Wareing, Mr. Robert N.
Webb, Steve
Weir, Mr. Mike
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Kelvin Hopkins and Dr. Ian Gibson

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Blackman, Liz
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burnham, rh Andy
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cawsey, Mr. Ian
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Ennis, Jeff
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Murphy, Mr. Denis
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey

Rooney, Mr. Terry	Taylor, Ms Dari
Roy, Mr. Frank	Thomas, Mr. Gareth
Ruane, Chris	Timms, rh Mr. Stephen
Ruddock, Joan	Tipping, Paddy
Sarwar, Mr. Mohammad	Todd, Mr. Mark
Seabeck, Alison	Touhig, rh Mr. Don
Sharma, Mr. Virendra	Turner, Mr. Neil
Shaw, Jonathan	Vaz, rh Keith
Sheridan, Jim	Waltho, Lynda
Simon, Mr. Siôn	Watson, Mr. Tom
Singh, Mr. Marsha	Watts, Mr. Dave
Skinner, Mr. Dennis	Whitehead, Dr. Alan
Smith, rh Mr. Andrew	Wicks, Malcolm
Smith, Angela E. *(Basildon)*	Williams, rh Mr. Alan
Smith, Geraldine	Wills, Mr. Michael
Smith, rh Jacqui	Wilson, Phil
Snelgrove, Anne	Winnick, Mr. David
Southworth, Helen	Winterton, rh Ms Rosie
Spellar, rh Mr. John	Woolas, Mr. Phil
Starkey, Dr. Phyllis	Wright, Mr. Anthony
Stewart, Ian	Wright, David
Stoate, Dr. Howard	Wright, Mr. Iain
Strang, rh Dr. Gavin	Wyatt, Derek
Stringer, Graham	**Tellers for the Noes:**
Stuart, Ms Gisela	**Mr. Bob Blizzard and**
Sutcliffe, Mr. Gerry	**Mr. Wayne David**

Question accordingly negatived.

New Clause 5

DUTY TO PROTECT PUBLIC HEALTH

'(1) The Electricity Act 1989 (c. 29) is amended as follows.

(2) In section 3D(2) (exceptions from sections 3A to 3C) delete the words "or 37".

(3) In section 29 (regulations relating to supply and safety), after subsection (2)(g) insert—

"(h) specify the distance at which any new high voltage line should be installed from any existing development.".

(4) In Schedule 8 (consents under sections 36 and 37) at the end of paragraph 2(1) insert "and the Health Protection Agency.".

(5) In Schedule 8 (consents under sections 36 and 37) in paragraph 2(2) after "relevant planning authority" insert "or the Health Protection Agency".

(6) In Schedule 8 (consents under sections 36 and 37) after paragraph 2(6) insert—

"(7) In this Schedule "Health Protection Agency" has the same meaning as in the Health Protection Agency Act 2004 (c. 17) and includes any successor to its functions in respect of radiation."'.—*[Dr. Iddon.]*

Brought up, and read the First time.

Dr. Iddon: I beg to move, That the clause be read a Second time.

This is a—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. If hon. Members are remaining in the Chamber, will they please keep the level of their conversations down so that we can hear the hon. Gentleman moving this new clause?

Dr. Iddon: Thank you, Madam Deputy Speaker.

This is an issue that I tried to raise in Committee by way of an amendment, but ironically it was not selected, so I am pleased to see that it has been selected for debate this afternoon. Many people have been worried about the possibility of a link between childhood leukaemia and electromagnetic fields from high-voltage power cables. As mentioned in Committee, the Department of Health funded the Draper report, which found that children living within 200 m of high-voltage power lines from birth had a 70 per cent. increased risk of developing childhood leukaemia. *[Interruption.]* The Government have received recommendations for action on the matter from the Health Protection Agency, from SAGE, which is the Government's stakeholder group, and from Back Benchers, who carried out a public inquiry under the direction of my hon. Friend the Member for Norwich, North (Dr. Gibson). *[Interruption.]*

Madam Deputy Speaker: Order. The House really must come to order for the remaining part of the debate.

Dr. Iddon: The inquiry looked at the possible links between childhood leukaemia and EMF from the high-voltage power lines. The passage of the Energy Bill has provided the Government with an ideal opportunity to implement what we regard as precautionary measures to protect children's health. The Electricity Act 1989 provides the Secretary of State and the Gas and Electricity Markets Authority, which is Ofgem's governing body, with a duty to protect the public from dangers arising from the generation, transmission, distribution and supply of electricity. However, the Act specifies that that duty does not apply to applications for high-voltage overhead power lines. Subsections (1) and (2) of the new clause would remove that exemption.

Electricity companies are subject to strict regulation, which is dominated by pricing factors. They will give only as much consideration to this issue as they are legally obliged to. A statutory responsibility to consider public health when installing new overhead power lines would allow the electricity companies to take precautionary measures and allay the concerns about passing on costs to the consumer. A statutory responsibility might also encourage creative solutions from the private sector concerning ways to reduce and prevent EMF exposure, or even industry voluntary codes on prudent avoidance, which would minimise cost to industry and electricity consumers. The other subsections of the new clause would give the Minister other powers allowing him to protect the public health of young children who live in close proximity to high-voltage power lines.

The new clause would mandate the electricity transmission companies to put their new power lines as far away from buildings in which people live or work as possible. Given that a new power line will be built across Scotland shortly and that a major new power line will bring transmission from Scotland to the north of England, the new clause is necessary.

In view of the limited time available, I hope that the Government will give the matter further consideration, if not today, because of lack of time, in the other place.

It being Six o'clock, MADAM DEPUTY SPEAKER *put forthwith the Question necessary for the disposal of the business to be concluded at that hour, pursuant to Order [22 January].*

Clause 2

PROHIBITION ON UNLICENSED ACTIVITIES

Amendment made: No. 2, page 2, line 28, at end insert—

'( ) But subsection (1) is subject to section [Exception for activities carried on partly on land etc].'.—*[Malcolm Wicks.]*

Clause 7

OFFENCE TO CARRY ON UNLICENSED ACTIVITIES

Amendment made: No. 3, page 4, line 33, at end insert—

'( ) But subsections (1) and (2) are subject to section [Exception for activities carried on partly on land etc].'.—*[Malcolm Wicks.]*

Clause 16

PROHIBITION ON UNLICENSED ACTIVITIES

Amendments made: No. 4, page 8, line 39, leave out 'other than' and insert 'except'.

No. 5, page 9, line 13, leave out 'other than the territorial sea adjacent to Scotland'.—*[Malcolm Wicks.]*

Clause 17

LICENCES

Amendments made: No. 6, page 9, line 17, for 'Secretary of State' substitute 'licensing authority'.

No. 7, page 9, line 18, at end insert—

'(1A) The licensing authority is—

(a) in the case of a licence in respect of activities within section 16(2)(a) to (c) and a controlled place which is not in, under or over the territorial sea adjacent to Scotland, the Secretary of State,

(b) in the case of a licence in respect of such activities and a controlled place which is in, under or over that territorial sea, the Scottish Ministers,

(c) in the case of a licence in respect of such activities and a controlled place only part of which is in, under or over that territorial sea, either the Secretary of State or the Scottish Ministers, and

(d) in the case of a licence in respect of activities within section 16(2)(d), whichever of the Secretary of State or the Scottish Ministers licenses the activities for the purposes of which the installation is established or maintained;

and in this Chapter references to the licensing authority in relation to a licence falling within paragraph (c) are references to the person who grants the licence or, if the licence has not yet been granted, to whom the application for the licence was made.'.—*[Malcolm Wicks.]*

Clause 18

REQUIREMENTS RELATING TO GRANT OF LICENCES

Amendments made: No. 8, page 9, line 26, leave out 'The Secretary of State' and insert 'Each licensing authority'.

No. 9, page 9, line 27, leave out 'licences may be granted' and insert 'it may grant licences'.—*[Malcolm Wicks.]*

Clause 19

TERMS AND CONDITIONS

Amendments made: No. 10, page 10, line 3, leave out 'Secretary of State' and insert 'licensing authority'.

No. 11, page 10, line 15, leave out 'Secretary of State' and insert 'licensing authority'.

No. 12, page 10, line 17, leave out 'Secretary of State' and insert 'licensing authority'.

No. 13, page 10, line 20, leave out 'Secretary of State' and insert 'licensing authority'.

No. 14, page 10, line 41, leave out 'Secretary of State' and insert 'licensing authority'.

No. 15, page 10, line 47, leave out 'Secretary of State' and insert 'licensing authority'.

No. 16, page 11, line 5, leave out 'Secretary of State' and insert 'licensing authority'.—*[Malcolm Wicks.]*

Clause 20

CONTENT OF LICENCES: REGULATIONS

Amendments made: No. 17, page 11, line 11, leave out 'The Secretary of State' and insert 'Each licensing authority'.

No. 18, page 11, line 12, after 'licences', insert 'granted by it'.—*[Malcolm Wicks.]*

Clause 22

OFFENCES RELATING TO LICENCES

Amendments made: No. 19, page 11, line 36, leave out 'Secretary of State' and insert 'licensing authority'.

No. 20, page 12, line 3, leave out 'Secretary of State' and insert 'licensing authority'.

No. 21, page 12, line 20, leave out 'Secretary of State' and insert 'licensing authority'.

No. 22, page 12, line 25, leave out 'Secretary of State' and insert 'licensing authority'.—*[Malcolm Wicks.]*

Clause 23

SECRETARY OF STATE'S POWER OF DIRECTION

Amendments made: No. 23, page 12, line 34, leave out 'Secretary of State' and insert 'licensing authority'.

No. 24, page 12, line 35, leave out 'Secretary of State' and insert 'licensing authority'.

No. 25, page 12, line 37, leave out 'Secretary of State' and insert 'licensing authority'.

No. 26, page 12, line 40, leave out 'Secretary of State' and insert 'licensing authority'.

No. 27, page 13, line 8, leave out 'Secretary of State' and insert 'licensing authority'.

No. 28, page 13, line 10, leave out 'Secretary of State' and insert 'licensing authority'.—*[Malcolm Wicks.]*

Clause 25

INJUNCTIONS RESTRAINING BREACHES OF SECTION 16(1)

Amendments made: No. 29, page 13, line 22, at end insert—

'(Z1) Where the Scottish Ministers consider it necessary or expedient to restrain any actual or apprehended breach of section 16(1) in relation to a controlled place in, under or over the territorial sea adjacent to Scotland, they may apply to the Court of Session for an interdict.'.

No. 30, page 13, line 23, after 'any', insert 'other'.

No. 31, page 13, leave out line 25 and insert '—

(a) to the High Court for an injunction, or

(b) to the Court of Session for an interdict.'.

No. 32, page 13, line 26, leave out 'whether or not the Secretary of State' and insert

'under this section whether or not the applicant'.

No. 33, page 13, line 29, leave out from 'under' to 'thinks' in line 30 and insert

'this section, the Court of Session may grant such an interdict, or the High Court may grant such an injunction, as it'.

No. 34, page 13, line 34, leave out subsection (5).—*[Malcolm Wicks.]*

Clause 26

INSPECTORS

Amendment made: No. 35, page 14, line 14, at end insert—

'( ) This section applies in relation to the Scottish Ministers and the functions of the Scottish Ministers under this Chapter as it applies in relation to the Secretary of State and the functions of the Secretary of State under this Chapter.'.—*[Malcolm Wicks.]*

Clause 28

REQUIREMENT FOR PUBLIC REGISTER

Amendments made: No. 36, page 15, line 1, leave out from 'if' to end of line 5 and insert '—

'(a) the Secretary of State thinks that disclosure of the information would be contrary to the interests of national security, or

(b) the licensing authority thinks that disclosure of the information would prejudice to an unreasonable degree a person's commercial interests.'.

No. 37, page 15, line 9, leave out 'Secretary of State' and insert 'licensing authority'.

No. 38, page 15, line 10, leave out 'Secretary of State' and insert 'licensing authority'.—*[Malcolm Wicks.]*

Clause 29

ABANDONMENT OF INSTALLATIONS

Amendments made: No. 39, page 15, line 28, at end insert

', subject to subsections (1A) and (2).

(1A) In relation to a carbon storage installation established or maintained at a controlled place under a licence granted by the Scottish Ministers—

(a) the functions conferred on the Secretary of State by Part 4 of the 1998 Act are exercisable by the Scottish Ministers rather than the Secretary of State (and, accordingly, the reference in section 39(6) of the 1998 Act to either House of Parliament is to be read as a reference to the Scottish Parliament), and

(b) the Scottish Ministers may make regulations providing that that Part applies with such other modifications as may be specified in the regulations.

(1B) For the purposes of subsection (1A), orders under section 32(1) are to be disregarded and installations used for a purpose ancillary to getting petroleum (within the meaning of section 1 of the 1998 Act) are not to be treated as carbon storage installations.'.

No. 40, page 15, line 29, leave out 'But' and insert

'In relation to any other carbon storage installation'.

No. 41, page 15, line 30, leave out 'a carbon storage' and insert 'such an'.—*[Malcolm Wicks.]*

Clause 30

TERMINATION OF LICENCE: REGULATIONS

Amendments made: No. 42, page 15, line 37, leave out 'Secretary of State' and insert 'licensing authority'.

No. 43, page 15, line 39, leave out 'Secretary of State' and insert 'licensing authority'.—*[Malcolm Wicks.]*

Clause 33

POWER OF SECRETARY OF STATE TO TRANSFER FUNCTIONS

Amendment made: No. 44, page 17, line 19, at end insert—

'(8) This section applies in relation to the Scottish Ministers and any functions conferred on them by or under this Chapter as it applies in relation to the Secretary of State and any functions conferred on the Secretary of State by or under this Chapter, except that—

(a) in its application to the Scottish Ministers the reference in subsection (4)(b) to the Consolidated Fund is to be read as a reference to the Scottish Consolidated Fund, and

(b) the reference in that subsection to section 188 of the Energy Act 2004 is to be read as a reference to that section as applied and modified by subsection (12) (inserted by paragraph 13(e) of Schedule 1 to this Act).'.—*[Malcolm Wicks.]*

Clause 34

CHAPTER 3: INTERPRETATION

Amendment made: No. 45, page 17, line 33, at end insert—

'"licensing authority" has the meaning given by section 17(1A).'.—*[Malcolm Wicks.]*

Clause 67

PERSONS WHO MAY BE REQUIRED TO SUBMIT ABANDONMENT PROGRAMMES

Amendment made: No. 46, page 55, line 47, at end insert—

'(7) In section 31 of that Act (notices: supplementary provision), before subsection (1) insert—

"(A1) The Secretary of State may not give a notice under section 29(1) in relation to an offshore installation to a person

("P") who, in relation to the installation, falls within paragraph (b) or (c) of section 30(1), if—

(a) P is not entitled to derive, and never has been entitled to derive, any financial or other benefit from the installation, and

(b) P is not, and never has been, a person within section 30(1)(a), (ba), (d) or (e) in relation to the installation.

(B1) The Secretary of State may not give a notice under section 29(1) in relation to an offshore installation to a body corporate if—

(a) the body corporate falls within paragraph (e) of section 30(1) (and no other paragraph of that section), and

(b) the body corporate falls within that paragraph by reason only that it is associated (within the meaning given by section 30(8)) with a person to whom the Secretary of State may not give a notice in relation to the installation by virtue of subsection (A1)."

(8) In section 34 of that Act (revision of programmes), after subsection (3) insert—

"(3A) A proposal that a person who is or has been within paragraph (b) or (c) of section 30(1) is to have a duty to secure that a programme is carried out may not be made if the Secretary of State would be prevented from giving a notice under section 29(1) to the person by virtue of section 31(A1) if the programme had not already been approved under this section."'.—*[Malcolm Wicks.]*

Clause 88

SUBORDINATE LEGISLATION

Amendments made: No. 47, page 76, line 16, after 'Secretary of State', insert 'or the Scottish Ministers'.

No. 48, page 76, line 29, after 'Secretary of State', insert 'or the Scottish Ministers'.

No. 49, page 76, line 33, after 'Act', insert

'or an Act of the Scottish Parliament'.—*[Malcolm Wicks.]*

Clause 89

PARLIAMENTARY CONTROL OF SUBORDINATE LEGISLATION

Amendments made: No. 50, page 77, line 5, after 'section', insert '[Smart meters: supplemental](3)'.

No. 51, page 77, line 5, after 'Act' insert

'or an Act of the Scottish Parliament'.

No. 52, page 77, line 11, at end insert—

'( ) In the case of a statutory instrument containing an order or regulations made by the Scottish Ministers, this section has effect as if—

(a) in subsection (1) the reference to either House of Parliament were a reference to the Scottish Parliament,

(b) in subsection (2)(b) for "91(2)(a)" there were substituted "91(3)(a)", and

(c) in subsection (3) the reference to each House of Parliament were a reference to the Scottish Parliament.'.—*[Malcolm Wicks.]*

Clause 91

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: No. 53, page 77, leave out lines 21 to 23 and insert—

'(a) an Act, or Act of the Scottish Parliament, passed before the end of the session in which this Act was passed, or

(b) an instrument made before the end of that session,'.

No. 54, page 77, line 24, at end insert—

'(3) The Scottish Ministers may by order make such modifications of—

(a) an Act, or Act of the Scottish Parliament, passed before the end of the session in which this Act was passed, or

(b) an instrument made before the end of that session,

as the Scottish Ministers consider appropriate in consequence of Chapter 3 of Part 1 of this Act as that Chapter applies in relation to the territorial sea adjacent to Scotland (within the meaning of that Chapter) or in relation to functions of the Scottish Ministers.'.—*[Malcolm Wicks.]*

Clause 93

TRANSITIONAL PROVISION ETC

Amendments made: No. 55, page 77, line 30, at end insert—

'(1A) The Scottish Ministers may by order make any transitional, transitory or saving provision which appears appropriate in consequence of, or otherwise in connection with, Chapter 3 of Part 1 of this Act as that Chapter applies in relation to the territorial sea adjacent to Scotland (within the meaning of that Chapter) or in relation to functions of the Scottish Ministers.'.

No. 56, page 77, line 31, after '(1)', insert 'or (1A)'.

No. 57, page 77, leave out lines 33 to 35 and insert—

'(a) an Act, or Act of the Scottish Parliament, passed before the end of the session in which this Act was passed, or

(b) an instrument made before the end of that session.'.—*[Malcolm Wicks.]*

Clause 94

COMMENCEMENT

Amendment made: No. 58, page 77, line 39, after 'sections', insert

', [Power to amend licence conditions: smart meters], [Power to amend licence conditions: procedure], [Smart meters: supplemental] (and sections 88 and 89 in so far as those sections apply in relation to orders made under section [Smart meters: supplemental](3)),'.—*[Malcolm Wicks.]*

Clause 96

EXTENT

Amendment made: No. 59, page 78, line 33, at end insert—

'( ) sections [Power to amend licence conditions: smart meters], [Power to amend licence conditions: procedure] and [Smart meters: supplemental] (smart meters).'.—*[Malcolm Wicks.]*

Schedule 1

AMENDMENTS RELATING TO CHAPTERS 2 AND 3 OF PART 1

Amendments made: No. 60, page 80, line 19, leave out 'as mentioned in that subsection' and insert

'in the course of carrying out an activity for which a licence under section 3 of the Energy Act 2008 is required'.

No. 61, page 80, line 25, at end insert—

'(5) Subsection (2) does not apply in relation to anything done in, under or over the territorial sea adjacent to Wales or Northern Ireland in the course of carrying on an activity for which a licence under section 17 of the Energy Act 2008 is required.'.

No. 62, page 84, line 10, at end insert—

'(e) after subsection (11) insert—

"(12) This section applies in relation to the Scottish Ministers as it applies in relation to the Secretary of State, and in its application to the Scottish Ministers it is to be read as if for subsections (6) and (7) there were substituted—

"(6) Regulations under this section must be made by statutory instrument and are subject to annulment in pursuance of a resolution of the Scottish Parliament.

(7) Section 192(4) applies in relation to the power of the Scottish Ministers to make regulations under subsection (6) as it applies in relation to an order or regulations made by the Secretary of State or the Treasury.

(7A) The references in this section to relevant energy functions are references to the functions of the Scottish Ministers under—

(a) Chapter 3 of Part 1 of the Energy Act 2008, or

(b) so much of any Community instrument as has effect in connection with—

(i) any activity mentioned in subsection (8)(db), or

(ii) any activity mentioned in subsection (8)(h) to the extent that the activity is carried on in connection with an activity mentioned in subsection (8)(db).",

and as if the reference in subsection (11) to the Consolidated Fund were a reference to the Scottish Consolidated Fund.'".—*[Malcolm Wicks.]*

Schedule 4

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendment made: No. 63, page 130, line 34, at end insert—

'5A In section 34 (revision of programmes)—

(a) in subsection (2)(a), after "(b)" insert "(ba),", and

(b) in subsection (3) omit "(d) or".'.—*[Malcolm Wicks.]*

Schedule 5

REPEALS

Amendment made: No. 64, page 132, line 9, at end insert—

| 'In section 34(3), "(d) or".'.

—*[Malcolm Wicks.]*

Order for Third Reading read.—[Queen's Consent and Prince of Wales's Consent signified.]

6.1 pm

Malcolm Wicks: I beg to move, That the Bill be now read the Third time.

The Bill, taken with the Planning Bill and the Climate Change Bill, represents a coherent legislative response to the challenges of tackling climate change and ensuring secure energy supplies.

Like many colleagues, I recognise that the challenges of global warming and energy security are two of the big questions and big themes for the 21st century. Against that rather grand backdrop, the Bill deals with specific but important issues. With the UK projected to import well over 50 per cent.—possibly much more—of its gas by 2020, a fit for purpose regime for offshore gas projects is essential.

The Bill makes important amendments to current offshore legislation to create a new regulatory and licensing framework specifically designed for offshore gas storage and offshore liquefied natural gas unloading projects. That will simplify the regulatory process and create greater clarity and certainty for investors.

The Bill also creates a new regulatory framework for offshore carbon dioxide storage projects. While there has been considerable debate about the Government's carbon capture and storage demonstration competition, there is agreement in all parties that CCS is a vital technology for the future. Provisions in the Bill will help enable its long-term development.

Mr. Graham Stuart (Beverley and Holderness) (Con): The Government said in 2003 that action on CCS was urgent. Does the Minister agree that progress since then—nearly five years ago—has been pitifully slow?

Malcolm Wicks: No, I do not. However, I agree with the slightly different proposition that the UK is among a small group of lead nations on CCS. If we consider those that take the matter seriously and are pursuing demonstration projects, we cannot include many countries. With Norway and one or two others, we are a lead nation. I made that point earlier when quarrelling with the idea that the German grass is necessarily greener. I am proud that the UK will spend considerable amounts of public money demonstrating the application of CCS. I am grateful to the hon. Gentleman for giving me the opportunity to put that on the record.

I am especially pleased that we have been able to extend the provisions on CCS to Scotland. That will ensure a single UK-wide regime for CCS, giving industry greater confidence and clarity, supporting investment in that vital new technology.

On renewables, our first priority must be, through the Bill, to maximise the renewables obligation's effectiveness. The Bill's reforms to the RO will help promote more rapid deployment of a wider range of renewable technologies, making it 30 per cent. more efficient in renewables deployment from 2009 to 2015.

Although microgeneration is not in the Bill, we have had a useful debate about it. I repeat our commitment that, as part of the renewable energy strategy, we will consider mechanisms to incentivise microgeneration further, including feed-in tariffs.

Underpinning our ambitions for greater levels of renewable electricity, the Bill will ensure that we have the infrastructure in place to transmit offshore renewable electricity to the onshore grid. This major area of work will continue after the passage of the Bill. In the short term, however, the Bill will add to existing powers to ensure that Ofgem can run cost-effective and efficient competitive tender exercises for offshore transmission licences. Introducing competition will help to avoid unnecessary delays and costs to offshore renewables projects, ultimately reducing risks and supporting investment.

There has been significant debate about the measures in the Bill that cover the decommissioning of energy installations, in particular those relating to new nuclear power. Although one of the objectives of our energy

strategy is to support investment, the Government have a responsibility to ensure that adequate protections are in place to ensure that the environment is protected and that the risk of costs falling to the Government is minimised. The Bill strengthens the existing decommissioning regime for both offshore renewables and oil and gas installations. The amendment that the Government have made to that area of the Bill will ensure that our legislation supports an active oil and gas sector in the UK continental shelf.

We have always been clear that developers and operators of new nuclear power, not the Government, must meet the full costs of decommissioning and their full share of waste management and disposal costs. The Bill provides the new legislative framework to ensure that all operators have in place a funded waste and decommissioning programme before operation of a power station commences. It will be a criminal offence to operate new nuclear power stations without an approved programme in place. To ensure that potential investors fully understand their liabilities, the Government have committed to establishing a fixed price for the disposal of new nuclear waste, which will be based on expected costs, including a significant risk premium.

Mr. Redwood: Does the Minister not agree, however, that in order to encourage the investment that we need in capacity of all kinds, in both oil and gas and electricity generation, we need low and stable taxes? Is he becoming concerned, as many business people are, that taxes are now rather high, unstable and capricious, and often enforced rather unpleasantly by the Revenue?

Malcolm Wicks: The right hon. Gentleman has found a nuclear peg on which to hang a familiar theme. When I talk to commercial operators, I am encouraged to find a great deal of confidence in the UK regime. That is important, given the significant amounts of investment that we will need in the next 10 or so years.

I am pleased that today's amendment to the Bill will enable us to add greater transparency to the process, by making it explicit in the Bill that the Government have the power to enter into the fixed price arrangement. The measures in the Bill reflect the fact that fossil fuels will continue to play a role in a diverse energy mix, alongside low-carbon generating options. As such, the amendments that the Bill makes to oil and gas regulation are designed to support ongoing production from the UK continental shelf and to reflect the evolving commercial environment in the oil and gas sectors.

Finally, we have introduced an enabling power to underpin the roll-out of smart meters, to medium-sized businesses in the first instance, but potentially to all energy consumers, including domestic customers. The Bill also contains a number of more minor areas of legislation. As a whole, the Bill will improve our regulatory framework and help create the right environment to encourage timely investment in diverse, increasingly low-carbon energy sources. I commend the Bill to the House.

6.8 pm

Alan Duncan (Rutland and Melton) (Con): May I express our gratitude at the outset to the Clerks and the officials for their work behind the scenes on the Bill? The passage of any legislation takes a lot of work. We are grateful for their professionalism and assiduous attention to the way the House works.

The Bill does not really live up to its title. It has come out of Committee after hours of exhaustive debate, but has been largely untouched by the wisdom of colleagues from any part of the House. There has been a clarification here and a little syntactical tweak there, but it is a pretty thin document that waits to be sent to the other place.

The Bill's lack of scope and ambition—problems that we identified at the start of its passage—reflect a regrettable absence of decision making in Whitehall. There is some evidence of strategic thought, however. In the past 10 years, there have been innumerable White Papers and lots of reports and reviews, but when it comes to taking what the Prime Minister enjoys calling "tough, long-term decisions", Ministers have mumbled their excuses and hidden from their responsibilities. Creating yet another review or holding yet another consultation might seem like a great listening exercise, but it does not give us the action that we need as quickly as we need it.

The one thing that we have got out of the Bill is a raft of consultations—no fewer than six—on a series of subjects that we have been talking about and consulting on for years, including microgeneration, decentralised energy and feed-in tariffs, which the hon. Member for Nottingham, South (Alan Simpson) argued for so persuasively this afternoon. Other subjects for consultation include smart meters, the role of Ofgem and priority access to the grid. Only this afternoon, yet another three consultations on smart meters were announced. There is nothing in that list that anyone in the energy industry finds particularly revolutionary any more. Most of it is quite well known and largely uncontroversial.

Those ideas have become basic, additional measures that would help the Government to meet their stiff targets on renewables and emissions for 2020 and 2050. I suspect that if we do not put some of them in place right now, today, we will curse our lack of urgency in 10 years' time. It is a great shame that the Government have been unable to find room in what is supposed to be a broad Energy Bill for many of the amendments that have been debated. However, they might be pressed more rigorously in another place.

The House has, to some extent, been duped. The Bill is not really an Energy Bill, but a Bill to facilitate nuclear power and create arrangements for decommissioning, all of which is fair enough. When the Government published their White Paper in January, we made it clear that we supported their signal that nuclear power had a role to play in our future generating mix, but we sought particular assurances that there would be no subsidy. We also asked for clarity on the regime for new waste.

The funded decommissioning statements that will provide financial cover for companies, and security for the taxpayer, seem to be a satisfactory way of proceeding, but we look forward to examining the details with more scrutiny in coming weeks and months. We will continue to press the Government to move swiftly and with urgency to resolve the high-level

[Alan Duncan]

waste repository issue. With the current timetable, a repository probably will not be built until 2080. That remains a serious concern.

The Bill pretends to sort out all things nuclear, but leaves large questions hanging over the commercial landscape that will govern it. Despite the Secretary of State's speeches about the economic benefits of the new generation of reactors, he has remained uncharacteristically tight-lipped on an issue that has equal resonance for the nuclear industry: the potential sale of British Energy. We are on the brink of one of the most strategically important commercial deals of recent years, but as yet we have heard nothing from the Government. There has been no formal statement of policy, no guidance on how they intend to proceed either with the total sale of British Energy or regarding their own share, and nothing on foreign ownership.

What is the Government's position on the conflict between foreign ownership and national competition? What is their verdict on the choice between short-term cash from the disposal of their shareholding and long-term value, which is an alternative? Perhaps, most pertinently—*[Interruption.]* The Secretary of State mutters, "It is nothing to do with—" something, but if he—*[Interruption.]* If he wishes to intervene, he is very welcome to do so. Perhaps, however, the House would prefer to hear a formal statement on what is going to happen properly in this sector, rather than the silence to which we have been subjected since the rumours hit the press.

The Secretary of State for Business, Enterprise and Regulatory Reform (Mr. John Hutton): I am grateful to the hon. Gentleman for giving way. I had no intention of interrupting his peroration, but I want to say two things. First, this is a Third Reading debate, but the issues that he is raising have no relevance whatever to the Bill; we do not need to legislate through a Bill to cover the points that he mentions. Secondly, I remind him that British Energy is a publicly listed company, in which the Government are a minority stakeholder.

Alan Duncan: Indeed it is, but it is that minority stakeholding that we would like to know more about, because the implementation of the Bill may go one way or another depending on what happens to the commercial infrastructure in which it will have to work. About that, however, we hear nothing from the Secretary of State. Indeed, I wrote to him during the recess, requesting an urgent clarification of the Government's position before a sale goes through in order to avoid having to endure the embarrassment and confusion of a messy post-mortem thereafter, but I am afraid that the response was bland and unhelpful. We still await a clear public statement of the Government's principles on this vitally important commercial deal, which will determine the shape of electricity generation in the nuclear sector in the UK for the next 50 or even 100 years.

Nor have we heard a whisper from the Department on the tendering of the Nuclear Decommissioning Authority's contracts for legacy waste and its clean-up, which might have a price tag of £18 billion. How will the Government ensure that competition is maintained in this area of the nuclear sector? It is no good the Government sidestepping the key commercial issues that concern nuclear, while at the same time trumpeting their conceptual and economic benefits. Policy, as part of this Bill, needs to be created in a coherent and all-embracing way.

Mr. Redwood: Does my hon. Friend share my concern that the existing range of nuclear power stations that generate base load electricity are ageing very rapidly and that we need to know what the replacements, of whatever type, will be? We need to be further down the track of granting permissions so that we can be sure that the new stations' building will be completed before the existing ones have to be retired.

Alan Duncan: It is exactly that side of the equation that I am asking the Secretary of State to express clearly, as it is no good having a Bill without the commercial apparatus necessary to go along with it to make it happen.

That brings me to the Government's failure to take the opportunity to introduce new legislation to address the whole range of energy issues that are of paramount importance to the United Kingdom. We face an extremely difficult period both in retaining our capacity at a time when we will require a new 35 GW of electricity and in boosting our green industries in order to meet the 15 per cent. renewable energy target that the EU has imposed. The Government's refusal to take action on the less traditional approaches, particularly on feed-in tariffs, which they have just voted down for microgeneration, will only make life more difficult for them. I imagine that the issue has not gone away and that the other place will want to discuss it in detail and perhaps send the matter back to us. I am glad, however, that the Government have partly seen sense on smart metering, but they are still being timid and I simply do not understand why they wish to play it that way.

By far the most glaring omission has been on energy efficiency measures to attack the scourge of fuel poverty. That, I think, will be seen in future as a great lost opportunity.

Madam Deputy Speaker: Order. The hon. Member must confine his remarks to what is in the Bill rather than discuss what has been omitted from it.

Alan Duncan: The trouble is, Madam Deputy Speaker, that that pretty well brings things to a halt because there is almost nothing in it. There is so little in the Bill, which is why it is a great missed opportunity. Many people are asking why there are no energy efficiency measures in it, why it does not marry up with the commercial opportunities that are supposed to exist—

Madam Deputy Speaker: Order. People may well be saying that, but what is in the Bill is none the less what we discuss on Third Reading.

Alan Duncan: There are some important elements in the Bill—namely its few nuclear clauses and, indeed, its reform of the renewables obligation—but the Government delude themselves if they think that this is the best way to make energy policy. If the industry is to make the correct investment in the UK, securing us

clean and reliable energy, and if consumers are to be protected from the volatility of the wholesale energy markets, we need much more aggressive action. The real absence of decisions over the last 10 years has placed us in a very precarious situation. The Bill must not be used as an excuse for further hesitation.

6.19 pm

Steve Webb: Having reflected on our consideration of the Bill over the past few months, I find it striking that only a short section of it deals with renewables, although the overwhelming majority of the amendments tabled in Committee and on Report focused on the subject. That demonstrates that the measures on renewables in the Bill do not go far enough. It would have been great if the amendment on feed-in tariffs had been passed today. I strongly suspect that when the Bill emerges from another place we shall see a similar amendment, which we would welcome.

Although we have not opposed the banding of the renewables obligation, I think the Minister grossly oversold what has been achieved by that mechanism so far. If it is so wonderful, why has it taken so long for us to reach a point at which we are still so far behind? The Minister said earlier that we were making rapid progress and that we had started from a low base; but we started from a low base 11 years ago, we are still virtually at the bottom of the league table, and the Bill will not enable us to surge up to the place that we ought to occupy.

We are witnessing the problem of departmentalitis. I simply cannot understand why an energy Department would not use an Energy Bill to promote energy efficiency. That would have been entirely proper and should have been in the first clause, but there is no mention of the subject in any of the clauses.

On Second Reading, we observed that the Bill was about big energy. It was about paying for nuclear clean-up, about offshore gas storage and about carbon capture. We are pleased that we have been able to improve it at the margins, and we welcome the nod in the direction of smart meters, but the Bill does not provide much more than that. It is a case of "Something will happen at some point, we hope". We are told that the Government have powers to make something happen within five years.

If I have any overall observation about the Bill and the Government's energy policy, it relates to the breathtaking lack of urgency. The hon. Member for Beverley and Holderness (Mr. Stuart), who has now left the Chamber, commented that five years ago the Government had said that the issue of carbon capture was urgent. When chided, the Minister said "We are on the brink of some demonstration projects", seeming not to consider that the elapsing of five years mattered particularly.

The point is that our climate change targets are not being deferred by five years every time the Government delay for five years. When the Climate Change Bill is enacted, dates will be set, and the delays embodied by the Bill will make it harder and harder for us to hit the targets. Every extra year of the consultation, dither and delay that we are about to see on smart metering, even following the amendment of provisions in the Bill, will make it that much harder to achieve the vital goals that we need to achieve.

We discussed the carbon capture provisions at some length. We have no problem with the Government's attempt to introduce post-combustion demonstration projects, but they have scuppered pre-combustion demonstration projects. They have picked a technology, and the history of Governments' picking technologies is not a good one.

I cannot bring myself to describe the Bill as a missed opportunity, because it is much worse than that. I think that not only our nation but our planet will rue the day when it missed so many chances to do the right thing.

6.23 pm

Mr. Binley: I want to continue the theme adopted by the hon. Member for Northavon (Steve Webb). I was rather encouraged when the Minister began by talking about carbon capture and storage. Great Britain has been given a massive opportunity by the 240 years or so of our energy requirements that lie beneath the surface of this country alone in coal seams, and the ability to extend oil production by up to 25 years. Together those factors could do much to solve our energy security problems, but sadly we have been very timid. The Government's actions in the Bill have closed down progress on carbon capture and storage. The Select Committee was given considerable evidence of that—some of it as a result of the questions asked by the hon. Member for Northavon (Steve Webb)—during its public sessions when we listened to witnesses.

Let me give an example of the way in which the Government have disappointed the pre-combustion lobby. The Centrica-Progressive Energy project at Eston Grange on Teesside is a good example. It proposed an 850 MW integrated gasification combined cycle coal-fired power station with pre-combustion carbon dioxide capture on a brownfield site. Sadly, that has been scaled back now, and the company is reviewing the whole process. A £1.2 million scheme that would have supplied clean power to 1 million homes will not now go ahead, certainly in the form originally suggested.

There is an even more vital concern in respect of carbon capture and storage. We have only a small window for enhanced oil recovery in the North sea. That will not take place now. On pre-combustion, we know the technology exists and is being used in various sites throughout the world. It is not quite put together in the way we would need in the North sea, but it is being used. Many North sea fields will reach the end of their working lives between 2015 and 2022, and that poses a massive problem. We will not be able to address it, because the competition has specified post-combustion and only a demonstration model, whereas I am told by experts that a commercial station can be up and running by 2014 if we have the courage to proceed.

We know that we need to store carbon securely, and that can be done either in oil wells coming to the end of their lives, saline aquifers or old coal mines. What is the advantage of using oil wells in this respect? It is that by shoving carbon down there, we increase pressure and get about 15 per cent. more oil out of those wells. That amounts to up to 25 years of extra oil production. I am told that a 800 MW pre-combustion station will produce 5 million tonnes of carbon per year. One tonne produces three barrels of oil. I need hardly go on

[Mr. Binley]

with the mathematics—I can see you looking at me in a concerned fashion, Madam Deputy Speaker.

The point I am making is that the Bill lays some foundations, but the way we proceeded with the competition that is vital to the Bill has closed down much of our ability to exploit two great resources in this country. That is a massive missed opportunity. As the hon. Member for Northavon says, it is more than that; it is a tragedy.

I ask the Minister—

Madam Deputy Speaker: Order. I just hope that the hon. Gentleman will relate his remarks a little more explicitly to the content of the Bill.

Mr. Binley: Thank you, Madam Deputy Speaker; I will do that. I ask the Minister to build on the Bill very swiftly, by looking at this matter much more seriously and coming forward with real proposals that will carry out the task we need to carry out by relating our coalfields to our oil fields, and thus to provide a real future for our children and grandchildren. The Bill is a start, but we need to go further, and I hope the Minister will tell us how that can happen.

6.28 pm

Mr. Weir: The Bill has some good points. The smart meter provisions are a step forward. I hope the roll-out will happen very quickly, but it is more important that we get it right than that we do it quickly, and the Government approach is to be commended.

I have concerns about other parts of the Bill. I agree with the comments of the hon. Member for Northampton, South (Mr. Binley) on carbon capture and storage. The Bill now lays down a joint approach to this, and the Minister said that we are a world leader in CCS but, as has been pointed out, there has been a huge missed opportunity in the pre-combustion market. The Government have gone down the post-combustion route, basically, I think, because they see it as an exportable technology as it can be fitted to coal-fired power stations, but pre-combustion CCS could have given us a world lead in a technology that would have been of huge value to this country. That is a missed opportunity, and I am sad that that has happened.

Earlier this afternoon, I spoke to my amendment No. 1 to clause 36, relating to the renewables obligation certificates banding and the interaction with grants. Although I did not press my amendment to a vote, the issue still gives me great concern. I understood the Minister's comments about state aid and the need not to give double help to projects, but he seemed to be saying that he was converting what was a grant into a loan. A company going for the high-end market and the high-end developments may receive a grant, but then it would receive fewer ROCs in the future or it would repay some of the grant.

What was previously a grant for these developments is becoming a loan, and that will have an impact on cutting-edge emerging technologies and renewables; I am thinking of such things as deep water, offshore wind, and wave and tidal power. The Minister may come to regret that, but I hope that, even at this late stage, he will at least keep the matter under review to see whether it is having an effect on those technologies and whether we need to consider making a change.

There was a great deal of discussion about transmission charges this afternoon, but as that issue is not covered in the Bill, I shall not say too much about it. I merely point out that it must be dealt with. The Minister again said that a review was ongoing, and I know that Scotland's First Minister has held discussions with Ofgem about the matter. I hope that something will come of all that, and that we will finally be given a solution to a long-running problem, which I seem to have been talking about for years.

As the hon. Member for Rutland and Melton (Alan Duncan) said, much of the Bill deals with nuclear power. Fortunately, Scotland is not to have new nuclear power stations, because the Scottish Executive are much more sensible about these matters, but I remain concerned about parts of the Bill relating to the costs of nuclear power and the disposal of nuclear waste. Given what has happened, it seems that a massive bill is building up, and I suspect that it will affect all United Kingdom taxpayers.

It is noticeable that the costs of the Nuclear Decommissioning Authority have mushroomed almost out of control from the original estimate. If I remember correctly, when it was first proposed in this House the estimate was £20 billion, but the figure has now reached a probable £90 billion. I understand that the NDA is taking up 50 per cent. of the whole budget of the Department at present. I fear that the whole issue constitutes a blank cheque, and that all taxpayers will face a huge bill for nuclear power. My concerns in that regard therefore remain.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

EUROPEAN DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9)(European Committees),

WESTERN BALKANS AND EU-SERBIA CO-OPERATION

That this House takes note of European Union Documents Nos. 14999/07, 15001/07, 14995/07, 14993/07, 14996/07, 14997/07, progress reports on Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia, No. 15616/07 and Addenda 1 and 2, Draft Council Decisions on the signing and on the conclusion of the Stabilisation Association Agreement between the European Communities and its Member States and the Republic of Serbia, No. 15690/07 and Addenda 1 and 2, Draft Council Decision concerning the signing and conclusion of the Interim Agreement on trade and trade-related matters between the European Community and the Republic of Serbia, and unnumbered Explanatory Memorandum dated 15th February 2008, Interim Political Agreement on Co-operation between the European Union and its Member States and the Republic of Serbia; and supports the Government's position that European integration offers the best prospects for regional stability in the Western Balkans and is therefore in favour of a clear European perspective for the countries of the Western Balkans.—*[Mr. Alan Campbell.]*

Question agreed to.

DRAFT CONSTITUTIONAL RENEWAL BILL (JOINT COMMITTEE)

Resolved,

That this House concurs with the Lords Message of 20th March, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on any draft Constitutional Renewal Bill presented to both Houses.

Ordered,

That a Select Committee of eleven Members be appointed to join with the Committee appointed by the Lords to consider the draft Constitutional Renewal Bill (Cm. 7342).

That the Committee should report on the draft Bill by 18th July 2008.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Mr Alistair Carmichael, Mr Christopher Chope, Michael Jabez Foster, Mark Lazarowicz, Martin Linton, Ian Lucas, Fiona Mactaggart, Mr Virendra Sharma, Emily Thornberry, Mr Andrew Tyrie and Sir George Young be members of the Committee.—*[Mr. Alan Campbell.]*

Fertility Treatment (Dudley PCT)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

6.33 pm

Lynda Waltho (Stourbridge) (Lab): Thirty years ago, a female child was delivered by caesarean section at Oldham and District general hospital. She weighed 5 lb 12 oz, and her parents, Mr. and Mrs. Brown, named her Louise. Louise Brown was the first child to be conceived using in vitro fertilisation, whose pioneers were consultant gynaecologist Patrick Steptoe and Cambridge research physiologist Robert Edwards.

Louise Brown's birth was a milestone. It marked the culmination of many years of research and trials, and the start of hope for infertile couples all over the world. Given that splendid history, I wonder why, 30 years on, today's couples up and down the country are still faced with heartache, frustration and depression when access to such groundbreaking and essential therapy is denied by nothing less than the infamous postcode lottery.

I was made aware of the situation, particularly within Dudley primary care trust, when two of my constituents approached me on this very issue. Both those constituents are married to men who have fathered a child in an earlier relationship, yet, despite the fact that in both cases the child lives with their natural mother, and not with my constituent, both women are denied fertility treatment by Dudley PCT.

The Minister of State, Department of Health, my hon. Friend the Member for Exeter (Mr. Bradshaw), will know that a pattern of patchy access to fertility treatment had developed before the announcement by the then Secretary of State for Health, my right hon. Friend the Member for Airdrie and Shotts (John Reid), following the publication of guidelines by what was then the National Institute for Clinical Excellence in February 2004. My right hon. Friend said:

> "Our immediate priority must be to ensure a national level of provision of IVF available wherever people live. As a first step, by April next year I want all PCTs, including those who at present provide no IVF treatment, to offer at least one full cycle of treatment to all those eligible. In the long term I would expect the NHS to make progress towards full implementation of the NICE guidance.
>
> In providing this NHS service, as with all others, our priority must be to help those in greatest need. That is why I will be asking the NHS to give local priority to couples who do not have children living with them."

That is an important point. My right hon. Friend continued:

> "This will mean that thousands more couples should be able to have fertility treatment on the NHS whilst enabling the NHS to manage this in a realistic way".

The NICE guidelines on the provision of IVF placed NHS assisted fertility services firmly in the mainstream of state-funded health care. They made explicit reference to clinical criteria such as the effect of age and weight on the outcome of treatment, but no recommendations were made for the use of non-clinical or social criteria in the provision of treatment. Of course PCTs have to balance budgets, decide priorities and commission services within available budgets, as well as balance individuals' needs and access to therapies.

[Lynda Waltho]

Unfortunately, that means that across the country many PCTs have developed their own social criteria effectively to ration treatment.

Recent research on some 100 PCTs shows that 51 do not allow IVF to couples if one of them already has a child. It just depends on where people live. Indeed, one of my constituents was advised by a health professional to join a different GP practice or move over the border into Staffordshire or Worcestershire to improve her chances. What a way to run a service!

My constituents and all other infertile women in Dudley are denied the right of access to treatment because of their partner's previous fertility. Is there any other treatment or branch of medicine that decides on someone's need or eligibility for treatment by looking at the health or history of their partner? This is akin to someone attending accident and emergency with a broken arm to be told by the doctor, "Yes, your arm is broken, but we're not going to treat it because both of your husband's arms are fine." That is not fair or just. How does it fulfil the guiding principle of the NHS of care and treatment free at the point of delivery and according to need?

One of my constituents described her feelings:

"While I am awaiting the decision of the PCT, I see all around me happy mums and dads with new...babies. I know that I should be one of them. I feel that at 38 my chances are slipping by and that the pen pushers don't care. They want me to appeal and to continue this charade until I am 40 and not eligible. Why don't I matter? Why don't they care? I'm now being treated for depression. My husband and I are now so desperate we may sell our house and go private. It's not right, it's not fair and they know it."

The British Fertility Society surveyed NHS fertility treatment across England in 2006. It found that the number of cycles of treatment was increasing, but there were still some significant black holes. Despite the NICE recommendations, some 16 per cent. of clinics reported decreased support from local PCTs. There is still a great disparity, with some PCTs, such as Dudley, offering funding for only one round of treatment and others offering three, although a significant proportion are unable to follow through. There was also little indication that PCTs had made long-term plans to implement NICE guidelines and no reassurance that the full guidance will be implemented.

The BFS makes 11 recommendations on social criteria for NHS treatment, which include: that waiting times for treatment should be the same as for any other medical conditions; that no woman should commence NHS-funded treatment after the age of 40; that women who are obese must initiate a weight-reduction programme; that single women and same-sex couples should have equal access; and, importantly, that if people have had children from a previous relationship, they should not be excluded from access to NHS treatment. The author of the study, Richard Kennedy said:

"The results of this survey suggest that there is no sense of any long term planning for the provision of fertility services and provide no reassurance that full implementation of the NICE guidance will be achieved as was recommended by the Secretary of State for Health...If we are to see an end to inequity of access across the United Kingdom there must be an explicit plan for the provision of three fresh cycles of IVF and consistency in the criteria used for NHS treatment. The criteria we propose, if adopted by all PCTs in England and Wales, would standardise access to treatment. We must use the findings of this survey to pursue the goal of full implementation of the NICE Guideline"

I know from my recent correspondence with the Minister of State, Department of Health, my right hon. Friend the Member for Bristol, South (Dawn Primarolo), that she is concerned about the situation, as are her colleagues. The Department of Health asked Infertility Network UK, on behalf of the Department, to undertake a project to liaise with PCTs and encourage the sharing of best practice, as well as to ensure that the voices of fertility patients are heard when decisions are made at a local level. Only 151 responses came back from the 303 PCTs. The results showed that 98 were funding only one cycle per couple, 32 provided two cycles and only seven provided the recommended three cycles. Of those PCTs, 50 per cent. do not fund frozen embryo transfer.

Why is it important to get to the magical figure of three cycles? The chance of a successful birth in a single cycle of IVF is estimated at one in four for women under 35, which rises to 50 per cent. with three cycles. Of course, there are less likely to be multiple births when three cycles are offered because couples have three chances rather than one to become pregnant and are therefore less likely to opt for multiple transfer. In turn, that will mean safer pregnancies and births for mothers and children.

Infertility causes emotional distress and pain. The desire to reproduce is part of life. When that process fails couples undergo significant distress, depression and ill health. Relationship failure often follows. They suffer physical and mental ill health and their self-worth plummets. Creating a family is central to the life plans of many people. Not everybody desires a child with the same intensity—it is fundamentally an individual issue.

As individuals in a welfare state, my constituents deserve equal and fair access to treatment. The Minister of State, my hon. Friend the Member for Exeter, can help them to achieve this by insisting on the removal of the so-called social criteria, by making a sound commitment to fund both fresh and frozen embryo transfer and, of course, by insisting on full implementation of all NICE guidelines in this case without further delay.

6.43 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I congratulate my hon. Friend the Member for Stourbridge (Lynda Waltho) on securing the debate and on bringing an important and sensitive subject into the public domain.

People who seek help to have their own family have often gone through a time of great anticipation and preparation, when there was no doubt in their minds that they would have a child together and that it would be just a matter of time. They plan ahead and think that at the same time the following year they will have a child with them. They plan their lives around that thought.

For some—one in six or one in seven—the expected does not happen and the next step is to visit their GP to ask for advice. That might be a difficult step and the

tests that follow lead to an anxious time. The tests might show the cause of the problem, or the cause might remain unexplained. Some couples may conceive a child during that time, but others will not and they will consider various treatments. In many cases, patients may start with the less invasive procedures, and some will get pregnant at that stage. However, for those who do not, treatments such as IVF or ICSI—intracytoplasmic sperm injection—are the next, and last, step. More than 30,000 people in this country will have IVF in any one year, and currently about a quarter of them will be treated on the NHS.

People with fertility problems who seek help from the NHS quite rightly see fertility provision as an integral part of the service but, as my hon. Friend the Member for Stourbridge said, some will find that the NHS cannot help them to the extent that they expect. We are working hard to address the issues about access to NHS infertility treatment, and are making welcome progress. I shall update the House about that in a moment, but first I want to deal with the point that my hon. Friend made about the restriction of access to fertility services if a person or their partner has a child from a previous relationship.

My hon. Friend made the point very eloquently that, if a woman has fertility problems, then to refuse to treat those problems because her partner has a child from a previous relationship is to ignore the woman's own, personal health problem. I recognise the points that my hon. Friend made, as I do the feelings of the women—or men—who are in that position. I also acknowledge the feelings of their partners. If there are anxieties and a feeling of injustice, they may even be sensed by the existing children.

For access to IVF treatment, most PCTs apply the so-called "social" criteria, which means that there will be no IVF for couples who have a child from a previous relationship. Many PCTs say that IVF treatment cannot be offered if a person or their partner has a child from a previous relationship: some say that there should be no children from the current relationship, and others that there should be no children under 16 living with the couple. A very small number of PCTs require one partner to have no children, or say that they give individual consideration to partners with no children.

The Government are aware that those are not the only access criteria applied by PCTs, but most of the others feature as clinical criteria in the NICE fertility guidelines. They include requirements to undertake a smoking cessation clinic or to lose weight, and so on, but those are clinical criteria set out by NICE and they are applied reasonably consistently across the country. Most PCTs have criteria relating to existing children from a previous relationship but, as my hon. Friend the Member for Stourbridge rightly said, they are not uniform. Those differences are seen as unfair, and I share her discomfort about them.

We are therefore addressing the problem in the following ways. We have asked the leading fertility patient support organisation, Infertility Network UK, to develop in partnership with the NHS a standardised set of access criteria that will include criteria for patients who have children from previous relationships. Infertility Network UK is looking at the range of criteria in application, and it is aiming to develop a standardised set that PCTs can take into account when planning their services.

Infertility Network UK will also look at suggestions made by other groups, such as the British Fertility Society. The end result will be a tool that PCTs can use in planning their provision.

Looking at the level of IVF provision in Dudley more generally, I am aware that the PCT offers only one fresh cycle of IVF to those who meet the access criteria. I recognise that patients in my hon. Friend's constituency would certainly wish—and could expect—that provision to improve. A progression from one fresh cycle, the most basic level of provision, to one full cycle of IVF would be a starting point, together with a longer-term plan for the implementation of the full NICE guidelines. In response to my hon. Friend's concerns, I have asked Infertility Network UK, the leading fertility patient support group, to offer to meet the members of the independent Healthcare Commission in Dudley so that they can make known the views of patients about the level of provision locally, and hear the views of the commissioners. As a start, it may be helpful to give patients a transparent picture of the services that are being funded, so that they might understand why IVF does not at present have a higher level of priority locally.

We want further improvements in the provision of fertility services and, to that end, we have started to monitor them. We will publish the results shortly, but even without that survey we know that some PCTs are providing two cycles of IVF or more. It will be helpful to demonstrate that that can be done, and that progression towards the implementation of the NICE guidelines can be achieved. Those PCTs' performance will be held up to public scrutiny by the independent Healthcare Commission in its annual health checks.

Infertility Network UK has been working with us to improve access to services for fertility patients towards the implementation of the NICE guidelines. As well as developing standardised access criteria, it is working with PCTs to identify and disseminate best practice. The project, which is funded by us, began in 2006 with a survey of provision. It has continued with visits to 16 PCTs that offer a range of provision, and Infertility Network UK will be compiling its findings for dissemination.

Additionally, we have set up an expert group on commissioning NHS infertility provision. Its membership is drawn from strategic health authorities, primary care trusts and Infertility Network UK. The group is identifying the barriers to the NHS progressing to implementation of the NICE fertility guidelines, taking account of the current variation in provision of IVF and ICSI among PCTs. It is also examining the variation in access criteria and the intermittent suspension of services in some locations. At present, only three PCTs have temporarily suspended services, and all are working towards reinstatement. The group is also working to ensure the production of a tool for PCT commissioners for making decisions on fertility provision to encourage gradual progress towards the full implementation of the NICE fertility guidelines.

In carrying out its work, the group will take account of the Infertility Network UK project with PCTs advising on next steps and co-ordinating findings on

[Mr. Ben Bradshaw]

good practice. It will also take account of the range of evidence to support the provision of IVF and ICSI, including the health gains for patients and health issues arising from infertility.

We acknowledge that unacceptable variations remain in the provision of IVF throughout the country. Overall, there is a move towards the implementation of the NICE clinical guideline and general improvement, but there is still progress to be made in several PCT areas and more work to be done, especially on the social criteria to which my hon. Friend drew attention. I thank her for doing so, and recognise and acknowledge her concerns. I know that she is seeking improvements in provision in relation to fairness and equity. We share those values. We, too, are seeking to help PCTs to make just, transparent decisions on fertility treatment, which is not a traditional part of NHS care, but in which developments in technology have brought great advances in patient care and high expectations that the health service needs to meet.

Question put and agreed to.

Adjourned accordingly at eight minutes to Seven o'clock.

House of Commons

Thursday 1 May 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS] (BY ORDER)*
CANTERBURY CITY COUNCIL BILL *(BY ORDER)*
LEEDS CITY COUNCIL BILL *(BY ORDER)*
LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(BY ORDER)*
MANCHESTER CITY COUNCIL BILL *[LORDS] (BY ORDER)*
NOTTINGHAM CITY COUNCIL BILL *(BY ORDER)*
READING BOROUGH COUNCIL BILL *(BY ORDER)*
Orders for Second Reading read.
To be read a Second time on Thursday 8 May.

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Flood Prevention

1. **Mr. Mark Harper** (Forest of Dean) (Con): What the Environment Agency's budget for flood prevention is for 2008-09. [202787]

The Minister for the Environment (Mr. Phil Woolas): Total Government funding for England in 2008-09 is £650 million, of which £559 million is flood defence grant in aid disbursed by the Environment Agency and including local authority and internal drainage board capital projects. The Environment Agency flood defence budget includes a further £20.1 million funded from other sources, and there is a planned local levy programme of around £38 million.

Mr. Harper: As the Minister will know, those who ask for works to be carried out locally are always told that the budget is under pressure, but the Environment Agency is still able to find the funds to sponsor a flood impact study conducted by Cranfield university. My constituent Mr. Jeremy Chamberlayne put it well when he said:

"This everlasting reviewing and impact studying is beginning to get up my nose! It's action we want and I seriously fear that the Environment Agency is incapable of delivering it".

What can the Minister tell us today to change my constituent's mind?

Mr. Woolas: I am grateful to the hon. Gentleman for raising the issue. I hear people express that sentiment, but it is based on a misunderstanding. The flood defence capital projects and maintenance projects have been enhanced month on month for eight or nine years. Of course the Environment Agency, as a responsible body, seeks to learn more about flood risk—particularly in the light of the lessons learned from surface as opposed to river flooding, which is one of the aspects recognised in the Pitt review.

I can give the hon. Gentleman the reassurance that he seeks. Action certainly is being taken, and if he visits the Environment Agency I am sure that its representatives will show him the projects.

Mr. Andrew Robathan (Blaby) (Con): While we are on the subject of misunderstanding and the Environment Agency, may I ask whether the Minister saw a letter in *The Daily Telegraph* on, I think, Monday or Tuesday from the agency's chief executive, Lady Young? In that letter, she contradicted "Dod's Parliamentary Companion" by saying that she was not a Labour peer, which according to "Dod's" she has been for many years. Can the Minister clear that up for us?

Mr. Woolas: I hope you will forgive me, Mr. Speaker, for not reading *The Daily Telegraph* on Monday, Tuesday or indeed any other day. I do the crossword—it runs in my family—and it is a fine newspaper, but I do not think that this is really a matter for me. I believe that you would pull me up if I answered the question, Mr. Speaker.

Miss Anne McIntosh (Vale of York) (Con): Last year, the Prime Minister said:

"In addition to that"

—the money allocated—

"under the Bellwin scheme, it will be open to local authorities to be reimbursed for the additional costs that they face, and I know that those requests will be looked at sympathetically."—[*Official Report*, 27 June 2007; Vol. 462, c. 325.]

In the constituency of my hon. Friend the Member for Forest of Dean (Mr. Harper), and indeed in the whole of Gloucestershire, there is a £16 million black hole that must be filled by the council. Moreover, I have been informed by the leader of Gloucestershire county council that it has received no new money to reduce the risk of flooding in the county. Can the Minister tell us why the Secretary of State's constituency and other urban constituencies receive money for flood defences, while all that rural constituencies such as mine and my hon. Friend's are given is money for flood impact and feasibility studies?

Mr. Woolas: I understand the hon. Lady's point, but I do not accept that the Government, through either local authorities or the Environment Agency, do not spend money in rural areas. That is simply not the case.

The hon. Lady referred to Gloucestershire county council. I believe the constituency of the hon. Member for Forest of Dean (Mr. Harper) is in Gloucestershire. The Environment Agency provides moneys for flood defences, and, as I think most local authorities recognise, the Bellwin scheme has worked very well. The Minister for Local Government, my hon. Friend

the Member for Wentworth (John Healey), has done a terrific job with that scheme, and with the solidarity fund.

I do not accept the idea that we give money to urban areas but not to rural areas. I suspect that there is a bit of 1 May behind that question, and I think it is unfair.

Renewable Electricity Generation

2. **John Barrett** (Edinburgh, West) (LD): What discussions he has had with the Secretary of State for Business, Enterprise and Regulatory Reform on the development of renewable forms of electricity generation. [202788]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I regularly discuss a range of issues with my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform, including the importance of renewable energy in reducing CO_2 emissions.

John Barrett: I thank the Secretary of State for that answer. He will be aware that the Government's performance and innovation unit has said:

"A sustained programme of investment in currently proposed nuclear power plants could adversely affect the development of smaller scale technology."

When will his and other Departments work together to make sure that renewables are given a fair chance?

Hilary Benn: In fairness, I think the hon. Gentleman would recognise that since the renewables obligation was introduced in 2002, renewable generation in this country has nearly trebled in size. That is a practical example of change taking place. We have recently consulted on the nature of the renewables obligation certificates, and we will introduce double ROCs, which will encourage some of the newer technologies. We are, of course, a leading country in the world for investment in offshore wind power, and the Government are very committed to a transformation in the investment in renewables. The simple reason why we are where we are is that we had North sea oil and gas. I think that the whole House recognises that, but we are committed to change, and the policies that we are putting in place will ensure that it happens.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): I am sure my right hon. Friend will be as concerned as I am at today's news that Shell is pulling out of the London Array, which will be the UK's biggest offshore wind farm. When it is ever suggested that there should be a windfall tax on the vast profits of energy companies, they say that they need the money to invest in new technologies. In view of Shell's announcement today, should that policy be revisited by the Government?

Hilary Benn: I have to say that I would describe the news that Shell wishes to sell its stake as very disappointing, and that many people would want to understand why that was the case, especially in a week in which the company has announced record profits. What I would say on the Government's part is that we have given, and will continue to give, full support to this important project, which, when completed, will produce enough electricity to power about one in four homes in Greater London.

Mr. Brian Binley (Northampton, South) (Con): The Secretary of State will know that planning applications for wind turbines on industrial estates are beginning to show themselves. I know of one for a 147 m tower on an area containing 161 businesses and covering 8,000 sq ft. Clearly there must be some limit on the number of wind turbines on industrial estates—*[Interruption.]* Clearly there must be some limit. What is that limit? How does that impact on fair trading, given the recognition that we need to ensure that access to alternative power sources is available to all industry?

Hilary Benn: What I would say to the hon. Gentleman—I am comparing the two questions that we have just heard—is that we cannot have it both ways; there are choices to be made about how we generate our energy. It is for the planning authorities to take decisions about individual applications, but if we talk to renewable energy companies, including those involved in wind power, they will tell us that in the UK, the regulatory regime is not a big obstacle as far as financial incentive is concerned; they will tell us that the obstacle is the planning system. We need to examine carefully, in the end, the decisions made at local level on whether permission is given or not, because those decisions will have a huge impact on the speed with which we are able significantly to increase our renewable energy generation.

Sir Peter Soulsby (Leicester, South) (Lab): I suspect that the Secretary of State may share the disappointment felt by hon. Members on both sides of the House that the Government felt it necessary yesterday to vote against new clause 4 of the Energy Bill, which would have paved the way for the introduction of renewable energy tariffs. Will he assure the House that he will hold discussions with ministerial colleagues to find alternative ways of ensuring that tariffs are introduced that will enable and encourage decentralised renewable energy generation?

Hilary Benn: I am very committed, as I know my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform is, to doing precisely that. That is why the Minister for Energy announced a couple of months ago that, as part of the renewable energy strategy, one of the things on which we will consult in the summer, because we are determined to make progress, is, indeed, feed-in tariffs for microgeneration. One has only to look at a country such as Germany to see the impact that such a system has had. We will examine that as part of the strategy, and we will publish our proposals in due course.

Bill Wiggin (Leominster) (Con): I am listening to the Government describing us as leading on offshore wind power, yet Shell is pulling out of key offshore wind farm projects in this morning's newspapers. When we look further at the Government's biomass co-firing feedstocks, we find that a fifth of those are coming from palm oil products, which are causing deforestation and loss of habitat for the orang-utan. We know that things are not being sustainably sourced, and we know that we will not even be close to meeting the EU target

of 20 per cent. by 2020 if we lose wind farms and Shell's investment. I do not think that the Minister's response that it is all very disappointing is good enough. Will he please see what he can do to try to meet these targets, which the whole House would support?

Hilary Benn: The Government are responsible for many things, but the decision that Shell has taken is not one of them. Shell made it clear in its statement that the regulatory framework that the Government have set is not the reason for its decision. I said in answer to the earlier question that many people would like to know the reason because Shell has spoken previously about its commitment to investment in renewables, and this is an important test. I hope that the project will be sustained.

On offshore wind, 3.3 GW already have permission. Round 2 should deliver another 7 GW. The Government want a further major expansion up to 25 GW, so we are serious about this.

On biofuels, Ed Gallagher is carrying out the review. As far as the climate is concerned, there are good biofuels and bad biofuels, and we have to be able to distinguish between the two. The review will be important, but we need to encourage the right kind of biofuels. We also need to encourage the second generation of biofuels, and we are determined to do that.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): When my right hon. Friend meets the Secretary of State for Business, Enterprise and Regulatory Reform, will he remind him that it is profoundly wrong for politicians or political parties who advocate renewable energy to then deny applications involving that technology? That is the case with the nimby Scottish National party Administration in Scotland.

Hilary Benn: I agree with my hon. Friend, and I made the same point a moment ago. We have a choice to make. It is instructive to compare and contrast the policies advocated from the Opposition Benches with the decisions taken by the representatives of those same political parties when it comes to individual planning applications. In the end, we have to be held to account for our decisions.

Global Food Prices

3. **Kerry McCarthy** (Bristol, East) (Lab): What recent discussions he has had with ministerial colleagues on the effects of the rise in global food prices. [202790]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): With ministerial colleagues, I attended the food summit called by the Prime Minister on 22 April 2008. We discussed the causes and the consequences of the rise in food prices, especially for developing countries.

Kerry McCarthy: Much of the debate on this issue is focused on the impact of biofuels, but does my right hon. Friend accept that increased meat and dairy consumption, especially in countries such as China and India as they become more prosperous and adopt a western diet, is also a problem? Does he also agree that the introduction of ever more industrialised and intensive farming methods—trying to squeeze more meat or milk out of every animal and more animals into every acre—is not the answer?

Hilary Benn: There are several factors behind the recent rise in prices, such as the drought, especially in Australia, although it should produce much more wheat this year; the demand for meat and dairy products that is a result of growing prosperity in the developing world; the existing trade restrictions; and the growth in input prices. The rise in oil prices has a huge impact on fertiliser costs. First, the agricultural industry across the world, including in the UK, has to play its part in contributing to the reduction of carbon emissions. The second priority is to ensure that we protect those least able to deal with the consequence of rising food prices, both abroad and here in the UK.

The one bit of encouraging news is that if one looks at the price of wheat on the futures market for November 2008 and for 2009, the price quoted is around £140 a tonne, compared with about £170 currently. There has been a sharp spike, but the predictions are that we will see a decrease, although the price is unlikely to return to previous levels.

Mr. Michael Jack (Fylde) (Con): A plentiful supply of food for this country and for the world is dependent on the work of bees. Much concern has recently been expressed about the health of bees, certainly in this country. To draw the sting from that argument, the Government have launched a consultation process on bee health. However, that will report after this year's pollination has been completed. In order to safeguard those food supplies that are dependent on bees, what help will the Secretary of State give to beekeepers now to ensure that the work of bees is undertaken properly this season?

Hilary Benn: I share the right hon. Gentleman's concern. That is why DEFRA is contributing £1.3 million to the bee health programme, the Welsh Assembly Government are making a contribution and there is an additional R and D budget.

The European countries are all concerned. We are looking with our European colleagues at what more might be done. The truth is that we do not fully understand the cause of some of the changes that we are seeing, in particular colony collapse disorder, of which reports have come from the United States of America. We are taking the matter seriously. We want to focus our money on research that will help us to find the answer so that we can deal with the problem.

Mr. Mike Weir (Angus) (SNP): The rise in food prices led to an almost hysterical attack on biofuels as part of the cause. It might be part of the cause. I was pleased to hear what the Secretary of State had to say about the other causes. Will he acknowledge the importance of not completely abandoning the research on sustainable biofuels in the future?

Hilary Benn: I agree entirely with the hon. Gentleman. We want biofuels that are better than the petrol and diesel that they are replacing. That is why we need better understanding of the facts and to encourage second-generation biofuels, because they will make an

important contribution to helping us to meet the renewable energy targets. We do not want to support things that result in the kind of destruction that the hon. Member for Leominster (Bill Wiggin) referred to a moment ago. Three years ago, many Members of the House from all parties were signing early-day motions and encouraging movement on biofuels. We are learning as we go, and that applies to us all. We want to take the right decisions to support the right kind of biofuels.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The recent Government report on food shows that UK self-sufficiency in temperate or indigenous food products has fallen by about 10 per cent. over the past 10 years. That means that as a nation we are going into world markets, pushing up the prices and making food less available for poor countries. The best estimate of climate change suggests that agricultural productivity in northern Europe will remain about the same or even improve. We are a key factor in the production of sufficient food in the world. What are the Government doing to ensure that productivity in this country and across northern Europe is maintained?

Hilary Benn: The hon. Gentleman is absolutely right in terms of the figures that he gives. If one goes back to before the second world war and after, we were less self-sufficient in food than we are today. The reason that production has come down from the peak of a decade or so ago is that we in Europe, along with others, have reformed the common agricultural policy. That is a good thing, too. That kind of production and its cost were not sustainable.

The market is sending a very clear signal. The prospects for the farming industry are, overall, pretty bright, despite some of the difficulties that some sectors are facing. The people in the best position to encourage productivity are those in the farming industry itself, as they have the skills to encourage people to come in. We will need to play our part in helping to feed not just the population of this country—6.2 million human beings—but the 9 billion that we might have in the world in 50 years' time.

Mr. James Paice (South-East Cambridgeshire) (Con): Two years ago, the Government published their "Vision for the CAP", in which they clearly stated that domestic production was not necessary for the food security of this country because we were a trading nation. Is that still the Government's policy? If it is, how does it fit with the Secretary of State's answer to the hon. Member for Brecon and Radnorshire (Mr. Williams) about the importance of British production? Either the Government have changed their policy over the past two years, in which case they should say so, or they should tell us clearly that they do not believe that British food security involves domestic production.

Hilary Benn: By definition, British food security is very significantly dependent on domestic production, as the figures to which the hon. Member for Brecon and Radnorshire (Mr. Williams) just referred clearly show. *[Interruption.]* For the avoidance of any doubt, may I make it absolutely clear from the Dispatch Box that the Government continue to support a strong, thriving agricultural industry in this country? The hon. Member for South-East Cambridgeshire (Mr. Paice) raises an important point, because circumstances change and we need to reflect on the implications of that change. The question is: what are the right things to do to ensure that the challenge of the future is met, including by the contribution that British agriculture can make?

I do not think that the answer is to go back to where we were in the form of intervention, and the hon. Gentleman does not either. I make a genuine offer to him and to the farming industry, as I have on a number of occasions. I am open to a conversation and a discussion about the right things to do in response to the changing circumstances in which we find ourselves.

Coastal Flood Defences

4. **Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): What funding his Department has allocated to coastal flood defences in the next three years. [202791]

The Minister for the Environment (Mr. Phil Woolas): Overall, spending in England for flood and coastal erosion risk management will rise from £600 million this year to a minimum of £650 million in 2008-09, £700 million in 2009-10 and £800 million in 2010-11.

The Environment Agency expects to spend approximately £90 million on capital works to address coastal flooding in this period, excluding maintenance work. At least £110 million has been allocated to local authorities for coastal protection, flooding and associated studies in the next three years.

Mr. Whittingdale: But despite that, the Minister will be aware of the considerable concerns among landowners that the Government intend to abandon the maintenance of some areas of sea wall. Is he also aware that if a landowner wishes to carry out the repairs himself, he is required to obtain permission from the Environment Agency, from Natural England and, in some cases, even from the Marine Fisheries Agency? If the Government are not going to maintain the sea walls, will they please make it easier for landowners to do so?

Mr. Woolas: I take the important point that the hon. Gentleman raises; it is incumbent on us to deal with it. The difficulty is—and I know he understands this because he has made this point—the fact that the schemes interact. A scheme on one part of the coast can impact further down the coast. The Environment Agency and Natural England have different considerations and there is the potential impact on marine life. However, he makes an important point and it is one that we need to address. I will come back to him on it.

David Taylor (North-West Leicestershire) (Lab/Co-op): Fifteen million people in Britain live near the coastline, which is being eaten away slowly by the impact of erosion, storms and rising sea levels. The Minister has said that he does not read the *Telegraph*, but did he read the article in *The Guardian* two weeks ago that suggested that Natural England plans to abandon in the medium term a nine-mile stretch of coastline in Norfolk, much visited by the people of the east midlands and Leicestershire, between the villages of Eccles and Winterton? Therefore, many homes will be lost in that vicinity. Will he deny those reports? We cherish the Wintertons in this place; we should cherish Winterton in Norfolk as well.

Mr. Woolas: First of all, I can assure the hon. Member for Congleton (Ann Winterton) that there is nothing personal in this.

I choose my words carefully as I look at the Gallery upstairs. I did read that article in *The Guardian*, but I do not read the paper everyday; I cannot do the crossword in *The Guardian*. I read the article and it caused some upset and worry. It is not the role of Natural England to take such decisions; responsibility is with the Environment Agency. The Government work closely with the other bodies, and this goes back to the point that the hon. Member for Maldon and East Chelmsford (Mr. Whittingdale) made on the previous question. I can give the reassurance that my hon. Friend is looking for. There is no question of an abandonment of the nature that the article suggested.

Mr. Bernard Jenkin (North Essex) (Con): I thank the Minister for his conciliatory response to my hon. Friend the Member for Maldon and East Chelmsford (Mr. Whittingdale), but may I reinforce the point that my hon. Friend made? There is a ludicrous complication that requires farmers to obtain a waste licence to deposit inert waste on to a sea wall. This is bureaucracy gone mad. Can the Minister confirm that he has received representations on the issue from the National Farmers Union? What action is he taking to resolve this question?

Mr. Woolas: In all honesty, I cannot recall seeing representations from the NFU and I will immediately check the point that the hon. Gentleman makes. I see that there may be a reason for some controls, because not everybody plays by the rules or by the intent of the rules. This is not a partisan point. If farmers are reporting to him that there is a problem, we need to address it and I will do so.

Mr. Graham Stuart (Beverley and Holderness) (Con): The Minister will know that, like many Labour-led organisations, the Environment Agency is seen as arrogant, undemocratic and unaccountable. Flood-hit communities in the East Riding are enraged by the agency's insistence that its failure in basic maintenance did not contribute to the extent and damage of last year's flooding. Will he and the Secretary of State undertake to break up the agency and ensure that those who carry out flood defence in our local communities are democratically accountable and seen to be so?

Mr. Woolas: I do not think that the right hon. Member for Suffolk, Coastal (Mr. Gummer), if he were in the Chamber, would accept the premise of the question. The Environment Agency has had broad support for many years; the accusation that it is partisan is unfair. As for the accusation that it is undemocratic, it has a job to do, and part of that job is consultation, but not everybody will agree. I have visited the constituency of the hon. Member for Beverley and Holderness (Mr. Stuart), as he knows, and we are to have a further meeting on the points that he raises. The fact of the matter is that not everybody agrees on the way forward; there are disagreements among the different interest groups. The Environment Agency does a difficult job, and I am more than happy to defend it. On the specifics that the hon. Gentleman raised, we are due to discuss them, and I look forward to that meeting.

Sir Peter Tapsell (Louth and Horncastle) (Con): May I remind the Minister that in 1953, when the Lincolnshire sea coast defences were last seriously breached, thousands of lives were lost? Considerable numbers of my constituents live in homes that are below high sea levels, and they are not all readers of *The Daily Telegraph*. Will he give an assurance that the east Lincolnshire coastline defences will remain fully maintained?

Mr. Woolas: I am grateful to the hon. Gentleman for his reminder of the events of 1953. The lessons learned then were built into our plans for defence against the recent tidal surge. Thank goodness, the fine county of Lincolnshire was protected. The Government's policy regarding the coast is of course made more difficult by the issues that my hon. Friend the Member for North-West Leicestershire (David Taylor) raised: by erosion, tilting, which is causing a gradual increase in sea level, and the impact of climate change. That has meant that since 1953 we have had to revisit the policy. That is why the outcome measures, as they are called—I would call them the criteria used—have recently been changed. I think that the hon. Member for Louth and Horncastle (Sir Peter Tapsell) will find, if he studies the criteria, that they are beneficial to his constituents. I am grateful to him for raising the point.

Steve Webb (Northavon) (LD): Those who live in coastal communities, especially those communities that are slightly more coastal than they were when people first moved in, want certainty on two points. The first is the issue of abandonment. The Minister's apparently quite clear statement of a few seconds ago is clearly at variance with what other Government bodies are at least considering as an alternative, so does he speak with the authority of the full Government, and will none of the coastal communities be abandoned? The second point on which people want clarity is compensation. Given that the future of peoples' homes is entirely dependent on government policy, to the extent that anybody can do anything about the problem, surely there is an issue of compensation. We are talking about individuals who may well have lived in one place for generations. If they choose to live there, do the Government say, "Well, that's tough; if you live on the coast, you take the consequences"?

Mr. Woolas: The hon. Gentleman raises two very important points. We have the strategy, through the adaptation toolkit, which we are working on, including by having discussions with hon. Members in all parts of the House and local authorities. That is about what specific measures we need to take to ensure that bureaucracies do not get in the way of protecting people's communities. The adaptation toolkit is very important; I know that it does not sound it, but it is. Secondly, on abandonment, the difficulty in this debate is that, as I said before, the protection of one area of coastline can have an impact on another. It is simply not possible to protect everywhere. The word "abandonment" is, of course, very emotive.

The natural erosion of the coast, or increased erosion caused by climate change, is something that the Government could not stop in every instance, no matter how much money they spent. We need a fair set of criteria that are transparent and acceptable to the House, and that is the policy on which we are working. One can never talk

about not abandoning areas if it is nature that is the problem. On the point about compensation, in the adaptation toolkit—

Mr. Speaker: Order. I must try to get through the Order Paper. I ask hon. Members to appreciate that I must try to call those whose names are on the Order Paper.

Aviation (Emissions)

5. **Simon Hughes** (North Southwark and Bermondsey) (LD): What recent assessment he has made of the environmental effect of greenhouse gas emissions from aviation. [202792]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): Aviation's climate change impact is currently responsible for about 6 or 7 per cent. of the UK's total carbon dioxide emissions and 1.6 per cent. of global CO_2 emissions. Recent research in 2000 by the European Commission's TRADEOFF project suggested that the total climate change impact of aviation up to 2000 was 1.9 times greater than its CO_2 impact alone.

Simon Hughes: Given that the recent National Audit Office report showed that there have been no reductions in UK carbon dioxide emissions

" if measured on the basis of the Environmental Accounts",

which means that since 1990, if aviation and shipping emissions are included, we have had no reductions in CO_2, may we have an assurance from the Secretary of State that when he talks to Transport Ministers about plans to build extra runways at Heathrow and elsewhere, and when the Climate Change Bill comes back to the House, aviation and shipping emissions will be included, not hidden away to pretend that they do not matter?

Hilary Benn: There is no question of hiding anything away or saying that it does not matter. As the hon. Gentleman knows, the Bill makes provision to include those emissions once there is international agreement on how to divide up responsibility, for example, for a flight that leaves Heathrow flown by an American airline, refuels in Dubai and ends up in Sydney, or for ships refuelling from bunker fuel ships in international waters with a Panamanian flag. It is a practical problem. The second thing that we are already doing will mean that aviation is included in the EU emissions trading scheme. As the hon. Gentleman will realise, that means that aviation emissions will be capped in Europe at their 2004-06 level and any growth above that will have to be compensated for by reductions elsewhere.

John Robertson (Glasgow, North-West) (Lab): Further to that point, as my right hon. Friend is aware, aviation and shipping are included in the Bill, but he said that international agreement needs to come first. If we do not get international agreement, can he reassure me that we will go down the road of an agreement within the EU, and if that does not go ahead, we will take unilateral decisions and ensure reductions ourselves?

Hilary Benn: Of course, domestic emissions from aviation are already included in the totals in the Bill, and yes, it is true that Europe is leading because the international air transport organisation has not taken the lead in dealing with emissions from aviation. We are firmly committed to support Europe's EU emissions trading scheme and aviation's inclusion in it. That is the best hope we have in the world of making progress on the issue.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): When considering carbon emissions from aviation, however, will the Secretary of State ensure that proper regard is given to the comparative emissions from the different modes of transport available to people? Will he bear in mind that in the highlands and islands, where the alternatives are often long road journeys and ferry journeys, aviation with a well-filled plane travelling not too high can be a carbon-efficient way of moving people around? Will he ensure that they are not penalised for using that mode of transport?

Hilary Benn: I appreciate the hon. Gentleman's point. That is why, in looking at the operation of aviation's inclusion in the EU emissions trading scheme, account has been taken of precisely that point in respect of a number of EU countries where those facts obtain.

Climate Change

6. **Mr. Jim Cunningham** (Coventry, South) (Lab): What steps the Government have taken to encourage participation in combating climate change at local community level. [202793]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): The Government have taken a range of initiatives to assist communities in combating climate change. The climate challenge fund has provided assistance to 83 projects led by local authorities and third sector organisations to encourage more positive attitudes towards tackling climate change. For example, it enabled the Women's Institute to develop successful eco teams to raise awareness and encourage action to reduce emissions. The environmental action fund provided yearly grants of up to £250,000 to voluntary and community sector organisations to help them meet the Government's sustainable development objectives in England.

Mr. Cunningham: I thank my hon. Friend for that answer, but does she think more can be done to encourage local authorities and householders to do more?

Joan Ruddock: Let me give my hon. Friend that assurance. We have introduced new Government performance framework indicators on climate change, which will enable local authorities to reduce their own operations' emissions and per capita emissions from their community. We are rolling out the green homes service with the Act on CO_2 advice line, which will enable householders to tackle their emissions through greater energy savings. We are tackling waste and water usage, and towards the end of the year we will roll out the green neighbourhoods scheme, looking for 100 selected neighbourhoods to help to reduce their carbon footprint by 60 per cent. We are looking for 3,000 households and focusing on the most hard to treat housing stock. I can give my hon. Friend the assurance that we intend to do more, and that we have the co-operation of local authorities.

Miss Julie Kirkbride (Bromsgrove) (Con): Notwithstanding what the Minister has just said, should she not be braver and more proactive with regard to encouraging individuals to take action on climate change and their carbon footprints? She will be aware of schemes, operated by some local authorities, in which reductions in council tax are offered for climate change measures taken in the house. Would that not be a more proactive way forward, in encouraging people to get something back in return for taking care of the climate?

Joan Ruddock: I agree with the hon. Lady about initiatives that local authorities can take; we have made it possible for them to do that. Furthermore, probably no Government in the world are more active than ours about messages to individuals. There is, for example, the Act on CO_2 campaign. I have just written to the hon. Lady and all other hon. Members about the new nationwide advertising campaign that will begin next week; she will see that a great deal of effort has gone behind that. Some 40 per cent. of our CO_2 emissions come from the actions of individuals. The Government are explaining that and we are enabling and encouraging people on how they can reduce their own emissions. That is a vital part of tackling dangerous climate change, and we are extremely active on it.

Kyoto Protocol

7. **Mr. Tom Clarke** (Coatbridge, Chryston and Bellshill) (Lab): What recent assessment he has made of whether the UK is on course to meet its Kyoto protocol commitments. [202794]

The Minister for the Environment (Mr. Phil Woolas): The United Kingdom is on course to achieve nearly double its commitment under the Kyoto protocol to cut, by 2008 to 2012, greenhouse gas emissions by 12.5 per cent. from the 1990 level. The UK is actively working with countries around the world, including the US, China and India, to secure a future international agreement for action on climate change.

Mr. Clarke: Will my hon. Friend take this opportunity to confirm that the basis of the Kyoto agreement is that it applies to the whole basket of greenhouse gases and not simply to CO_2? Incidentally, the matter is of great interest to readers of the *Airdrie and Coatbridge Advertiser*.

Mr. Woolas: That newspaper is the second most important in the country, after the *Oldham Evening Chronicle*.

My right hon. Friend has made an important point; CO_2 emissions are confused with the total basket of greenhouse gas emissions. CO_2 does make up 85 per cent. of the problem, but our Kyoto commitment is about the total basket of the six greenhouse gases. As I have said, the United Kingdom is on course to achieve nearly double its commitment on reducing greenhouse gas emissions. That is extremely important to the international negotiations and our domestic situation.

Post-Kyoto Agreement

8. **Ms Katy Clark** (North Ayrshire and Arran) (Lab): What progress has been made on a post-Kyoto climate change agreement since the Bali summit. [202795]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Kyoto protocol parties met in Bangkok from 31 March to 4 April to discuss how annexe 1 parties can reduce their emissions. The conclusions will be taken forward at the next United Nations framework convention on climate change meeting, which will take place in Bonn in June.

Ms Clark: I thank the Secretary of State for his answer. Does he agree with Nick Stern that we need to reduce our CO_2 emissions by about 2 tonnes per capita, as was reported yesterday?

Hilary Benn: My hon. Friend's question gives me the opportunity to express the profound appreciation—of the whole House, I am sure—of Nick Stern's work on this issue. He has divided the emissions that it seems the world can cope with, if we achieve the global 50 per cent. reduction by 2050, by the expected population, and that is the kind of figure that we have ended up with. Our problem is that the current distribution per capita ranges from about 20 tonnes per head of population in the United States of America to about 0.1 tonnes per head of population in Ethiopia. How we move from where we are now to where we need to be is the great challenge faced in the negotiations.

Polyethylene Terephthalate

9. **Gordon Banks** (Ochil and South Perthshire) (Lab): What assessment he has made of the UK's capacity to recycle polyethylene terephthalate; and if he will make a statement. [202796]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): The demand for recycled plastic is strong, from UK manufactures and overseas markets. The Waste and Resources Action Programme—WRAP—is a delivery body funded by the Department for Environment, Food and Rural Affairs that works across the whole of the resource efficiency loop, as I am sure my hon. Friend is aware. WRAP will be helping the Government to deliver several aspects of the waste strategy for England 2007, including a core remit to develop markets for recycled materials, including plastics, such as polyethylene terephthalate.

Gordon Banks: I thank the Minister for her reply, but what would she say to businesses in my constituency such as Highland Spring that want to use recycled PET in the bottling process, but find themselves unable to secure a stable enough supply in the marketplace?

Joan Ruddock: I am concerned to hear what my hon. Friend has to say, and we will look into the case of that company. I can tell him, however, that a year ago, local authorities were collecting 3 billion plastic bottles from households and WRAP is working towards increasing that collection level by 30 per cent. Landfill tax rises will encourage more recycling, and WRAP has grant-aided and supported a number of plastic bottle recycling plants, addressing one of our major problems. To give two examples, JFC Runcorn has a PET capacity of 10,000 tonnes per annum, and Closed Loop London has a food-grade PET capacity of 15,000 tonnes per

annum. We recognise that there has been a problem; we are taking action to correct it, and WRAP is leading that process for the Government.

Topical Questions

T1. [202777] **Mr. Henry Bellingham** (North-West Norfolk) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The responsibility of the Department for Environment, Food and Rural Affairs is to enable us all to live within our environmental means. In December, the Government ordered 22.5 million doses of bluetongue vaccine from Intervet to ensure that farmers in England and Wales can protect their livestock. I am pleased to report to the House that the first vaccine was made available yesterday for use in protection zones in England, and 3 million doses of vaccine—1 million in 20-dose bottles and 2 million in 50-dose bottles—are being released for wholesale distribution. Farmers in the protection zone should contact their private vet to purchase vaccine. Batches will be delivered regularly until the end of August and the protection zones will be progressively expanded as the vaccine becomes available. I am confident that the whole industry will give its full support to the vaccination programme.

Mr. Bellingham: I am grateful to the Secretary of State for that explanation. Is he aware that among the ideas being put forward for managing Norfolk's sea defences is a proposal for managed retreat? That will involve the flooding not of marshlands or wetland but of five villages and thousands of acres of arable land. What do the Government have against Norfolk, one of the most loyal communities in the country? Will he give me an undertaking today that those 5,000 year old settlements will not be submerged under a tidal wave of new Labour complacency?

Hilary Benn: I say to the hon. Gentleman, as my hon. Friend the Minister for the Environment said a moment ago, that I understand entirely the concern generated by the report, but as my hon. Friend made clear in his answer to a previous question, decisions about what we protect and how are taken not by Natural England, but by the Environment Agency, subject to the policy we set out. We are committed to do all that we can to protect communities, which is why we are putting more money in. We all have to recognise, however, that nature is very powerful, and how we manage the transition is a job for all of us to work on together.

Mr. John Grogan (Selby) (Lab): I wonder whether my colleagues on the Front Bench are at all nostalgic for the days when we were best when we were boldest? In that regard, are they tempted by the terms of early-day motion 1331, which calls for canoeists in England and Wales to enjoy the same rights of access as they currently enjoy in Scotland, where they co-exist happily with anglers? Will the Secretary of State meet colleagues and me to discuss the issue?

Hon. Members: Be bold!

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I will be bald—*[Laughter.]* Slapheads unite.

We want to enable people to have access, but we believe that such arrangements are best agreed on a voluntary basis. I will be happy to meet my hon. Friend to discuss those matters.

Mr. Peter Ainsworth (East Surrey) (Con): I think that the Secretary of State agrees that there is no dispute between us about the science of climate change. Does he believe that the Climate Change Bill should retain its principal aim of ensuring that we do our bit in this country to help keep the average global temperature below the level beyond which, scientists say, we are in dangerous territory and exceeding a safety limit?

Hilary Benn: I agree with the hon. Gentleman that there is no dispute about what the science tells us and what we need to do. The Government have reflected carefully on the amendments that were passed in another place. However, there is some difficulty about the primary purpose clause because, however bold and powerful the legislation that we pass in this Parliament, we cannot legislate for the global temperature increase. We have to reflect on that because we must ensure that our legislation is credible.

Mr. Ainsworth: That was a disappointing response. If the Bill does not have a primary purpose, it is fundamentally weakened. Does the Secretary of State accept, given that carbon emissions arise across the economy and his direct responsibilities are for only a minority of carbon emissions, that the Prime Minister should take the lead on tackling climate change, not the Secretary of State for Environment, Food and Rural Affairs? I assume that, at some point, we will have a Prime Minister who is capable of taking a lead on anything.

Hilary Benn: On the second issue, the danger of following that route is that people will argue that the Prime Minister should have all the responsibility in every bit of legislation. The Government's commitment is in no doubt. I disagree with the premise of the hon. Gentleman's second question that the Bill's primary purpose is not clear. It is crystal clear. It is to ensure that the United Kingdom reduces its emissions by at least 60 per cent. by 2050. The figure might be 80 per cent. because, as he knows, the climate change committee is being asked to advise on that point. However, whether we achieve the global limit on the increase in temperature is also down to what other countries do.

T2. [202778] **John Robertson** (Glasgow, North-West) (Lab): My right hon. Friend knows that the Marine Bill reserves planning powers for between 12 and 200 miles offshore. However, some offshore wind farms will be either side of the 12-mile mark. Will he assure me that there will be a co-ordinated approach to wind farms and that we will not experience the problems that we had with planning in the case of nuclear, whereby Scotland goes one way and the rest of the country goes the other?

Jonathan Shaw: I am grateful to my hon. Friend for raising that issue. We published the draft Marine Bill, which is the first of its type anywhere in the world. It is

published on the existing settlement of 12 to 200 nautical miles within the UK. Licensing for energy stays with the Department for Business, Enterprise and Regulatory Reform, though the new marine management organisation will provide information, especially when we look to locate important marine conservation zones.

Mr. Patrick McLoughlin (West Derbyshire) (Con): May I begin by thanking the Secretary of State and the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Chatham and Aylesford (Jonathan Shaw), for meeting me last week to discuss the problems on Longstone Edge? Is the right hon. Gentleman aware that several hon. Members have written to me about the subject and keenly await the decisions that he and the Department for Communities and Local Government have to make in the next few months? Can he say anything further?

Hilary Benn: I am grateful to the right hon. Gentleman and many other hon. Members who have raised that important issue, which is a source of concern to us all. As he knows, the Department for Communities and Local Government and the national park authority are seeking leave to appeal against the recent judgment. As he knows from our conversation, I am keen to find a permanent solution to the despoliation of one of the most beautiful parts of our countryside. The Under-Secretary, who has done a lot of work on the matter, and I commit to continue working with the right hon. Gentleman, other hon. Members, the national park authority and local people.

T4. [202780] **David Taylor** (North-West Leicestershire) (Lab/Co-op): As energy bills escalate, the number of families pulled into fuel poverty balloons. It is unfortunate that they are expected to pay a top-up charge for Warm Front insulation. What work is being done with colleagues in the Department for Work and Pensions to identify and target those fuel poor families? Surely that is the only way forward. The Department for Work and Pensions should not be allowed to hide behind the portmanteau excuse of data protection.

Mr. Woolas: I am very grateful indeed to my hon. Friend for raising that point. Last week we had an important meeting of around 50 organisations and agencies to address the position of those who, for reasons of fuel prices or fear of not being able to pay their bills, face difficult times. Our plans for this winter are being put in place now, so that we can address the issue. We have got the fuel poverty figures down substantially, which, with rising bills, is even more important—God forbid that we should have a severe winter, because then we would face real difficulties. It is right to raise those issues now, in the spring, in advance of the winter.

T3. [202779] **Mr. Mark Harper** (Forest of Dean) (Con): Yesterday my hon. Friend the Member for Leominster (Bill Wiggin) raised with the Prime Minister the fact that the cost of a fishing licence for a disabled angler has increased by 37 per cent. in the past year. The Prime Minister undertook to find out the reasons for that. I wonder whether the Minister could furnish them to the House.

Jonathan Shaw: I am grateful to the hon. Gentleman. The licence for people with disabilities has increased by 33 per cent. Licences are a contribution towards ensuring that the fisheries are accessible, so that people can enjoy this wonderful sport. The Environment Agency has told me that a substantial amount of that money will go towards ensuring more access for people with disabilities. Someone without a disability has access to all the rivers and banks; someone with a disability does not. I have told the Environment Agency that it needs to use a substantial amount of that money to improve the opportunities for people with disabilities to enjoy the wonderful sport of fishing, and I will hold it to that.

T5. [202781] **Mr. Michael Jack** (Fylde) (Con): The Secretary of State will be aware of the importance of carbon capture and storage as one of the tools to deal with climate change. However, he will also be aware that Mr. Michael Jacobs, one of the Prime Minister's advisers on the subject, recently advised a conference in London that Government support for a pilot project would be restricted to some tens of millions of pounds, against capital costs in excess of £1 billion. Not surprisingly, the industry has expressed concern at that. Will the Secretary of State give me an assurance that he will ensure that Government support for carbon capture and storage is pitched at the right level, to ensure, once and for all, that a project gets under way in the United Kingdom?

Mr. Woolas: I thank the right hon. Gentleman for his question. Our policy is to encourage the development of carbon capture and storage. It is extremely important to have a demonstration project showing that the technology works not only for the United Kingdom, but for the whole world's energy transformation. Our policy is to argue for the inclusion of CCS credits in the European trading scheme as an important policy tool. Indeed, I met the company concerned in the United Kingdom only last week.

T8. [202785] **Kerry McCarthy** (Bristol, East) (Lab): I congratulate the Government on leading calls for an EU-wide ban on the trade in seal products. However, there is some concern that the ban may apply only to hunts that cannot be proven to have been conducted humanely. Can the Minister confirm that the UK Government support a total and unconditional ban?

Jonathan Shaw: I am grateful to my hon. Friend. I can confirm that we want a total ban on sealskin products from harp and hooded seals of any age. The Government's position on seal hunting has been clear for a long time—we want that ban enforced. We operate within a single market in the European Union, which is why it is essential that we have a ban right across the EU. A decision is imminent. We will be writing to the Commission to reinforce our point further and to seek to persuade the other member states.

T6. [202782] **Richard Ottaway** (Croydon, South) (Con): Yet again I rise on behalf of the pigeon fanciers of Croydon. [HON. MEMBERS: "Hear, hear."] For some time, as a result of the avian flu outbreak, there has been a ban on international pigeon racing in which birds are liberated on the continent. That is causing serious problems in the pigeon racing industry. Given

that the poultry industry was given financial compensation as a result of the avian flu outbreak, will the Secretary of State at least review the regulations and give that noble sport the recognition that it deserves?

Hilary Benn: May I say to the hon. Gentleman that I share his appreciation of those who pursue the sport? I had the opportunity to meet representatives of the sector only last week. On the question of compensation, I have to be straight: there is no prospect of the Government paying compensation in those circumstances, and it has never been the practice of any Government to do so. However, I listened carefully to the concerns that were expressed about the impact of the restrictions that we have to put in place when there are avian flu outbreaks. I was able to reassure the representatives whom I met that we intend to undertake a new veterinary risk assessment in the light of our developing understanding of what the risks are. That risk assessment will consider whether the restrictions that we apply to pigeon racing can be changed in any way. I promised that I would report back to those representatives.

T7. [202783] **Norman Baker** (Lewes) (LD): The Secretary of State might be aware that, last month, a senior civil servant from his Department let the cat out of the bag by revealing that the Department intends to apply to the European Union for permission to delay compliance with its equality rules on nitrogen dioxide in relation to the capital city, London. We know that the Department for Transport wants to move the goalposts in a desperate effort to ensure that the third runway at Heathrow goes ahead, but why does his Department, which is responsible for protecting the environment, want to help it?

Hilary Benn: We do, indeed, need to look at how we phase in the new rules, but I assure the hon. Gentleman that that is not to do with any decisions that might be taken in the future about airport capacity. If one looks at the recent figures for air quality, one will see the improvements that have been gained in this country over several years as a result of domestic and European legislation.

T9. [202786] **Mr. John Whittingdale** (Maldon and East Chelmsford) (Con): The Secretary of State will be aware that there have been several outbreaks of bluetongue disease in my constituency in the past. I welcome the news that a vaccine is becoming available, but what consequences do the Government think that it will have? Do they think that it will control the spread of the disease?

Hilary Benn: I am grateful to the hon. Gentleman for his kind words. The answer is that it depends on how quickly we can get on with the vaccination programme. That is why the vaccine becoming available earlier than expected has been so widely welcomed. The degree of uptake within the farming industry is a factor. It came to us and said, "We'd like a voluntary programme, but we will give it our utmost support." The Joint Action against Bluetongue—JAB—campaign is the result of that, and we are backing it to the fullest extent possible. The message is simple: if people wish to protect their animals and the sector, they should vaccinate their animals. The vaccine supplies are now arriving, and that news has been welcomed by many people.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): On fuel poverty, the Government have been able to persuade energy suppliers to pay an extra £175 million to tackle that issue, but would not it be a good idea to ask energy producers, whose vast profits I mentioned earlier, to contribute to Government programmes to tackle fuel poverty?

Mr. Woolas: I am grateful to my hon. Friend, who has campaigned for many years on the issue, for that suggestion. We believe that we have the right package in place through our energy efficiency measures, which contribute to reducing fuel bills, and direct programmes to address fuel poverty head-on. However, I will reconsider the issue in the light of his point.

Sir Nicholas Winterton (Macclesfield) (Con): May I say to whichever Minister is going to reply that in the county of Cheshire, which I am pleased to say has an abundance of great crested newts, the county council, as the education authority, has had to spend £60,000, at a time of grave financial difficulty, to move just four great crested newts? Is that a sensible way to spend taxpayers' money? Will the Minister ensure that the EU habitats directive, under which the council is obliged to act in that way, is urgently reviewed?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Joan Ruddock): May I express sympathy with the hon. Gentleman regarding the plight that he considers to have befallen his area? I have to tell him, however, that the habitat regulations make it an offence to capture, injure or kill great crested newts. It is vital that when we consider the preservation of species—

Ann Winterton (Congleton) (Con): There are thousands of them.

Joan Ruddock: Hold on a moment. Tremendous species loss is occurring globally, and there has been great loss of great crested newts in this country. It is important that we all obey the law.

The habitats directive will not be reviewed in that context, but what has been reviewed—very importantly—is the proportionate approach taken by Natural England. DEFRA and Natural England have reviewed the matter and issued new guidance, which I will share with the hon. Gentleman. However, when he says that a particular sum of money equates to a certain number of great crested newts—it is just four—the truth is that although only those four will have been captured and moved, the moving and preservation of habitats and the way that such action is undertaken will benefit many more of the species than the particular four in question. It is not possible to equate the overall sum of money that is relevant and necessary to the number of newts that are actually moved.

Business of the House

11.35 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for the week commencing 5 May will be:

MONDAY 5 MAY—The House will not be sitting.

TUESDAY 6 MAY—Consideration of Lords amendments to the Criminal Justice and Immigration Bill followed by motion to approve a money resolution on the Temporary and Agency Workers (Equal Treatment) Bill.

WEDNESDAY 7 MAY—Opposition Day [11th Allotted Day][First part]. There will be a debate entitled "Safeguarding the Impartiality of the Civil Service" followed by the Chairman of Ways and Means has named opposed private business for consideration, followed by, if necessary, consideration of Lords amendments.

THURSDAY 8 MAY—A general debate on defence in the world. The House will not adjourn until the Speaker has signified Royal Assent.

FRIDAY 9 MAY—Private Members' Bills.

The provisional business for the week commencing 12 May will include:

MONDAY 12 MAY—Second Reading of the Human Fertilisation and Embryology Bill [*Lords*].

TUESDAY 13 MAY—Remaining stages of the Education and Skills Bill followed by motion to consider the Statement of Changes in Immigration Rules Order 2008 (HC 321).

WEDNESDAY 14 MAY—Opposition day [12th Allotted Day] there will be a debate on an Opposition motion.

THURSDAY 15 MAY—Topical debate: Subject to be announced followed by, if necessary, consideration of Lords amendments followed by motion to take note of the outstanding reports of the Public Accounts Committee to which the Government has replied. Details will be given in the *Official Report*.

FRIDAY 16 MAY—Private Members' Bills.

I should also like to inform the House that the business in Westminster Hall for 15 May and 22 May will be:

THURSDAY 15 MAY—A debate on the report from the Science and Technology Committee on the funding of science and discovery centres.

THURSDAY 22 MAY—A debate on "The Road Ahead": the final report of the independent task group on site provision and enforcement for Gypsies and Travellers.

In respect of the Human Fertilisation and Embryology Bill, which has its Second Reading on Monday 12 May, it is our intention that the Committee stage for provisions relating to saviour siblings, mixed embryos and the need for supportive parenting will be dealt with on the Floor of the House.

Following is the information: The 41st and the 42nd, and the 46th to the 65th, reports of the Committee of Public Accounts of Session 2006-07, and the Treasury Minutes on these reports (Cm 7275, 7276 and 7322); and the 1st to the 4th, the 6th, and the 9th to the 13th reports of the Committee of Public Accounts of Session 2007-08, and the Treasury Minutes on these reports (Cm 7323 and 7364).

Mrs. May: I thank the Leader of the House for giving us the forthcoming business, particularly for her statement on how the Human Fertilisation and Embryology Bill will be handled. Many Members will welcome being able to debate those particular issues on the Floor of the House.

Reports of the presidential election in Zimbabwe suggest that Robert Mugabe has lost. Members in all parts of the House continue to be concerned by the situation in Zimbabwe and its future, so when can we have the promised debate on Zimbabwe?

On Monday, during Defence questions, the Defence Secretary was asked if he would deploy extra troops to Kosovo. No clear answer was given. The very next day, in a written statement, he announced the deployment of extra troops to Kosovo. It is inconceivable that Ministers did not know that on Monday, and it is a disgrace that they were not frank with this House, our armed forces or their families.

On a recent visit to Catterick garrison, I met forces families who are very worried about the overstretch facing our armed forces. Will the Leader of the House guarantee that in future, when our brave servicemen and women are deployed abroad, the Defence Secretary will have the courage to come and face Members of this House?

This week, when challenged about how the Government have let people on low incomes down, the Justice Secretary said:

> "Sometimes...there are inadvertent consequences of changes. We put our hands up to that, we should have known more about the impact of the abolition of the 10p rate".

Does that not show how out of touch this Government are? I have received an e-mail from a constituent who earns £550 a month working for the NHS, and her annual tax bill will increase by £197, putting her under enormous financial strain. I want to be able to write to my constituent and tell her that she will be compensated, but the Government's position is unclear. Before the Finance Bill returns to the Floor of the House, will the Leader of the House ensure that the Chancellor publishes a clear statement, and sends a copy to all MPs, on who will be compensated, by how much and when?

This week, thousands of car owners have learnt that a Government stealth tax will land them with drastically higher road tax bills and cars that are virtually unsaleable. We are talking not about brand-new 4x4s, but family-sized cars used by hard-working parents. When everyone is worried about soaring prices, is it not typical of this out-of-touch Government to add another stealth tax to the huge financial strain on families? Can we have a debate on the impact of the Government's actions on hard-working families?

Criminal justice watchdogs claim that our justice system's nonchalant approach contributed to circumstances in which Richard Whelan, an innocent man, was stabbed to death on a London bus. His murderer, Anthony Joseph, was released on bail only hours before killing him, even though a warrant was out for his arrest. He should never have been released. The prison where he was did not have access to the police national computer,

[Mrs. May]

so staff could not check if he was wanted elsewhere. More than two thirds of our prisons do not have access to this national computer, so is it any wonder that the watchdogs have branded the criminal justice system "sloppy". Can we have a statement from the Justice Secretary on what he will do about that?

We learn today that 150 homes in residential areas will be used to house prisoners on early release. For much of the time, they will not be supervised, yet there has been no consultation with local residents. Therefore, can we also have a statement from the Justice Secretary on why the public are being faced with that unnecessary risk?

The right hon. Member for Norwich, South (Mr. Clarke) has described the Prime Minister as

"dithering, controlling, drifting and tormented".

Some Labour MPs are reported as saying that the Prime Minister is an

"albatross in a tartan waistcoat".

On Sky TV last weekend, the Leader of the House said that Labour had been blessed to have two world-class leaders in a generation. One was Tony Blair, but who was the other one?

Ms Harman: The right hon. Lady raised the question of Zimbabwe. As she will know, the Prime Minister raised the issue of Mugabe respecting the will of his people, and did so at the United Nations. As she may know, Lord Malloch-Brown, a Foreign Office Minister, will give evidence next week to the Foreign Affairs Committee, and no doubt questions about Zimbabwe will be asked on that occasion. There was also a debate on Zimbabwe in Westminster Hall last Tuesday. The Government are keeping up the pressure on Zimbabwe, and on the other African nations which are so important to the future of Zimbabwe, with regard to respect for that election result. I will consider the right hon. Lady's request as a proposal for a topical debate.

On the question of the Kosovo deployment, I think that it is fair enough for Secretaries of State to make written ministerial statements or oral statements when they are in a position to do so. The fact that a Secretary of State answered oral questions the day before he or she delivered an oral or written ministerial statement does not necessarily mean anything other than that it was not possible for the statement to be made beforehand.

The right hon. Lady will know that the UK received a request from NATO to deploy a battalion to Kosovo by the end of May, as part of our existing commitment to the NATO-EU pan-Balkans operational reserve force. The UK meets that longstanding commitment in rotation with Italy and Germany, so we are well prepared to meet NATO's request. However, there will be a defence debate next week, and the House will have an opportunity to raise such matters then.

The shadow Leader of the House will know that in this week's discussions on the Finance Bill, there was much debate on the Floor of the House about the compensation arrangements for those affected by the abolition of the 10p rate. She will also know that there will be an inquiry into those matters by the Treasury Committee.

The right hon. Lady asked about car owners, but she will know that the cost of motoring has fallen by 13 per cent. across the board over the past 10 years. She will also know that this Government have built new roads, and roads are now safer. We have sought to address motorists' concerns, but we also have to take care of the environment.

The right hon. Lady mentioned bail hostels and the early release of prisoners. There is an obligation in the contract that Clearsprings has with the Home Office that the company should consult local police and probation services, and the local authority, but I understand that this is not a question of change of use. The situation is similar to what happens when a person is granted bail by a magistrates court or a Crown court and then returns to live with his or her family. We are not talking about big bail hostels to which suspects awaiting trial are committed under certain bail conditions: instead, because the issue is one of housing, the planning consultation—which would normally involve putting up notices and the consultation of neighbours—is not required. Obviously, however, there will be an investigation if the contractual obligation to consult local police and probation services and the local authority is not met.

The Secretary of State for Justice is planning to issue a consultation paper on bail and how it operates. That will be followed by a consultation period, and a report will be brought to the House.

Ann McKechin (Glasgow, North) (Lab): My right hon. and learned Friend the Leader of the House will know that many hon. Members have taken part in visits to Auschwitz arranged for schools in their localities by the Holocaust Educational Trust. Last year, there were two very successful visits by Scottish schools and pupils, and for the first time they went directly from Scotland. However, I regret to say that the Scottish National party Administration in Holyrood has decided not to spend the £150,000 of Barnett consequential money that they received as part of this Government's funding programme. Will my right hon. and learned Friend ensure that the Secretary of State for Scotland makes a statement to the House about the discussions that he proposes to have with the First Minister to reverse that negative and regressive move, which was also supported by the Tory group in Holyrood?

Ms Harman: I thank my hon. Friend for that question. There was a debate in the House recently for Holocaust memorial day, when hon. Members of all parties talked about the importance of the work done by the Holocaust Educational Trust, so it is very disappointing to hear that young school students in Scotland are to be denied the opportunity to learn and understand about the holocaust that the visits provide.

It seems inexplicable that such a decision was made for the sake of £150,000. Perhaps we can understand it only by recognising that it was made by a political party that is inward-looking, narrow and nationalistic, and does not appreciate that we ought to comprehend what is going on in the world and learn lessons from it.

Simon Hughes (North Southwark and Bermondsey) (LD): Let me begin on a consensual note by thanking the Leader of the House for her announcement that the

most controversial issues in the Human Fertilisation and Embryology Bill will be dealt with by a Committee of the whole House. I also thank her for rearranging the debate in which the House will decide whether to approve the immigration rules, and for her willingness to think again about the increasingly urgent need for a debate in the Chamber on Zimbabwe.

It looks as though, after four and a half weeks, we may at last learn the Zimbabwe election results from the electoral commission. Once they are public, there can be no reason for us not to debate the implications before anything else happens. The natural caution shown by the Government was understandable, but there is no reason for holding back once the results are announced and we can judge them.

During one of the debates on the Finance Bill on the Floor of the House, the Financial Secretary to the Treasury said she accepted the fact that only a quarter of those on low incomes receive working tax credit. That is an agreed figure, so although the Select Committee on the Treasury is going to do some work on it, may we have a debate in the Chamber on this subject? There is plenty of evidence across constituencies of the feelings of people who are not receiving the money that they, more than anyone else in work, need. That is something that we could usefully do. If it helps the Government out of a hole, so be it, but it is more important for us to help the families who are in a financial hole.

It is 11 years today since the Labour Government were first elected. That implies that we ought do as the Leader of the House has suggested and hold annual debates on how each Department is doing in terms of being open and transparent, answering questions promptly and fully, and complying with Mr. Speaker's ruling that announcements should be made here and not outside. Will the right hon. and learned Lady give serious consideration to that? Some of us feel strongly that the phrase used 11 years ago applies now: "Things can only get better".

We have heard from the general secretary of the Royal College of Nursing that, according to his profession's estimate, nurses spend a million hours a week on paperwork. Given that the police and teachers make the same complaint, may we have a debate about how we can remove the bureaucracy from our front-line professionals using support staff and modern technology, and release the people whom we pay to do the key jobs in this country to do the jobs that they are paid to do?

Ms Harman: I fully accept the hon. Gentleman's points about Zimbabwe, and I think the House will want an early opportunity to return to the issue.

The working tax credit was discussed during debate on the Finance Bill earlier this week. It was also raised in this week's Treasury questions, and, as the hon. Gentleman said, the Select Committee is conducting an inquiry.

The hon. Gentleman asked about opportunities for Members to scrutinise the work of different Departments. The Green Paper "The Governance of Britain" raised the possibility of annual departmental debate days to enable the House to consider each Department and how it is doing its work. As a member of the Modernisation Committee, the hon. Gentleman will know that the Committee is shortly to produce a report establishing how we can ensure that routine scrutiny of each Department takes place both in the Chamber and in Westminster Hall.

The hon. Gentleman mentioned the Royal College of Nursing, and the requirement for paperwork and accountability for the work done in respect of each patient. Perhaps he will consider raising the issue during next Tuesday's questions to Health Ministers, but I will say now that of all the health services in the world ours is the least bureaucratic, because it is a national health service based on need rather than a service dominated by form filling for people requiring insurance.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): This week some Members had a meeting in the House with the Scotland office of the new Equality and Human Rights Commission. I am sure the Leader of the House agrees that it is important for the commission to become as effective as possible as quickly as possible. In particular, it needs a single equalities Act to underpin its work. We have waited for a long time for such legislation. Can we expect to see it in the near future?

Ms Harman: Our commitment to the Equality and Human Rights Commission, and to a new equality Bill, remains on track. At the time of the last Queen's Speech we made a commitment to introducing such a Bill during the Session that will begin in November this year, and that commitment stands.

Andrew George (St. Ives) (LD): Will the Leader of the House ensure that a Minister from the Department for Environment, Food and Rural Affairs makes a statement in the House following the conclusion of the Department's deliberations on the nitrate vulnerable zone proposals? The proposals will probably cost farmers with very small livestock farms about a quarter of a million pounds to implement in order to satisfy the regulations themselves, but a more proportionate response would be ensuring that information technology was used between farmers and the Meteorological Office. That would keep many more livestock farmers in production, rather than putting them out of business altogether.

Ms Harman: I am aware that that is a serious issue. I do not know whether the hon. Gentleman had an opportunity to raise it during questions to DEFRA Ministers this morning, but if he did not, I will ask my right hon. Friend the Secretary of State to write to him about it.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): At this moment, mothers and young children from across Edinburgh are in the Scottish Parliament protesting to MSPs about the actions of the Liberal Democrat and SNP-controlled Edinburgh council, which have led to the closure of crèches in many swimming-pool and leisure centres run by the council throughout the city, including the crèche at the Leith Victoria centre in my constituency. Will my right hon. and learned Friend send those parents a message of support, and may we have a debate on the importance of emphasising to local authorities and devolved Governments the role played by such facilities in encouraging exercise and healthy living?

Ms Harman: That does seem a bizarre decision, at a time when the importance of the link between sport, exercise and good health is so well understood. Those likely to be hit hardest are poorer families who need access to free sports facilities. There is to be a debate about poverty in Scotland this afternoon, and I find it ironic that although the Olympics are to take place in this country in 2012 and Glasgow will host the Commonwealth games in 2014, the Scottish National party is reducing the opportunity for ordinary people and their families to take part in sport.

Sir George Young (North-West Hampshire) (Con): Has the Leader of the House had time to read a report published recently by the Joseph Rowntree Foundation on the postal voting system, which identifies a number of risks associated with the current regime? Does she agree that, after today's local elections, it would be a good idea to hold an early debate in Government time on the integrity of the postal voting system?

Ms Harman: The Government will be considering that important report, and I shall raise the right hon. Gentleman's point with my right hon. Friend the Secretary of State for Justice. It is important for everyone to have confidence in the voting system, and to turn out to vote.

David Taylor (North-West Leicestershire) (Lab/Co-op): As I cycle around the more rural parts of my constituency, it is clear to me that the problem of fly-tipping is starting to reappear on a considerable scale. The Environmental Protection Act 1990, which was introduced by the previous Government, placed responsibilities for public land on the Environment Agency and local authorities, but the poor old farmers and landowners are having to pick up the bill. Will the Leader of the House find time for a debate on fly-tipping, so that we can establish why landowners and farmers are being prosecuted or fined when they have taken all possible steps to prevent rubbish from illegally tipped on their land? It is costing them tens of millions of pounds a year at a very difficult time for them.

Ms Harman: I do not know whether my hon. Friend had the opportunity to raise that point during DEFRA questions, which just took place. I know that it is of ongoing concern to the DEFRA team, and I shall raise it with them. In particular, I shall raise it with the Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Lewisham, Deptford (Joan Ruddock), because she is not only now a member of that ministerial team, but introduced the private Member's Bill on fly-tipping. I know that the issue of major concern to her and to all her ministerial colleagues.

Sir Michael Spicer (West Worcestershire) (Con): Have the Sessional Orders giving Members free access to the House been signed? If not, why not?

Ms Harman: I will look into that matter and write to the hon. Gentleman.

Sir Peter Soulsby (Leicester, South) (Lab): I hope that the Leader of the House can confirm my understanding of her statement, which is that the House will in the near future have an opportunity to debate the Select Committee report dealing with, among other things, the funding of science research. It is important for us to have that debate, because the threat to astronomy and physics research, in particular, as a result of the inept decision making of the Science and Technology Facilities Council, is a major threat to world-leading research undertaken in Britain. I hope that in advance of that debate, if we are to have one, she will encourage her ministerial colleagues to examine ways of putting on hold the cuts being made to that research, rather than just wait until the outcome of the very welcome Wakeham review.

Ms Harman: Since we came into government, there has been a two and a half-fold increase in investment in research. Year on year, more support is given to science, because we recognise that it is important both in its own right and for the economy. My hon. Friend may seek on Thursday 15 May to participate in the Westminster Hall debate on the report from the Science and Technology Committee.

Tony Baldry (Banbury) (Con): Is the Leader of the House aware that, notwithstanding representations made by local authorities, local businesses and local people, which include petitions signed by thousands, the Post Office will tomorrow confirm the closure of a number of post offices in my constituency and, indeed, throughout Oxfordshire? Would it not have been rather more honest to make that announcement before the polling stations closed in today's local elections, rather than waiting until after they close, only to make it the day after those elections?

Ms Harman: The hon. Gentleman will know that many announcements are subject to the purdah rule. As far as being more honest is concerned, it would be more honest if he and his Conservative colleagues said exactly how they would raise the money required for the subsidy to keep open all the post offices that they say they are committed to saving. Would it come from increased taxes, and if so, which taxes? Alternatively, would it come from cuts in services, and in which case, what services?

John Robertson (Glasgow, North-West) (Lab): My right hon. and learned Friend will be aware that a few weeks ago I asked for a debate in Government time on devolved Parliaments' spending. At that time, about £34 million for disabled children north of border had disappeared into a black hole. My hon. Friend the Member for Glasgow, North (Ann McKechin) tabled the excellent early-day motion 1466, on holocaust educational money that had gone missing from children.

[That this House commends the work of the Holocaust Educational Trust in educating school children throughout the United Kingdom on the history of the Holocaust and the ongoing threats of genocide throughout the world; supports the Government's programme to finance these visits and notes that last year the Trust successfully arranged its first direct flights from Scotland to allow more children in Scotland to participate and to share their experiences with their other school colleagues; but is dismayed to note that the SNP-led Scottish Executive supported by the Tory group in the Scottish Parliament

have voted this month against the use of the Barnett consequential amounting to £150,000 per annum to continue funding these visits in Scotland; and calls upon the Secretary of State for Scotland when he next meets the First Minister to urge him urgently to reconsider this regressive and narrow-minded decision.]

Following that motion, can we have a debate on this subject urgently, so that we can look after children and ensure that they are not more deprived than they currently are in respect of money from this side of the border?

Ms Harman: In fact, hon. Members on both sides of the House have been concerned to ensure, throughout the United Kingdom, that disabled children should not face a postcode lottery. Good services should be available everywhere, and I shall raise the points that my hon. Friend makes with my right hon. Friend the Secretary of State for Scotland.

Ann Winterton (Congleton) (Con): May I ask the Leader of the House whether we could have a full day's debate, in Government time, on agriculture, which has not been debated for some considerable time, bearing in mind that food security is looming large on the political radar at present? There are many problems facing agriculture. Two valid and important issues have already been raised during this Question Time, but there are others, such as the supply of protein for the livestock industry in the form of maize and soya, given that the European Union will ban certain new variants. That will cause tremendous problems of supply, which will have an adverse impact on the industry and on food supply in this country.

Ms Harman: The hon. Lady makes a number of important points. Food security was the subject of a written ministerial statement last week, and a topical debate on supermarkets took place last week. There are linked and important issues not only for consumers, in respect of waste, but in respect of producers and the supply of food. I shall take what she suggests as a proposal for a topical debate.

Sir Nicholas Winterton (Macclesfield) (Con): I am tempted to ask the Leader of the House how she can justify her comment of a few minutes ago that motoring costs in this country have decreased over the past 10 years, but I shall resist that temptation. Instead, I shall support the hon. Member for Leicester, South (Sir Peter Soulsby), who talked about the cut in funding for science and technology, and put a direct question to the Leader of the House: will she arrange for the appropriate Minister to make a statement to the House on the proposed cutbacks in the resources given to Jodrell Bank, which is partially in my constituency and partially in that of my hon. Friend the Member for Congleton (Ann Winterton)? The cutbacks could end the e-Merlin project, which is, of course, in the vanguard of research and development, and is crucial to this country. If the Leader of the House is serious about increasing expenditure, surely Jodrell Bank deserves continued support.

Ms Harman: I think those points could be the subject of a contribution to the Westminster Hall debate on Thursday 15 May. The figure I gave for the overall cost of motoring includes the cost of cars and insurance, as well as the cost of fuel duties. I am almost 100 per cent. certain that it is an accurate figure, but I will write to the hon. Gentleman. It is no part of my business as Leader of the House to give out wrong statistics. I understand that the figure I gave is accurate. If it is wrong, I shall write to him to say that it is wrong. If I am right, I shall write to him to say, "I told you so."

Mr. Speaker: I call Dennis Skinner. *[Interruption.]*

Mr. Dennis Skinner (Bolsover) (Lab): I will apologise for coming in late, Mr. Speaker, but I went to the hospital to have a heart monitor fitted. I said, "What have I got to do?" I was told, "Act normally." So I thought I had better get to the House of Commons sharpish and have a row—the effect is being monitored. Does my right hon. and learned Friend recall that a few weeks ago I asked her about the Government starting some work on ensuring that Members of Parliament have one job and one job only? They should stop the moonlighting and cut out the conflict of interest. More than 100 Tory MPs are making money on the side. What progress—*[Interruption.]* Yes, I said that there would be a row. What progress is being made on the work that has already started? Can she help me?

Ms Harman: My hon. Friend makes an important point, which should be considered as part of the debate on MPs' pay.

Mr. Andrew Robathan (Blaby) (Con): Could we have a statement on the accuracy of parliamentary reference books, which we all use and which, indeed, sit on the Table of the House? This week, Baroness Young denied that she takes the Labour Whip, yet "Dod's" says that she does. We assumed that she was appointed to her job as chief executive of the Environment Agency because she was a Labour supporter. It may be that in her job she has studied those very intelligent rodents that leave sinking ships. Does the Leader of the House think that today's elections in London and elsewhere may lead to a flood of Labour stooges jumping off the Labour ship?

Ms Harman: I am not sure that that is really a point for me to answer as Leader of the House. However, it gives me the opportunity to answer the point about Sessional Orders. I can tell the House that the House has not passed the Sessional resolution in recent Sessions, following a Procedure Committee report suggesting it was ineffective. The whole matter of access can be raised when the Joint Committee that was appointed yesterday considers the Constitutional Renewal Bill.

Mr. Philip Dunne (Ludlow) (Con): Yesterday, the Prime Minister made the extraordinary statement that this Government have invested in rural communities, which is about as illuminating as saying that children invest in sweets. The reality over the past 10 years is that the Government have, deliberately and for party political advantage, shifted resources from rural communities into urban communities. Will the Leader of the House provide time for a debate on Government funding of rural communities?

Ms Harman: It is not the case that the Government have shifted resources from rural communities into inner-city areas. There has been investment in rural communities in schools, public transport and health services. The Government have been concerned to shift resources into deprived areas, and we are well aware that those include some rural areas.

Mr. Graham Stuart (Beverley and Holderness) (Con): Throughout DEFRA questions today and in business questions, issues of food security and coastal defence have been raised. I raised with the Leader of the House on 3 April the fact that 2,000 homes and 15,000 hectares of farmland in my constituency are to be abandoned as a matter of Government policy. She commendably replied that that was a matter of great concern and would be suitable for a debate. She said that she would speak to Ministers and come back to me. Imagine my dismay when I followed up with a letter and she wrote back and said that the issue would be kept under review. If an answer like that about an issue of such importance to so many Members cannot lead to Government time being devoted to it, what is the point of this session and what is the point of the Leader of the House?

Ms Harman: Well, I shall take the hon. Gentleman's remarks as a suggestion for a topical debate. If he sees fit, he may also apply for a debate in Westminster Hall.

Mr. Peter Bone (Wellingborough) (Con): Yesterday, the Institute for Public Policy Research published a report that stated:

"Migration from the new EU member states has happened on a staggering scale".

It estimates that 665,000 new migrants have come to this country. With all the pressure that that is putting on public services, and bearing in mind that Northamptonshire has the largest number of migrants outside London, does the Leader of the House think that it would be a suitable issue for a topical debate?

Ms Harman: The first topical debate we had was on immigration, but I will consider that as a request for another. I remind the hon. Gentleman that migrants are more likely to provide public services than to use them. They build more houses than they live in and they pick more crops than they eat. We should recognise their contribution to the economy and our public services, while ensuring that they are not exploited and that employment laws apply effectively to those who employ them.

Mr. Mark Harper (Forest of Dean) (Con): Four years ago, on European election day, the House had a debate in Government time on disabled people. Two years ago, on local election day, a similar debate took place. I had expected a debate on disabled people to take place today, although I am pleased that it did not, because it would have been overshadowed by events elsewhere. When that point was raised with the Minister for disabled people, she suggested that it be raised at business questions. Given that the Government will publish an annual report about their progress on "Aiming high for disabled people", perhaps the Leader of the House could consider having an annual debate, in Government time and on the Floor of the House, about disabled people and the Government's policies on disability, so we may debate those important issues.

Ms Harman: The question of the equality of, and support and opportunity for, disabled people is one that cuts across several Departments. I will therefore consider the hon. Gentleman's suggestion and whether we can find time to address the issue across the piece at a single opportunity.

Tom Levitt (High Peak) (Lab): I am grateful that my right hon. and learned Friend has chosen the middle east as the theme for today's topical debate, especially as my hon. Friend the Member for Bolton, South-East (Dr. Iddon) and I requested that at business questions last week. What assessment has she made of the value of topical debates to the work of the House? Is it now set in stone that such debates will continue, or is she still assessing the matter? I have found them to be a valuable use of the time of the House and I hope that she will confirm that that will continue to be the Government's position.

Ms Harman: I thank my hon. Friend for his question. I also thank him for his proposal for a topical debate. I need to consider further how we bring to the attention of hon. Members the question of topical debates. Once the announcement of the subject has been made, everybody thinks of topics that they would have preferred. However, we receive very few proposals, whether by letter, e-mail, phone call or personal requests when people see me going about the House. I will look into the point that he raises.

Points of Order

12.15 pm

John Robertson (Glasgow, North-West) (Lab): On a point of order, Mr. Speaker. Can you enlighten me about the rules guiding naming people in devolved Parliaments? It would appear that Scottish MPs are being named on the Floor of the Scottish Parliament. Does that mean that we are now permitted to mention Members of the Scottish Parliament in this House and describe what we think they are doing wrong, as they appear to be able to do to us?

Mr. Speaker: In fact, that happens quite often in Scottish questions. Mention may be made of MSPs or Members of any other devolved Parliament, but that mention must be in order and made at a time when we are debating such matters. The name of an individual MSP can be mentioned on the Floor of the House without any difficulty.

Mr. Crispin Blunt (Reigate) (Con): On a point of order, Mr. Speaker. Yesterday, in response to my point of order about my treatment as a constituency MP by the Home Office, you stated that that Department is not always seeking to give offence to hon. Members. I am pleased to report that I have today had a letter from the Minister concerned, whom I had notified of the point of order, assuring me that no offence was intended. In a letter that included the words "apologise" and "error" twice, as well as "sorry" and "regrettable", and which he has placed in the Library, he makes one point that I wish to clarify:

> "Normally, where there are no outstanding communications from the constituent's MP, we would not copy such a response to a peer or applicant to the MP."

The Minister goes on to make it clear that he had had outstanding communications from me that had not been answered. He has not quite put it in absolute terms that MPs will always be answered when there are outstanding communications concerning a constituent, but it is my understanding that that is what the letter really means. I would be grateful if you would confirm that that is your understanding also.

Mr. Speaker: It sounds as though the hon. Gentleman is about 99 per cent. there, with a little help from me. It is up to Ministers how they deal with such matters and it is open to the hon. Gentleman to go and see the Minister concerned and obtain the clarification that he seeks.

Now that the Minister for the Middle East is here, we can move on to the next business.

TOPICAL DEBATE

Middle East

12.18 pm

The Minister for the Middle East (Dr. Kim Howells): I beg to move,

> That this House has considered the matter of the Middle East.

This debate is especially timely. Tomorrow, the United Kingdom and Norway will host a series of major international meetings on the middle east peace process and related issues, the first major international gathering on this topic since Annapolis and the Paris donor conference at the end of last year. Today, I shall speak briefly about five areas—Israel and Palestine, Iraq, the Gulf, Iran, and Lebanon and Syria. Events across the region are intimately linked, of course, and are touched on in all four of the UK's foreign policy priorities.

I want to start by looking at the middle east peace process. The UK wants a just, lasting and comprehensive peace in the middle east. A solution to the Israeli-Palestinian conflict is an important precondition for long-term peace in the region. The Annapolis conference in November 2007 showed renewed consensus for action and we continue to see Annapolis as the best hope for peace since 2000. However, as the tragic scenes from Gaza and Sderot show only too clearly, much more progress is needed. We continue to push both sides to make real progress in negotiations and to take the necessary steps to improve the everyday lives of ordinary Palestinians and Israelis.

UK policy is based on support for a two-state solution, for those committed to a peaceful process and for economic and social development across the occupied Palestinian territories. Recent violence, especially in Gaza, is a cause of great concern. Israel has real security concerns, but Israeli action must be in line with international humanitarian law. Closures of border crossings in Gaza are having a grave impact on daily life. We call on both sides to refrain from violence and to work urgently to reopen the crossings. Our priority in practical terms is to support the emergence of a stable, viable Palestinian state. Tomorrow's ad hoc liaison committee meeting will focus on assuring funding for the Palestinian Authority and support for development and reform.

In Iraq, we have seen significant progress since 2003. New democratic political structures are beginning to bear fruit. Local communities have turned against al-Qaeda and are entering the political process. The Iraqi Government have taken tough action against armed groups and militias, regardless of their sect, and Iraqi security forces are delivering on their responsibilities.

In Basra province, since handing over security responsibility to the Iraqis in December last year, we have seen strong evidence of the increasing capabilities of the Iraqi armed forces—as reflected in the recent operations in Basra. We are enhancing our training and mentoring effort with local security forces as they build on their capacity to deliver their own security with only limited coalition support. We remain committed to supporting the work of the Government of Iraq and Basra provincial authorities in returning Basra to its former prosperity through a range of joint UK-Iraqi initiatives to support investment and economic growth.

[Dr. Kim Howells]

Sustainable progress in Iraq will be achieved only by continued support from the international community. Important challenges lie ahead, including the need for progress on key nation-building legislation, the provincial elections scheduled for later this year, the humanitarian situation and the need to support the maturing Iraqi democratic structures and Iraq's security forces. We remain committed to Iraq through our UN and coalition obligations. Above all, we will stand by the commitment we have made to the people of Iraq and will continue to encourage Iraq's neighbours to do much more to support those positive developments.

The six Gulf Co-operation Council countries are increasingly important to our strategic interests, particularly the need to counter terrorism, radicalisation and the spread of weapons of mass destruction. We need close engagement with Gulf partners to support our efforts to promote a low-carbon, high-growth economy and we welcome their increasingly active role in all the regional issues I shall touch on today. The participation of the Gulf states in the ad hoc liaison committee meeting this week is a welcome example of such activity.

I have visited the Gulf twice recently and have seen the huge opportunities available to UK companies. Dubai alone is now home to 120,000 British citizens and British expertise extends to the significant numbers of workers and businesses found in Qatar, Kuwait, Bahrain and Saudi Arabia.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I agree totally with the Minister about the importance of Saudi Arabia and other countries as market opportunities for our business people. Lord Jones of Birmingham will leave his post as trade emissary at some stage in the future, so would the Minister consider lobbying the Prime Minister for a dedicated envoy to focus on promoting business interests in Saudi Arabia and the Gulf states?

Dr. Howells: I certainly would not want to undermine the position of my noble Friend and colleague by speculating about who might step into his post. He is doing a very good job and he knows the Gulf region very well, but I take the hon. Gentleman's point. It is very important that, whatever else we do, we do not simply use the Gulf as a point of transit to other parts of the world. It is an extremely important node of the world economy and we must continue to pay great attention to the area. Let me reassure the hon. Gentleman—I am sure that he knows this already—that the Gulf is now one of the parts of the world that is most visited by Ministers, as it ought to be. My noble friend Lord Jones is doing a very good job in co-ordinating those activities.

Let me turn to Iran, where we have particular human rights concerns. The use of the death penalty is rising year on year and the pressures on human rights defenders are mounting. Today, on May day, I want to recall the trade unionists and other activists beaten or imprisoned in Iran for their involvement in last year's May day demonstrations and urge the Iranian Government to release Mansour Osanloo and Ebrahim Madadi, two leaders of the transport workers union in Tehran.

Iran's nuclear programme presents the greatest immediate challenge to non-proliferation. Tehran has hidden the most sensitive aspects of its programme for nearly two decades and still refuses International Atomic Energy Agency inspectors the access that they seek. Iran's role in the region also undermines efforts to resolve conflict and to work towards reconciliation and reconstruction. Support from Iran for extremists in Iraq and the supply of weapons from Iran to the Taliban is wholly unacceptable.

Iran has a long history and great potential and we would like to see it become a trusted partner in the international community and a responsible player in the middle east. Iran's leaders have a choice between the path of increasing isolation and confrontation with the international community or a transformed relationship with the world, with all the political, economic and technological benefits that would bring. I urge them to make the right choice.

We are deeply concerned by the current political crisis in Lebanon, where there has been no president for five months. The UK continues to support all international efforts to find a solution and the Foreign Secretary took part in an international meeting in Kuwait last week to discuss possible ways forward. We are offering our support to the Government's attempts to maintain peace and security in Lebanon. The UK has contributed $1 million to support the special tribunal for Lebanon, more than $1.5 million to improve the security of the border with Syria and $1 million of training and equipment to help the Lebanese army maintain public order at times of civil unrest.

Ann McKechin (Glasgow, North) (Lab): Will my hon. Friend give us some indication of the contact that there has been between his office and UN refugee agencies? When the Select Committee on International Development recently met representatives we got the feeling that the approach taken by the refugee office in Jordan and that taken by the office in Damascus were somewhat disjointed. The situation at the moment does not appear to be terribly satisfactory, and I would be grateful if my hon. Friend confirmed what discussions he has recently had with those agencies.

Dr. Howells: We are very concerned about the dislocation in the organisation of refugees in Syria, Jordan and other countries in the middle east. We want to see much more co-ordination by UN agencies and more money put in by Iraq's neighbours. We think that that is a very important issue.

Tom Levitt (High Peak) (Lab): My hon. Friend will recall that we debated Lebanon after I visited the country about 18 months ago. One of the things that we were particularly concerned about was the thousands of cluster bomb munitions that remained in place. I know that the British Government have been giving money to programmes to rid southern Lebanon of Israeli cluster bombs, but will he update the House and tell us whether we are anywhere near getting rid of all of them?

Dr. Howells: The work has been proceeding very well and I congratulate the United Nations Interim Force in Lebanon, under the leadership of General Graziano. It has done a superb job in conjunction with the expertise

that we and other countries have provided. Although I sense a degree of satisfaction with the progress that has been made, there is a long way to go and we cannot take our eye off the ball. We must continue to ensure that the personnel and expertise are there to clear the cluster bombs.

The next few years could bring positive changes in the region. We will do what we can to support a new, more stable and prosperous middle east, but only the region's leaders can determine its direction.

12.30 pm

Mr. David Lidington (Aylesbury) (Con): I thank the Minister for his speech and, in particular, welcome the emphasis that he placed on the strategic relationship of the United Kingdom with the countries of the Gulf Co-operation Council. Those relationships—both economic and political—are of profound importance to our national interests.

I also offer the Minister the Opposition's strong support for his call for a political settlement in Lebanon. The recent impact that the failure to find such a settlement had on the Arab League summit in Damascus makes it clear that the continuing delay and stalemate are starting to damage relationships in the region. That is bound to have a knock-on effect on other political questions such as the Israel-Palestine dispute.

I want to say a few words about the Israel-Palestine issue, especially given the importance of tomorrow's meeting of the ad hoc group. Conservative Members strongly endorse the objective of seeking a two-state solution. One only has to start to contemplate the alternatives and how disastrous they would be to see that, however difficult it will be to make political progress, it is right to move as fast as we can towards an outcome in which Israel, secure behind internationally recognised frontiers, can live at peace with an independent, viable and contiguous Palestinian state.

It seems to me that there are three difficult issues that need to be confronted to make progress on that front, the first of which is Gaza. I just cannot see how any long-term settlement will be possible between Israel and the Palestinians if Gaza remains in its current state or anything like it. Yesterday, I met representatives from the major non-governmental organisations active in providing relief within Gaza and they told me about the humanitarian catastrophe that they are witnessing. They said that the water and sewerage systems are now on the verge of collapse and that 80 per cent. of the people of Gaza are dependent on food aid and that such food aid that exists supplies only 80 per cent. of the required daily calorie intake for the people who receive it.

Given the history of Gaza and Israel in the past few years, it will be incredibly difficult to make progress, but I would be interested to know more of the Government's assessment of the chances of persuading the Hamas regime in Gaza to stop firing rockets at Sderot and Ashkelon and, in parallel, of persuading Israel to start to relax the blockade to allow some semblance of normal economic life to return to Gaza.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I am sure the whole House agrees with the hon. Gentleman's comments, but is he aware that the World Bank recently reported that Gaza's economy recorded zero growth in 2007 and that this could continue only as long as Israel keeps up the economic blockade? Does he agree that it should lift that blockade?

Mr. Lidington: I was aware of the World Bank report. I believe that the blockade needs to be lifted, but that the rocket attacks on Israeli cities need to cease. The two things have to go together. I will be interested to hear from the Government what information they have had from the Egyptian authorities about the talks that the Egyptians have been having with the Hamas rulers of Gaza to see whether progress can be made.

Secondly, we also clearly need to see progress on the west bank itself. If moderate leaders, such as President Abbas and Prime Minister Fayyad, are to succeed, they will have to be able to demonstrate to their citizens that negotiations are bringing political and economic fruits. I will say happily from the Opposition Benches that we very much support the work that Tony Blair is putting in as the Quartet's representative in trying to secure economic progress for the Palestinians. We hope that tomorrow's meeting achieves some significant steps forward in pursuit of that objective.

When we talk to anybody in Israeli politics or any citizen of Israel, it becomes clear that the questions of economic progress on the west bank and the security of Israel are intimately connected. There is no doubt that there has been an enormous impact on Israeli domestic opinion from their experience of having left Gaza, dismantling the settlements there and then finding that, instead of being able to leave in peace, they were the recipient of rocket attacks on civilians in their southern cities.

I have seen reports that one possible way of making progress on the west bank that would allow the checkpoints and road blocks to be removed would be to have some kind of international presence on the ground to supervise and enforce a more limited number of rigorous checks on people and goods to a standard sufficient to satisfy the Israeli authorities about the security of their people. Is that, indeed, something that will be considered at tomorrow's meeting of the ad hoc group? Does the Minister believe that there is a readiness among European countries and in Israel itself for such an international presence to be deployed? Who would provide the personnel for such a presence and what type of people are we talking about? Are we talking about soldiers being deployed and police officers being sent to carry out duties or are we talking about civilian officials? It would be interesting to know more about what is planned.

Thirdly, we need to make further progress in making it clear to the people of Israel, who are very concerned about their security, that a settlement with the Palestinians will indeed lead to a regional settlement in which Israel's right to exist as a neighbour is fully recognised by the wider Arab world.

Tom Levitt: I agree with everything that the hon. Gentleman says. However, on the question of Israel's relations with its neighbour and particularly with the west bank, does he agree that the wall, which is not sited on the internationally accepted green line and which takes 10 per cent. of the west bank, including some of its most fertile land and water sources, cannot remain in place if the settlement is to continue?

Mr. Lidington: Yes, I agree with the hon. Gentleman. If the wall had been constructed along the green line of 1967, the Israeli Government would have a much stronger case than they do at present. The route that the barrier has taken is clearly in breach of international law.

Let me return to the issue of a regional settlement between Israel and her Arab neighbours. I want to put on record my belief that statements such as those made recently by King Abdullah of Jordan and Prince Turki al-Faisal of Saudi Arabia indicate that there are senior, respected figures in the wider Arab world who can see that if a settlement between Israel and the Palestinians can be achieved, the door will be open to normal relationships between neighbouring countries in the region, and to opportunities for co-operation on economic and political development, which will be of huge benefit to Arab countries and to Israel.

The decision by His Highness the Emir of Qatar to invite the Israeli Foreign Minister to attend the recent Doha forum on democracy, development and free trade should be applauded. I hope that many more such gestures will be made by Arab leaders, and that the British Government will encourage our friends in the Arab world to make it clear to Israel that huge regional opportunities will flow from a settlement with Palestine and the Arab world more generally.

Mr. Crispin Blunt (Reigate) (Con): Like my hon. Friend, I was at the forum. Was he, like me, impressed by the comments of Mr. Ben-Meir, the lecturer from New York university, who said that the Arab peace plan was of immense importance—indeed, was central—to achieving a solution, but that it needed to be accompanied by soft diplomacy? I think that that was my hon. Friend's point. That is why the policy of the Arab states needs to be directed very much at the people of Israel, as well as at its Government.

Mr. Lidington: I completely agree with my hon. Friend. Let me move on to the situation in Iraq. The Government recently announced that the planned reduction in the number of British troops in Iraq will be postponed. In his opening speech, the Minister talked about the political progress that still needs to be made in Iraq if a stable, democratic Government are to be established there; that progress will involve political leaders from all the main religious and ethnic groups in that country. He referred specifically to the provincial elections planned for later this year. Is he able to say anything further about the extent to which the continued presence of the current number of British soldiers in Iraq is dependent on that political progress in Baghdad and outside? For example, in the Government's mind, are they tying the deployment of the current number of British troops to a successful, peaceful outcome in the provincial elections in the autumn?

We know from recent comments by General Petraeus that the Americans believe that the authorities in Iran have been supplying weapons that have been used to attack United States and British soldiers deployed in Iraq. Is it the British Government's assessment that the Government in Iran have indeed been directly involved in the supply of such weapons, and are actively supporting attacks on members of our country's armed forces? Clearly, if the Government have evidence that there is such a direct relationship, that has grave implications for the future of our relations with Iran. Like the Minister, I hope that we can establish better relationships with Iran in future—it is an important regional power—but we need progress, both in dealing with the potential threat of Iranian nuclear weapons and on the potential threat to our soldiers on active service in Iraq.

12.44 pm

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): The conflict in the middle east is the biggest challenge that the world faces. Resolution of this issue is the key to peace in the region, and its stability will affect many countries around the world. It is more than 40 years since UN resolution 242. That is 40 years of disappointment, failure, and failed opportunities for peace, for which the entire international community, particularly the United States, should take responsibility.

It is clear that Palestine is in crisis. There is an obvious political crisis in the region, and there is an economic crisis, with few jobs and little prosperity, but more urgently there is a real humanitarian crisis, particularly in Gaza. The UN has declared Gaza to be

"on the threshold of becoming the first territory to be intentionally reduced to a state of abject destitution."

Israel has closed Gaza's borders, surrounding it with a wall that, in effect, makes Gaza an open prison with 1.5 million inmates, and placing the area under siege. The shutdown has left the area without fuel, regular electricity, vital medical supplies and food. More than 70 per cent. of the population are unemployed, and 80 per cent. rely on food from UN food programmes.

The largest hospital in the Palestinian territories, the al-Shifa hospital, is on its knees, with scant resources and staff who frequently go unpaid. The hospital has run out of up to 130 of the 450 medicines that the World Health Organisation considers essential, and has less than three months' supply of another 80. The blockade means that there is a fuel shortage, and fuel is five times more expensive in Gaza than in Jerusalem. Electricity is supplied to Gaza for only 12 hours a day, and the hospital relies on generators, but the fuel shortage means that they, too, will one day stop, with potentially devastating consequences. Dr. Hassan Khalaf, director of the hospital, estimates that if the hospital were to lose all electricity, 80 patients, including 15 premature babies in incubators, would die within 30 minutes. It is not only basic medical supplies that are not being allowed in; vital machinery and spare parts are not getting through, although they would allow maintenance work to be done on damaged equipment that could help to save so many more lives.

Added to that are almost daily air strikes and land incursions from Israeli forces that have targeted homes, schools and hospitals and have killed hundreds of innocent men, women and children. The strikes have also damaged water pipes, meaning that raw sewage is being pumped into the sea, destroying the fishing industry and contaminating any fish that are caught. We must be clear that denying people medicines, fuel, food, employment and hope has nothing to do with security. That unjustified action is collective punishment of 1.5 million people because of the actions of a few individuals.

We must not allow the people of Gaza to feel as though the world has forgotten them or that they are

second-class citizens. The international community must do everything that it can to alleviate their sufferings. Peace is not an impossible dream; peace is possible, but only if the international community and those on both sides of the conflict recognise that every life, whether Palestinian or Israeli, is equal. Every life is equal, and every life is precious.

The Israelis must first end the siege, let basic supplies in and show the people that they should have hope. We can then negotiate a fair and just political settlement, so that Palestinians and Israelis can live side by side in peace. If either side is serious about peace, the only way is through dialogue. Bombings and the siege will only prolong the problem.

We must ensure that we support the peacemakers on both sides of the conflict and help them to fend off the radicals and extremists on both sides, who seek to divide for their own ends. The international community, including America, must recognise three basic principles. First, the killing of innocent people in Palestine, Israel and Lebanon by bombs, missile attacks, assassinations or any other form of violence cannot be condoned and must be condemned. Secondly, Israel has the right to exist within recognised borders and live in peace. That must be recognised by all its neighbours. Thirdly, Palestinians must be able to live in peace, dignity and without fear in their own land, as specified by international law. We should give the Palestinians the support that they need to build institutions, and ensure that those institutions are respected by Israel and the rest of the world.

12.50 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): I agreed with much of what the Minister said in his tour de force across the middle east. I hope he will excuse me if I do not comment on all the issues that he dealt with. I shall focus on Israel-Palestine.

The Minister did not mention the Government's view on reports that Israel and Syria may be thinking about talking and actively pursuing peace negotiations. The worrying intervention by the Americans almost seemed designed to try to stop those talks at first base. Will the Minister support that initiative? It reflects some of the movement with a number of Arab states in the region, to which the hon. Member for Aylesbury (Mr. Lidington) referred.

Many of those states are concerned about the growth in the strength of Iran. We all know that one of the many damaging consequences of the Iraq war has been to strengthen the hand of Iran in the region, whether through the proliferation of their weapons of mass destruction or their influence through funding Hamas, Hezbollah and the rest. The appalling hand of Iran is all over that region, and many of the Arab states are extremely concerned about that. Many of those states are therefore willing to try to go the extra mile to persuade the Palestinians and other Arab countries that they need to act. Part of the solution to stopping Iran is to get a final settlement of the Israel-Palestine situation. Talks between Israel and Syria, which may be symbolic of the movement of many Arab states, should be supported by us. If Israel is keen to go that extra mile, it should be encouraged.

Hon. Members in all parts of the House support a two-state solution, with a Palestinian state that is genuinely viable and sustainable. That is why many will have been concerned to see the recent comments of US Secretary of State Condoleezza Rice that she believes the window for a two-state solution is closing fast. I do not think she welcomes that at all; she is merely reflecting some of the concerns on the ground, where the strength of the moderate Palestinians is being undermined. The increasing new settlements and the existing settlements in the west bank make the geography of a Palestinian state there even more difficult, turning that territory into a Swiss cheese, in President Bush's words.

Peace talks are always urgent, but never more urgent than now. We all recognise the need to make a success of Annapolis. Hopefully, the talks of the Quartet in London tomorrow will go well. There is the prospect of a future conference in Moscow. Let us hope that that can happen. There are continuing talks promoted by Egypt to see whether there can be a ceasefire that Israel is prepared to accept. Let us hope that that happens. Whether through the Egyptian talks or otherwise, it is vital to persuade Hamas to stop firing rockets on Israel. It is equally vital that Israel is persuaded to stop the economic blockade of Gaza.

There are many barriers to progress on those fronts. The weakness of both sides in negotiations is probably the main one. If Hamas could meet the criteria of the Quartet, not least by recognising Israel and ceasing violence, that would be a major step forward, but given that that is unlikely in the immediate future, we must consider some of the small steps that can be made if the sides are to show willing.

One of those small steps relates to the economic blockade. Israel should move first on that. There is a moral case for Israel to move forward on removing parts of the blockade, particularly on health and water and sewage. In Palestine now there are lakes of untreated sewage, which are a massive health hazard and could contaminate water supplies for Israel. It is against their own interests, so I call on the Israeli Government—and on our Government to pressurise them—to enable that sewage to be dealt with urgently, through fuel supplies, electricity supplies or whatever other support is necessary. I was reading a BBC report which referred to a massive lake. If the dykes burst, there would be a tsunami of sewage, potentially swamping an area inhabited by 10,000 people. Do the Israelis want to allow that to happen? We must act on that. It is very much in the Israelis' interest to do so.

I read another report from the BBC which would be another small step towards building confidence. Former Israeli generals who had responsibility for security on the west bank, working with senior Palestinian officials, proposed dismantling checkpoints. As the Minister knows, there are 500 Israeli checkpoints and roadblocks on the west bank, which throttle the west bank economy. The report, published recently, spoke about dismantling 10 of the main ones. That could give a boost to the west bank economy and be a major step forward in promoting good will.

In the six minutes that we have to cover the middle east, those are a few brief comments, which I hope the Minister finds constructive.

12.56 pm

Tom Levitt (High Peak) (Lab): I am grateful to be called in a debate which, as my hon. Friend the Minister said, is timely not just for the reasons that he gave, but because it gives me the opportunity to report back briefly on the trip to the west bank, Gaza and Israel that four of us undertook two weeks ago. I was accompanied by my hon. Friends the Members for Bolton, South-East (Dr. Iddon) and for South Swindon (Anne Snelgrove) and the hon. Member for Brent, East (Sarah Teather).

What we saw in Gaza was exactly as my hon. Friend the Member for Glasgow, Central (Mr. Sarwar) and the hon. Member for Kingston and Surbiton (Mr. Davey) described, but it was worse than that. What we saw was a place being starved of aid and help. Ninety-three million dollars of UN money is sitting there in the bank to be spent on housing for homeless people and people in bombed-out houses. The money cannot be used because Israel will not let the cement or the concrete through the border. For the same reason the sewage works that the hon. Member for Kingston and Surbiton mentioned are not being repaired. It is not lack of money, but the fact that the cement and the concrete are not available.

Gaza is half the size of my High Peak constituency, but there are 1.5 million people living there, of whom 1 million are living in poverty, and it is getting worse. We met two boys in Shifa hospital, an 18-year-old who had had both his legs blown off by an Israeli missile three days earlier, and a 14-year-old with one arm and the whole of his abdomen removed by an Israeli weapon three days earlier who had been denied permission to move to a hospital in Israel in order to get treatment. I am certain, two weeks on, that that young man is dead, like many other victims of the conflict.

Our trip to Gaza was marked in its final seconds by being 50 yd away from a Kassam missile going off as we went through the Erez crossing. That gave us, for a brief moment, a feeling of how people on both sides of the border feel in the pervading air of uncertainty, never knowing when that weapon is going to come across. No notice is given—such things happen out of the blue. I was told that of all those sad and pathetic missiles that are launched by individuals out of Gaza at random at the people over the Israeli border, a third do not even reach Israel and fall on Gaza territory. Things cannot get more sad, pathetic and amateurish than that, against the might of the sophisticated military force deployed by the Israelis in that area.

We made a point of going to Sderot in Israel, where we saw the same thing. It is a city in which 7,000 of those weapons have fallen in recent years. They have killed 11 people. I know that the issue is not one of score cards and scoring off one side against the other, but the day after we were there the Israelis killed 18 in retaliation for the bombs that had been sent over the border. In Sderot, 500 people had been injured and countless houses and property had been damaged. The people there are angry because they do not think that they are getting the support that they want from the Israeli Government; last year, they were in Tel Aviv protesting about that.

I think that there is an insidious reason why those people have to stay and are being kept in Sderot. When the Israelis left Gaza, they destroyed factories and jobs and, in effect, exported the jobs to Israel. Unemployment in Israel is at 8 per cent.; unemployment in Sderot is at only 3 per cent. If someone wants to leave Sderot, how will they find a job elsewhere and sell their house? I think that it is in the Israelis' interest for the people of Sderot to be sitting ducks next to the border and targets for the sad and pathetic weapons that come over daily. In Israeli eyes, that justifies what my hon. Friend the Member for Glasgow, Central correctly identified as collective punishment.

I want to finish by talking about Azzun, the village that we visited on the west bank. I had never heard of it before; it is a village of 10,000 people just outside Kalkiliya. From the border of Azzun, the Israeli wall, mentioned earlier, can be seen. At that point, the wall is 20 km from the internationally agreed green line. Azzun has lost a third of its agricultural land to new settlers, who have moved in not only from Gaza, having been relocated, but from America, Ukraine and all over the world, and for whom settlements have been built illegally by the Israelis in the occupied territories.

In the centre of Azzun is a fountain, only about 100 m from the main road that passes the village. In January, there were a series of incidents in which children were throwing stones at settlers' passing cars. That month, Israeli forces came in and set up roadblocks—mounds of earth—on every road around Azzun, put razor wire on top of the mounds and did not let anyone in or out of the village for weeks. Children coming from other villages for their education, and vehicles with food, were turned back. The major employers of the village lost three quarters of their employees within days, and were simply not able to trade.

I do not know whether those children had been put up to throwing stones; my guess is that children will be children, and children in occupied territories tend to express their parents' frustration. Whether prompted by the stones or anything else, the Israeli forces went in and on 30 separate occasions—both during and prior to that period—imposed a total 24-hour curfew, not letting people out of their houses. Israeli soldiers were smashing street lamps at night and playing loud music after midnight to keep people awake. That really is collective punishment. Thirty-five children from Azzun disappeared during the weeks of the siege. Many were taken without charge to a prison in the Negev desert—taken to another country to be put in prison illegally. Two weeks ago, 15 of them had not returned and they were not allowed visits from their families, or representatives of them, while they were away.

The week before we went to Azzun, most of the roadblocks came down; the day before we arrived, the last of the military patrols left. Although the main roadblock was still in place, pedestrians were at least using that route, and vehicles were using other routes, in and out of the village. It was collective punishment—people were being made to pay the price for having settlers on their doorsteps and daring to live on the route planned for the wall.

Today, the people of Israel are observing Holocaust remembrance day, and it is absolutely right that none of us should ever forget how Jewish people suffered during the holocaust. However, that suffering must never be an excuse for the collective punishment by means of the illegal wall, which takes 10 per cent. of

the west bank into Israel. It is not an excuse for illegal settlements with their own road networks and whose economies are split on a principle of separate development—or apartheid, as it used to be called in South Africa. Nor is that suffering an excuse for the economic strangulation of the west bank and Palestine. It is not an excuse for the disrespect for human rights on detention or for collective punishment—which is illegal, whatever form it takes.

I commend my hon. Friend the Minister, his Department and the Department for International Development for their work in trying to get aid through—especially to that prison called Gaza. I am not a religious person, but I do pray that the talks will be successful in the end.

1.6 pm

Mr. Crispin Blunt (Reigate) (Con): I am pleased to follow the hon. Member for High Peak (Tom Levitt), and I commend his and his colleagues' initiative in visiting Gaza. I have also done so in the past year. The situation there is one of despair, with all the consequences that come from 1.5 million people living in terrible circumstances. Let me return to that issue later.

This is a topical debate on the middle east, but the middle east is always topical, and it would be interesting to know why it popped up today. I did not envy the Minister or his brilliant advisers at the Foreign and Commonwealth Office having to produce a 10-minute speech to cover the middle east peace process, Iraq, the importance of the Gulf Co-operation Council, Iran, Syria and Lebanon for the edification of the House. It all makes this debate an exchange of headlines as much as anything else. It gives the Minister the opportunity to restate one or two Government positions, but it is almost impossible for us to get into the detail of any middle east issue.

However, let me try to get into the detail of one such issue—the United Kingdom's representation and understanding in the middle east. Historically, we have an immensely strong position in the region. However, in the past 10 years we have lacked the joined-up thinking, ability and propensity to draw on our understanding as a nation. Part of that has been due to the emasculation of the policy making of the Foreign and Commonwealth Office in the first 10 years of the Labour Government. A concentration on policy making within a small cabal inside Downing street characterised the previous Prime Minister's term in office, and that has wreaked havoc with our reputation in the middle east.

We have the benefit of years of experience among our diplomats and soldiers, who have taken time in their long careers to understand the region and the Arab perspective. The Government have preferred to trust their own dogmatic appreciation of events. In the past 10 years, we have chosen a path that has made our foreign policy on the region seem indistinguishable from that of our American allies. Our interests in the region are, however, profoundly different. We should recognise that.

Furthermore, the previous Prime Minister showed an interest that seemed sometimes childishly simple, and at other times deeply patronising, to those on the receiving end. He had a flair for fleetingly inserting himself into trouble spots as a sort of additional American Secretary of State—one thinks of his charge down the steps on to the tarmac in Syria for what ended up as a disastrous visit and his intervention in Lebanon—but it took him 10 years to visit the United Arab Emirates, which he did right at the end of his premiership.

That is one example of where our priorities were profoundly wrong in those 10 years, quite apart from all the conflicts we got into and the trouble elsewhere. I very much welcome the statement by the Minister that the Gulf Co-operation Council area is the area most visited by Ministers. I would particularly like to applaud the efforts of His Royal Highness the Duke of York in supporting the efforts of Lord Jones of Birmingham. The two of them are doing an immensely important job in fronting our business and trade interests in that region, and I am delighted that their efforts are getting the support from other Ministers that they so richly deserve.

As one of the parliamentary chairmen of the Council for Arab-British Understanding and the Conservative Middle East Council, I, like a scratched record, again ask Members to encourage more engagement with and more understanding of the region. We need to engage in more patient study of the issues and their causes so that we can understand them. We need to spend more time listening to the Arab world, and we need to listen to the Iranians and understand their perspective. I advocate visits by parliamentarians and Ministers to the region, but we should not forget the scale of the British-Arab and the British-Iranian interest in the United Kingdom. Those communities should be better engaged in our domestic processes, which will offer benefits to our foreign policy as well as to community relations in the UK. The obvious benefit is that we will then have a better understanding of how to pursue our interest in the region.

In three or four years' time, Qatar is likely to have the largest sovereign wealth fund in the world. Where the Qataris decide to invest will be critical to many of our businesses and our country. Indeed, to secure our energy needs, we are engaged in creating important links to get liquid petroleum gas from Qatar. Let us just imagine, however, Iran providing that opportunity as well as Qatar. Along with the United States, we have pursued a policy of confrontation with Iran. I say nothing to defend the deeply unattractive Government of Iran or their position, but our policy is based on a profound lack of understanding of the Iranian perspective. A lot of what they do in their pursuit of diplomacy internationally is unforgivable, but we should at least try to understand why they pursue their aims in such a way. If we understand that better, we can begin the process—it will be long, but we have to start somewhere—of moving to a position where 75 million Iranians are again an effective market for British financial services and manufactured goods. Our oil and gas companies should be able to go in to assist in the development of Iran's vast oil and gas reserves, for their benefit and ours. There is a massive mutual interest.

The product of our policy on Iran has, ironically, turned this deeply unattractive Government into the leaders of the most significant regional power. The decisions that they take, particularly with regard to the neighbouring conflicts in Iraq and Afghanistan that we are engaged in, are immensely important for the United Kingdom and the thousands of our soldiers deployed in the region, whether we like it our not. We have to

[Mr. Crispin Blunt]

find a way of improving the outcome of policy on Iran, and we would be able to do that if we understood Iran better.

I briefly return to the Israeli-Arab conflict. We are debating the United Kingdom's role and involvement in it, and by extension, that of the international community as a whole. I sometimes wonder whether it would not be better for the international community to step back a little. In the end, this conflict has to be resolved by the people of Israel and the Palestinian people. Until the basic insecurity of the state of Israel and the obvious injustice of what has happened to the Palestinians in the past 60 years are addressed—and those two can only be addressed together—the conflict will continue. The message I urge on Arab representatives to whom I speak and on the Palestinians whom I meet in the course of the extra work I do in Parliament is that they should address their policy to the people of Israel.

In the end, the people of Israel will have to vote for a Government who will do an historic deal with the Palestinians. In the same way, the people of Palestine will have to support a Government who do a deal with the people of Israel and their Government. That will happen only when there is a sufficient kernel of opinion in both countries that people want peace and are prepared to go through the pain required to get it. That means the Israelis have to appreciate the importance of the Arab peace plan, rather than just trying to push it away. It also means that the Arab League has to reinforce the statement of the Arab peace plan—an historic offer to live in peace in Israel and to offer it the prospect of normalisation with its neighbours. That peace plan must be driven through and reinforced with a soft diplomacy aimed at the people of Israel. It must convince them that Arab states really mean it when they talk about normalisation.

Once that message is put to the people of Israel, they can begin to address the insecurity at the heart of many Israeli people's existence, reflected by the experiences referred to by the hon. Member for High Peak. I hope that such a position would give the Israelis confidence to begin to address the terrible injustice that has been meted out to the Palestinians. The story of the past 60 years is a horrifying one, which has overflowed into all the nations that border Palestine and Israel. One has only to look at the catastrophic effect of the involvement of Palestinian refugees on the politics of Lebanon—the awful Lebanese civil war and the enormous complications that that produced—to understand how important it is that the two peoples are reconciled.

I leave the Minister and the House with this thought. The international community is an external actor in this situation, and for the main players, the Israeli and Palestinian people, it tends to be a question of manipulating that community to achieve a particular objective. I sometimes wonder whether the international community should try to remove that opportunity from them, and ensure that the responsibility for resolving this conflict is not something for the Americans to broker, or for other external actors to deliver. This is about Israel getting its security within a region that is Arab, and how the Arabs and the Israelis deal with the situation together. They have to stop looking to the rest of us to sort it out for them. I offer that reflection having spent a long time thinking about how the UK and others can contribute to the situation. I sometimes wonder whether doing a little less might achieve rather more.

Several hon. Members *rose—*

Madam Deputy Speaker (Sylvia Heal): There is very little time left for Back-Bench contributions in this debate. I ask Members to reflect on that, and hopefully, all will be able to catch my eye.

1.18 pm

Ann McKechin (Glasgow, North) (Lab): I followed with interest the comments of the hon. Member for Reigate (Mr. Blunt). In the context of his comments about Iran, I can tell the House that during the spring recess I met a number of senior Iranian local authority officials who were over on a study tour at Glasgow university. That visit was sponsored by the Foreign Office, and I thought it was a useful way of exchanging views on a wide range of areas that did not involve the more controversial political issues that have bedevilled our relationship with Iran.

In the short time available, I want to highlight the situation in Gaza, which several colleagues have mentioned. The International Development Committee, on which I serve, produced its report on the occupied territories about 15 months ago, and it gives me no comfort to say that the pessimistic conclusions that we reached on the future of Gaza have largely come to pass.

Yesterday, we followed up that inquiry by taking evidence from John Ging, director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East, and his message about the reality of life today for those who live in Gaza bears repeating. He said:

> "Since January this year, 344 people in Gaza including 60 innocent children have been killed and 756 injured. Rockets have been fired into Israel every day and three Israelis have been killed and 20 injured."

Violence in Gaza between armed groups has become endemic and there is a culture of impunity. We have heard that the economy has effectively collapsed, with 80 per cent. living below the poverty line, and the price of food and basic necessities has rocketed.

We have reached the point where UNICEF is literally trying to stop sewage backing up through the manholes on the streets of Gaza. As colleagues have said, the efforts of the Quartet's special representative to build the urgently needed sewerage plant in Beit Lahia have been frustrated by Israel's restrictions on importing concrete and electric motors for generators.

Almost all journeys have to be undertaken by foot, be it to schools, hospitals or work. Medical facilities suffer the consequences of fuel cuts, with no capacity to deal with difficult cases. I read with despair the World Health Organisation list of people who died between October last year and March because they had to wait for permission to leave to seek urgent treatment in Israel or Egypt. Some died while waiting at crossing points, and others, such as a one-year-old female child with liver disease, are refused a permit for security reasons. She died in March. The list is deeply depressing.

John Ging advises that on Tuesday UNWRA received a supply of food to enable it to deliver food aid for

roughly six days, after having had to freeze its operations for the previous three. However, there is no promise of future supplies, and half of Gaza's bakeries have had to close for lack of cooking gas.

As my hon. Friend the Member for High Peak (Tom Levitt) said, the inescapable conclusion is that the residents of Gaza are enduring a collective punishment, as defined in international law, to a horrific extent, and there is apparently no end to it. Does the international community have to wait until an outbreak of cholera occurs before we decide that the current stalemate cannot be left unchallenged?

I join agencies such as Oxfam in praising the efforts of the Foreign Office and Department for International Development staff in Jerusalem, especially their attendance at the Israeli supreme court case on the challenges to the cuts to fuel and electricity, and their engagement with the Israeli authorities on that issue. Having met officials on our visit for our report 18 months ago, I know how hard they work there. However, that is simply not sufficient.

A new strategy is urgently required, and that includes facing up to the realities on the ground. Former President Jimmy Carter recently stated that little progress had been made since the Annapolis peace talks last November, and he is right. Construction of settlements on the west bank has continued, despite the pleas of our Government and others. In its evidence to our inquiry, the Department for International Development states:

"Such actions threaten the viability of the Palestinian state".

Yet little public comment has been made, nor has there been any indication that there will be consequences for Israel if that course of action continues.

I urge our Ministers and other European Union Governments, as a matter of urgency, to speak up forcefully for the United Nations plan and take every diplomatic avenue to secure the opening of crossings to Gaza and the delivery of humanitarian assistance. The donor meeting tomorrow and the Bethlehem investor conference on 21 May offer two good opportunities this month to raise the issue, and I look forward to the Minister's response on that point.

We also need to apply more pressure to Israel to uphold its international obligations to protect and provide sufficient humanitarian assistance. I especially urge the Minister to consider using the human rights articles in the EU association agreements to bring an end to policies that breach human rights. If such breaches are proved on either side, we should condemn them unreservedly.

I highlight the recommendation in the International Development Committee on the need to end the isolation of Hamas. That is not to condone its actions or policies, but to recognise that our strategy to date has failed and will not succeed in future. We need to support the moderate voices in the region who are trying to establish a ceasefire and reconciliation between Hamas and Fatah. That requires courage, but let us not forget that until we take those steps, the intolerable suffering in Gaza will simply get worse.

1.24 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): As chairman of the all-party group on Saudi Arabia, I felt that this was an opportune moment to make a few brief comments on that country and share with the Minister some of the reflections on my recent visit to the kingdom with fellow parliamentarians. I led a delegation to Riyadh in February, and I am grateful to Prince Mohammed of the Saudi embassy here and Prince Sultan for their extraordinary efforts to make us feel welcome and ensure that the trip went smoothly.

Saudi Arabia is an important ally, especially in counter-terrorism. During our trip, we received many briefings from Saudi intelligence officers, who started to tell us about the extraordinary exchange of information that goes on between them and our intelligence and security officers. I was pleased to hear about the co-operation and mutual trust on sharing information and fighting terrorism.

As the Minister knows—he spoke so eloquently at the recent two-kingdom dialogue conference—Saudi Arabia is grappling with terrorism and it has equal difficulty in trying to tackle the problem. However, we were shown, as was the Foreign Secretary last week on his visit to Saudi Arabia, many of the pioneering ways in which that country is trying to rehabilitate offenders and dissuade them from wanting to be terrorists.

We also met many Ministers and King Abdullah, the custodian of the two holy mosques. In our discussions, he showed a great fondness and respect for our sovereign. I believe that the two sovereigns have a close working relationship and I was therefore pleased that he came to our country for the state visit. He sincerely wants good links with the United Kingdom and I hope that the Government will continue to promote Anglo-Saudi relations at every opportunity.

As the Minister may know—I have informed the Foreign Secretary—the king is initiating a forum for multi-faith dialogue in Saudi Arabia. Although he is the custodian of the two holy mosques, he wishes to hold more of an inter-faith dialogue between Islam and all the other religions around the world. We should support him in that. The Saudis are slightly dismayed about the total lack of media interest in King Abdullah's tremendous efforts to initiate that forum. I regret that lack of interest, and I hope that the Minister will do everything possible to ensure that the British media start to report more effectively and more widely the king's tremendous efforts to pursue the matter.

During our visit, we also heard discussions about the possibility of building the first Christian church in Saudi Arabia. The Minister knows that many Christians live in Saudi Arabia and I spoke up on the issue when I visited the kingdom. Starting to allow Christian communities to build churches would be a healthy step and I hope that the Minister will use his influence with the Saudis to promote that.

Our meetings with Saudi young people showed me their determination to achieve change and modernise their society. Time and again, I refer to the liberal elite—the BBC and most newspapers—who run our media. They like to denigrate Saudi Arabia and always focus on the negative aspects of that society. My hon. Friend the Member for Reigate (Mr. Blunt) talked about being like a scratched record. I for one intend to be like a scratched record in the House of Commons, in putting forward the alternative—the positive side of Saudi Arabian culture—and confronting our liberal elite media, which focus only on negative stories and

[Daniel Kawczynski]

denigrating Saudi Arabia. Saudi is an oasis of stability in the middle east and we need to support it as much as possible.

Mr. Blunt: I am immensely grateful to my hon. Friend for the way in which he is presenting the positive case for Saudi Arabia. I hope that he will get across the message that we will never again expect British citizens to be treated in the way that Sandy Mitchell and William Sampson, a Canadian-British citizen, were from 2001 to 2002. I hope that my hon. Friend can get that message across, because if we and citizens of other countries cease to have such experiences in Saudi Arabia, the outlook for the positive things that he is describing will be so much better.

Daniel Kawczynski: I totally agree with my hon. Friend. In fact, the other day I had discussions with the right hon. Member for Leicester, East (Keith Vaz), who is extremely upset about the treatment that one of his constituents has received in Saudi Arabia. I have assured him that I will set up a meeting for him to speak with the Saudi ambassador about the issue. Of course we need to challenge the Saudis. They are our friends and if we are to have a healthy relationship, we will sometimes need to challenge them. That is an intrinsic ingredient of a healthy relationship. We should show mutual respect, but challenge when we need to.

I spoke to the Minister about the huge opportunities that we saw for British companies in Saudi Arabia in construction, finance, mining, oil exploration and education. I was not trying to put him in a tight spot regarding Lord Jones of Birmingham, but I would like him at some stage to consider having an envoy specifically to promote British business in Saudi Arabia.

I am conscious of the time and know that other hon. Members want to get in, so I will make two brief final points. The first is slightly controversial, but as we are speaking on middle east affairs, let me say how concerned I am about the judicial review of BAE Systems' deals with Saudi Arabia. The Minister may be aware of an organisation called the Campaign Against Arms Trade. Frankly, I am appalled by these unaccountable groups—I do not know who funds CAAT, but it is an extremely murky body. I want to know why CAAT is spending so much money on challenging the Government over BAE Systems, when so many British jobs are dependent on that vital trade and when there are so many problems in our country such as poverty—we are about to talk about poverty in Scotland. This murky organisation is trying to destroy British jobs by challenging the Government and BAE Systems over our vital trade links.

Mr. Davey *rose—*

Daniel Kawczynski: Yes, I thought that the Liberals would want to intervene at this point.

Mr. Davey: Will the hon. Gentleman confirm to the House that the challenge by CAAT and Corner House was successful in the courts?

Daniel Kawczynski: That challenge may have been successful in the courts, but the Minister may want to comment on that—I do not know—and the Government may challenge those initial decisions.

Finally, let me discuss the Arab peace plan. Hon. Members have spoken of the vital importance of the Arab peace plan in securing peace in Palestine and Israel. I, too, would like to express my sincere appreciation for all the hard work that the Arab League is doing, particularly King Abdullah of Saudi Arabia. The Arab League is genuine in its determination to find a credible solution. We must do everything possible to help the Arab League and Saudi Arabia, so that its proposals and imaginative solutions are deliberated on in this House and more Members of Parliament are aware of them.

1.34 pm

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): It is understandable that the focus in this debate and the wider international community has rightly been on the situation in Gaza. However, it is also worth while mentioning again, as other colleagues have, that the situation facing the Palestinian people on the west bank, although not as severe as in Gaza, is nevertheless extremely serious. That situation becomes more serious day by day, primarily because of the activities authorised, initiated and approved by the Israeli Government in extending Israeli settlements on the west bank.

Mr. Eric Joyce (Falkirk) (Lab): It is also worth remembering to condemn Hamas a little more than we have been today. Some 700 rockets have rained down on Israel since January. I hear what my hon. Friend the Member for High Peak (Tom Levitt) said about many such incidents being a case of somebody trying their best in their back yard. However, Hamas has said that the purpose of the rockets is to cause Israeli migration away from southern Israel, so perhaps we should remember to condemn Hamas a little more.

Mark Lazarowicz: If my hon. Friend had waited a bit longer, he would have heard me making that condemnation, which I will make now. Clearly everyone in the House would—indeed, does—condemn that activity. However, that should not hold us back from saying that pressure needs to be put not only on Hamas, but on the Israeli Government, to enter into the peace process more substantively than they have too often done in the past.

The settlement activity is an indication of the lack of good faith on the part of the Israeli Government. In spite of the Annapolis peace conference, there has been a continuation of settlement activity on the west bank in the past few months. That activity is in breach of international law and UN resolutions, and goes against the spirit of the Annapolis summit.

The Israeli organisation Peace Now has produced some statistics about settlement activity on the west bank in the past few months. There has been construction in 101 settlements, with construction started on 275 new buildings, while almost 1,000 units have been established in caravan neighbourhoods. At the beginning of March, the Israeli Ministry of the Interior approved the conversion of one local council into a new city. The number of tenders and construction plans in East Jerusalem has leapt. Tenders for the construction of at least 750 housing units in East Jerusalem were issued between December last year and March 2008, yet throughout

2007 and up to Annapolis, only two tenders for 46 housing units were issued. All in all, the Israeli Government are, according to Peace Now, promoting the building of more than 3,500 housing units in the neighbourhoods of Jerusalem located east of the green line.

When that is happening, there is every reason, bluntly, to doubt the good faith of the Israeli Government in working towards a settlement that we all want to see. That is not only why it is so important to put those facts on record, but why the international community needs to put more pressure on the Israeli Government to move towards a settlement that is at least acceptable to all parties in the area. I can understand why, with his lengthy experience in such matters, the hon. Member for Reigate (Mr. Blunt) should feel that the international community should draw back and allow the parties to reach their own resolution of the disputes. However, the experience on both sides, particularly in respect of the approach of the Israeli Government over the past few months, shows that without that pressure we will not move forward to a genuinely acceptable peace settlement.

I hope that the message will go out from the House today that of course we want to see a stop to the rocket attacks by Hamas from Gaza or from anywhere, but equally that we need to see a change in the policies, actions and behaviour of the Israeli Government and in those actions that they authorise and support.

In seeking to apply pressure through the international organisations of which we are a part—I recognise what the Government have done in that respect—we will be reflecting the views of many of our constituents. I am sure that I am not alone in having a number of constituents who are active on the issue locally. Tomorrow, for example, one of the Amnesty International groups in my constituency is opening an exhibition of photographs showing the plight of the Palestinian people.

My constituency also contains the Hadeel fair trade shop, which imports products from Palestinian craft workers and sells them throughout the UK. It also imports olive oil that is produced by Palestinian farmers—sometimes with great difficulty, because of the transport restrictions imposed by the Israeli authorities. I am told by Hadeel that in the past few years, almost 750,000 olive trees have been uprooted in the west bank, largely because of the activity of Israeli military units or because of the expansion of settlements there. That is worth mentioning, because although we talk about and want to see economic progress for the Palestinian people, even existing economic activity is being undermined all the time by activities either promoted directly or authorised by the Israeli Government. That is another example of how the Palestinian people continue to be put under pressure, and why the world needs to take action to relieve the immediate pressure on the Palestinians in Gaza and the west bank. It is also why we need to bring about a long-term settlement that can be accepted by the Israelis and Palestinians alike.

1.40 pm

Dr. Howells: I thank hon. and right hon. Members for their contributions to the debate, which has been good. In particular, I thank the hon. Member for Aylesbury (Mr. Lidington) for his speech, which was, as always, thoughtful and well informed. He posed several questions that were picked up in other hon. Members' speeches.

We are right to concentrate on the situation in Gaza and Israel. We could, as the hon. Member for Reigate (Mr. Blunt) said, have talked about several issues for some time. He has taken part in our many debates on the middle east, and I share his frustration. This is my first topical debate. I did not know what that was until someone explained it to me this morning, but I know that there certainly is not enough time to deal with subjects such as this.

The hon. Member for Aylesbury asked many extremely relevant questions, and set the scene of the appalling situation in Gaza with vivid descriptions. I say to him that we must keep up the pressure on Israel to see the good political sense in lifting the blockades. I doubt whether there is an hon. Member in the Chamber who would seek to defend the insane actions of Palestinian jihadist extremists. I think that it was my hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne) who described some of the effects that restrictions on gas supplies have had in Gaza. It is bad enough that the Israelis are restricting the supply of gas, but it was absolute insanity for Palestinian Islamic jihadists to blow up the pumping station at the border and kill two Israeli security personnel. I do not know why that sort of thing happens, although there are many theories, some of which we have heard today. Perhaps there are elements who want the situation to intensify and become worse—I do not know. The situation is doing no one any good. We have to keep making the case for diplomacy instead of those kinds of violent confrontations.

My hon. Friend the Member for Glasgow, Central (Mr. Sarwar) outlined vividly the dire situation in Gaza, especially regarding key areas such as health care provision. We have heard several distressing accounts of children and others dying because they were not allowed admission to hospitals, in Israel and elsewhere, where they could have received treatment that might have saved their lives. He makes an important point, although I disagree with some of the points that he made. I say to him that it is quite right to emphasise that every time there is a perceived injustice, it creates more enemies for Israel and the peace process. The dilemma is not easy for Israel to solve, or for its defence forces or its Parliament, but it is making a great mistake by taking its eye off the fact that the deaths of children create more enemies. I would never condone the violent attacks on Israel. There is no defence for that approach, which has got people nowhere for the past 60 years. It has simply meant that people have been killed and maimed all over the place.

The hon. Member for Reigate made an interesting speech. He said that the international community should perhaps pull back a little and let the Israeli and Palestinian people face the issues that will determine the fate of both their countries. I have a lot of sympathy with that point of view, although I do not think that any of us can be sure what would happen if we were to do that. There have been attempts to do it in the past, which usually took the form of military invasions of Israel. Those scars are still there in the psychology of that nation and in its approach to its neighbours.

[Dr. Kim Howells]

However, there is a kernel of truth in what the hon. Member for Reigate said. He made the important point that Israel and Palestine's neighbours must wake up to the fact that they hold the key to the future of that region, and that it is no good thinking that the Americans can sort it out or that the British, EU, Russians or Chinese will sort it out. Ultimately, the situation will be changed by the decisions of the people who live in that region.

My hon. Friend the Member for High Peak (Tom Levitt) and the hon. Member for Kingston and Surbiton (Mr. Davey) made constructive points, which I was glad to hear. I very much hope that, as a consequence of the debate, the talks that will take place in London from this afternoon onwards—the ad hoc liaison committee talks—will at least keep the momentum going that was started at Annapolis. We have to do that. There is no other show in town as far as the diplomatic community is concerned.

Finally, the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) made an important point about King Abdullah, to whom we are all grateful for the renaissance in Saudi international diplomacy that has helped to put more life back into the Arab peace plan. I, too, pay tribute to the Arab League for its work.

It being one and a half hours after the commencement of proceedings, the motion lapsed, without Question put, pursuant to the temporary Standing Order (Topical Debates).

Child Poverty in Scotland

[Relevant documents: The Third Report of the Scottish Affairs Committee, Session 2007-08, on Child Poverty in Scotland, HC 277 and the Government's response thereto, HC 525.]

1.48 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): I beg to move,

That this House has considered the matter of child poverty in Scotland.

I am grateful to have the opportunity to address this issue, and I start by thanking my hon. Friend the Member for Glasgow, Central (Mr. Sarwar) and his colleagues on the Select Committee on Scottish Affairs for their report. I look forward to hearing my hon. Friend's speech, should he catch your eye, Madam Deputy Speaker.

Let me say at the outset that for members of the Government and Labour Members, a number of issues go to the heart of our involvement in politics. Poverty—crucially, child poverty—is one such issue. The Governments of the 1980s and 1990s were reluctant to talk about poverty and unwilling to accept that it even existed. They presided over the view that unemployment was inevitable and that the economic consequences on workless families and children were unavoidable. As unemployment grew and matters such as schools, hospitals and housing failed to get the investment that they needed, poverty also grew. In particular—in a telling comment on the policies of the previous Government and, dare I say it, to their shame—child poverty not only grew, but doubled. In Scotland, we saw communities devastated by unemployment and the once aspirant working man and woman worn down as they were abandoned by an uncaring and apparently unconcerned Government into an existence based on worklessness and benefits.

When the Government came to power in 1997, they inherited some of the highest rates of child poverty among the industrialised nations. One in four children lived in poverty. Child poverty had doubled between 1979 and 1997 and 3.4 million children were living in poverty across the country. The UK topped the European league for the number of children living in poverty, and the trend was getting worse instead of better.

That inexorable rise in child poverty was the backdrop to what has become one of the boldest and most historic commitments of any new Government coming into power. In 1999, this Government committed to halving child poverty by 2010 and to abolishing it by 2020.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): The Minister will know of the widespread concern among the relevant non-governmental organisations that we are probably not going to meet the 2010 target. Since the report was published, we have seen a remarkable rise in the cost of many staple foodstuffs and, indeed, in the price of fuel. What impact have those significant increases had on the Government's ability to meet the 2010 target, and what assessment has her Department made of that impact?

Mrs. McGuire: If the hon. Gentleman will forgive me, I will come on to deal with those issues later. We must recognise the fluctuations in costs and it is quite difficult to carry out an analysis over such a short period. I will deal with the heart of these questions a little later in my speech.

In 1999, the Government committed themselves to halving child poverty by 2010 and abolishing it by 2020. We not only committed to halt the upward trend in child poverty and bring it down but set ourselves on a path to abolish it altogether. I hope that all hon. Members, regardless of their political background, will recognise that our commitment was bold as well as ambitious. I would like to put on record the fact that we made such a powerful commitment because we understood the damage that poverty does to individuals and communities. Poverty not only erodes a person's self-confidence; it limits their ambition and puts them at a long-term disadvantage.

In childhood, poverty is especially corrosive. During a time of life that should be full of hope and opportunity, a child living and growing up in poverty, is especially vulnerable.

John Robertson (Glasgow, North-West) (Lab): Does my hon. Friend agree that linked with poverty is the issue of education, which provides the way out of poverty? The Government have done an excellent job in that respect, as did the previous Administration in Scotland. What should we say, however, about a party that would deny young people their right to education, particularly at the pre-school under-five level?

Mrs. McGuire: That is obviously a question for another Administration of a different political party to answer, so I hope that during this afternoon's debate we will be able to hear some defence of the more eccentric decisions taken by the new Administration in Holyrood. Although they are good at talking warm words, they are not very good at alerting us to their delivery mechanisms. My hon. Friend thus makes a very good point, and I know that the importance of education is recognised in many parts of his constituency as the key to liberating young people and enabling them to have a career that will give them both fulfilment and finance.

Labour Members—I will be generous and say that this might also apply to some other Members—well know that children who grow up in poverty are likely to see their educational aspirations crushed and their health and development stymied by it. That is why this Government acted and have continued to act on poverty every year since 1999. We want nobody to be left behind, no child's life blighted before their potential is realised.

I am especially pleased to report that things have improved markedly. Compared with 1997, there are now nearly 3 million more people in employment across the UK and 600,000 fewer children living in poverty. In Scotland, there are more people in work and 90,000 fewer children living in poverty. Since 1997, unemployment in Scotland has fallen by 82,000—nearly 39 per cent.

Pete Wishart (Perth and North Perthshire) (SNP): Perhaps the Minister will describe how the abolition of the 10p starting rate of income tax will help in the battle against general poverty?

Mrs. McGuire: The hon. Gentleman's party lacked the commitment to stay up and vote for any of our policies to alleviate poverty. Let me remind him of the national minimum wage, for example—*[Interruption.]* I will address the issue in general terms, and the hon. Gentleman will be aware that both the Prime Minister and the Chancellor have said that they will do more to help single and older people affected by the abolition of the 10p rate. If he has a fair mind, and I am open to persuasion on that—*[Interruption.]* The Minister of State says that he has already made up his mind about that. If the hon. Gentleman has a fair mind, he will recognise that over a 10-year period, we have invested in families and children in Scotland. I am coming on to deal with some of the more specific issues.

Miss Anne Begg (Aberdeen, South) (Lab): Before the Minister moves on, may I say that extra help for families with children was provided in the Budget, but the Scottish National party voted it down?

Mrs. McGuire: I am delighted that my hon. Friend has pinpointed the inconsistencies—we have to be careful about the words we use in this Chamber—in the views of SNP Members. *[Interruption.]* Let me make a little progress, particularly in view of the heckling by the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil).

I was saying that progress has been made on child poverty in Scotland. Thanks to a co-operative and sustained partnership between the UK Government and the previous Scottish Executive, child poverty in Scotland is now lower than the UK average. Between 1998-99 and 2005-06, the proportion of children in relative low income in Scotland fell from 28 per cent. to 21 per cent.—a fall of 90,000—and is now lower than the UK average, as was identified by the recently published Scottish Government discussion paper on tackling poverty.

Those statistics mean that Scotland met the 2004-05 child poverty target to reduce relative child poverty in Great Britain by one quarter and it is no coincidence that, as employment rises and unemployment decreases, we see this marked reduction in child poverty. The Government continue to believe that employment—a job—is the key route out of poverty and that work for those who can remains the most sustainable route in tackling poverty. So, achieving our goals on child poverty will be realised only by making real progress in achieving our goal of employment opportunities for all.

Of course, work must be made to pay, which is why the Government introduced the tax credit system and the national minimum wage in spite of the siren voices on the official Opposition Benches who told us it would cost millions of jobs and in spite of the sleepy heads on the SNP Benches who could not even stay up to vote for it. We know, too, that children living in workless families are much more likely to be poor. *[Interruption.]* I do not think that the hon. Member for Na h-Eileanan an Iar would have stayed up all night, but perhaps he should comment on whether his colleagues were capable of staying up to vote on an important issue that meant a lot to many low-paid families in Scotland. Worklessness disadvantages not only parents, but their children, so to secure progress on employment is to secure progress on child poverty.

[Mrs. McGuire]

A Government can do few better things than help a parent to get a job, which will not only help them, but help provide for their children. In lone parent households, or families in which an adult is disabled, employment support is particularly needed. That is why the new deal programme has been so important and successful, helping thousands of people in Scotland into work.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): Does my hon. Friend agree that one of the best qualities of the Scottish people is that regardless of their poverty problems at home, they still recognise that people in other parts of the world are worse off than they are? Will she therefore join me in recognising the good work of the previous First Minister, and the previous Scottish Executive, in Malawi?

Madam Deputy Speaker (Sylvia Heal): Order. I hope that we will not go wide of the debate on Scotland and include Malawi. We had better concentrate our remarks.

Mrs. McGuire: Obviously, I take your advice, Madam Deputy Speaker, but solidarity in recognising poverty can have a resonance for many people in Scotland. I promise that I will not stray much beyond the terms of today's Order Paper.

The new deal in Scotland has supported many disabled people into employment. For example, the Department for Work and Pensions manages a number of employment schemes in Scotland aimed at helping disabled people to start and retain work. Those include pathways to work, the new deal for disabled people, work preparation and access to work programmes.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): My hon. Friend is an outstanding Minister for the rights of disabled people. Keeping within the remit of our debate, may I refer to paragraph 42 of the Scottish Affairs Committee's report, which is specific about the need to focus on disabled people, including disabled children, not least because, sadly, they experience more poverty than most other groups? I know that my hon. Friend will wish to address that matter.

Mrs. McGuire: I understand my right hon. Friend's point. As a result of his parliamentary hearings into the lives of disabled children and their parents, he and many organisations in Scotland have expressed grave concern that some of the resources allocated at UK level, and Barnetted into Scotland—*[Interruption.]* Do not worry, it is a new word; it will appear in a dictionary in 10 years' time. The worry expressed was that those resources will not be as focused on disabled children and their families as my right hon. Friend and his Committee identified during those hearings, and as many of the parents from Scotland who addressed that Committee and spoke to its members had hoped. However, that is a matter for the Scottish Executive under the devolution settlement.

Mr. Mike Weir (Angus) (SNP): Surely the Minister realises that the money is part of the settlement, or concordat, with local authorities. Does she not trust local authorities, particularly Labour local authorities, to use the money for the correct purpose? Even the Scottish Affairs Committee recognises the need to end ring-fencing.

Mrs. McGuire: Perhaps the hon. Gentleman should listen to my words rather than anticipate them. I said that my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) and many organisations had expressed concern that the money might not be as focused, but that it was a matter for the Scottish Executive—the Scottish Government—to determine. As the party that led the campaign in Scotland for a Scottish Parliament with devolved powers, we have a confidence in the devolved settlement that is not shown by the hon. Member for Angus (Mr. Weir).

Mr. Weir: Is the Minister not missing the point? The money went to local authorities—including Labour local authorities—and they will make the decision at the end of the day.

Mrs. McGuire: The hon. Gentleman is missing the point, which my right hon. Friend the Member for Coatbridge, Chryston and Bellshill has made time and again. Notwithstanding the fact that the matter is within the remit of the Scottish Executive and their relationship with local authorities, the concern about that money came out of a UK parliamentary consultation, which included parents from Scotland—*[Interruption.]*

Madam Deputy Speaker: Order. Hon. Gentlemen know the rules of debate of the Chamber, and should observe them.

Mrs. McGuire: I am not making this up—ordinary people in Scotland, and members of organisations representing disabled people in Scotland, have addressed the issue and are deeply concerned about it. It is a matter for the Scottish Executive to answer. The hon. Member for Angus and his party cannot wash their hands of responsibility in this respect. For them, as my hon. Friend the Minister of State says from a sedentary position, it is always somebody else's fault.

Let me return to the issue of employment in Scotland. I am clear that there is a connection between employment and the alleviation of poverty. Scotland used to have a lower employment rate, but Scotland now has a higher employment rate—1.8 per cent. higher than the UK average. I am not sure whether representatives of the Scottish National party want to accept that statistic, but it is true. Across the UK, the number of lone parents on benefit has fallen by 19 per cent., yet in Scotland it has fallen by 27.7 per cent. That advantage in Scotland has arisen from the strong partnership within the United Kingdom.

Having a job brings self-respect, financial autonomy, wider social relationships and better health prospects. Those benefits are not only for parents; they feed directly into the lives of children. The DWP will continue to be committed in Scotland to helping parents to find work and to balance work with their caring responsibilities. We recognise that work must help to build a sustainable future for them, their families and communities.

It is one thing to ask a parent to consider work, and quite another to expect them to take up such opportunities

when barriers are in their way. The DWP must therefore work in partnership with the devolved Administrations to break down those barriers, and we do so. Undoubtedly, one of those barriers is the lack of accessible child care, and significant investment in Scotland and other parts of the UK has helped thousands of parents, especially lone parents, to get back into work. Funding for the then Scottish Executive's child care strategy rose from £29.75 million in 2004-05 to more than £43 million in 2005-06, to continue to provide affordable, accessible, quality child care places for children from zero to 14 years of age in all neighbourhoods.

Miss Begg: Part of the package of child care is the previous Scottish Executive's commitment to nursery places for all three and four-year-olds, as well as for two-year-olds in vulnerable groups. In Aberdeen, that provision has been wiped completely off the map by the SNP-Liberal Administration's budget cuts last month.

Mrs. McGuire: It is perfectly legitimate for those of us who hold part of the partnership in delivering jobs and a better future for parents and their children to ask why that has happened in my hon. Friend's local authority. If such questions need to be directed to the Scottish Executive—the Scottish Government—then so be it, albeit within the rules of debate and order in this House.

Jim Sheridan: I remind my hon. Friend that the constituency of my hon. Friend the Member for Aberdeen, South (Miss Begg) is not an isolated case, as the SNP-Lib Dem administration in my own part of the world is also closing nurseries.

Mrs. McGuire: We are in partnership with the devolved Administrations in Scotland and other parts of the United Kingdom to work in the best interests of the people of Scotland and the people of the United Kingdom. *[Interruption.]* If the hon. Member for Na h-Eileanan an Iar finds that funny, then I am sorry, but I do not agree when I hear stories such as those of my hon. Friends about child care packages in some parts of Scotland being cut. That funding is necessary because it provides affordable, accessible child care places, giving parents in deprived areas access to education, training or employment.

Mr. Carmichael: Much of the support for child care that the Minister's Department has provided in recent years for people wanting to go back to work has been contingent on the availability of registered child minders. In many communities, such as the small islands that I represent, there are no registered child minders, so people do not have the same access to help from her Department. Will she consider that?

Mrs. McGuire: We are not in total control of the agenda, obviously, but as I will say later in my speech, if I ever get there, we are working with the Scottish Government to examine ways in which we can co-operate to ensure that we meet what is, in fairness, a shared objective on the abolition of child poverty by 2020.

My next comment may help the hon. Member for Perth and North Perthshire (Pete Wishart). In successive Budgets, we have used the tax and benefits system to work in ways that support the most vulnerable but retain incentives to work. We have targeted our financial resources to ensure that work pays, as well as to help families who, for whatever reason, cannot work. Those tax and benefit initiatives have also been key to alleviating child poverty and directly supporting needy families. I am therefore delighted to be able to advise the House that from April 2010, when the latest changes come into effect, the average Scottish household with children will be £2,000 better off in real terms since 1997—and low-paid families have benefited disproportionately. Scottish households with children in the poorest fifth of the population will be £4,100 better off.

I also ask the House to note that take-up of tax credits for families with children is higher than under any previous system of income-related financial support for in-work families. In 2004-05, take-up of child tax credit in Scotland rose to 82 per cent., with 94 per cent. of the money claimed. Take-up among those with incomes of less than £10,000 is now 97 per cent.

All those reforms have been key to alleviating child poverty. Had the Government done nothing other than merely to uprate the 1997 tax and benefits system, the number of children in poverty might be 1.7 million higher than it is today.

Pete Wishart: Will the Minister give way?

Mrs. McGuire: No.

The result of all these reforms, from employment support to child care to the tax and benefits system, has been significant. We can be proud that, while progress in tackling child poverty has been successful across the UK, greater progress has been made in Scotland, as my hon. Friends and the Select Committee have identified.

However, there is still a long way to go, and we are certainly not complacent about the need to do more to meet our targets for 2010 and 2020. With 2.8 million children still living in poverty in the UK, including 210,000 in Scotland, we cannot afford to relax. There are particular challenges ahead, including reaching more effectively children in large families, with disabled parents, or from black and minority ethnic backgrounds. Poverty still has too great an impact on the life chances of children for us to relax our efforts, and Labour Members have no intention of doing so. Child poverty is neither acceptable nor inevitable. We must therefore remain completely committed to the targets that we have set—targets, not the aspirations that the Conservatives talk about. They have aspirations, or empty words in documents and speeches, while we have targets that we aim to achieve.

Mr. Ben Wallace (Lancaster and Wyre) (Con): How does the Minister reconcile the fact that poverty rates for working-age adults without dependent children—tomorrow's parents—have risen to the highest level since records began in 1961 and now stand at 800,000 more than in 1998 with her optimism on her child poverty targets?

Mrs. McGuire: As the hon. Gentleman would recognise if he had listened to what I have said about the work that we are undertaking and to the statements made in the Budget by the Chancellor—not just the

[Mrs. McGuire]

current Chancellor but the previous one—we know that we still have a long way to go. Let me throw this back at him. Given that he comes from a party that did not even recognise that there was an issue with child poverty and now uses warm words in a document published only a few days ago, which is still light on what it is going to do about tackling the problem, there are more questions for him than there are for us.

In spite of the tight fiscal climate in the 2008 Budget, we demonstrated our ongoing commitment, with £950 million of additional spending to tackle child poverty. The Budget set out the next steps, with measures that will make significant further progress towards the target of halving child poverty by 2010. Those included a further £50 increase to the child element of child tax credit from April 2009, an increase in the first child rate of child benefit to £20 from April 2009, and the introduction of a child benefit disregard for housing benefit and council tax benefit purposes. Those measures alone will lift up to a further 250,000 children out of poverty and towards our final goal of abolishing it altogether.

We recognise, however, that abolishing child poverty can be achieved only by working in partnership. That was recognised in the title of our 2008 Budget document, "Ending child poverty: everybody's business", which sets out the next steps that we will take, including new pilots and further areas of work to achieve the 2020 target. One expression of that partnership is the joint child poverty unit, supported by the Department for Work and Pensions and the Department for Children, Schools and Families. That unit brings together child poverty policy officials and analysts in the two Departments, along with a secondee from Barnardo's, to provide a co-ordinated and focused approach. The unit will regularly meet its counterparts in the devolved Administrations through the four countries policy forum. The aim of the meetings is to share understanding, data and good practice and to drive forward the UK child poverty strategy. The forum had its first meeting on 22 January 2008. Beyond that partnership, the UK Government are open to further practical suggestions in working with all our Scottish partners, including the Scottish Executive, local authorities, charities and businesses.

As I said, we welcome the second and third reports of the Scottish Affairs Committee, Session 2007-08, on poverty in Scotland and child poverty in Scotland. The Committee identified a number of issues that it believes need to be addressed, and we want to respond by being part of the coalition within and outside Government that will continue to work together to build on the progress already made.

Back in 1999, this Government had the courage and vision to set targets to halve child poverty by 2010 and eradicate it by 2020. Today, almost a decade on, we are as determined as ever to meet those challenging goals. However, Westminster and Whitehall cannot achieve those objectives alone. Ending child poverty requires a sustained national, regional and local effort that involves the devolved Administrations and all agencies, service providers and professionals, including communities and businesses. We set out the beginnings of a contract in "Ending child poverty: everybody's business". It was a pledge that all parts of society would do their bit to tackle this blight on children, communities and future prosperity.

The Government will work closely with all stakeholders, including through a series of workshops and debates this summer, to develop the UK's longer-term strategy to eradicate child poverty by 2020. The UK Government want to continue to work with the Scottish Government. That working relationship is vital if we are to make progress on our shared goal to eradicate child poverty in Scotland, but it needs to be based on a mature partnership. We cannot allow this vital issue to become a political football on the constitutional pitch.

We have to increase the pace of change, but the political will is there to do exactly that. That is something that we will see coming through clearly in the months ahead.

Mr. Weir *indicated dissent.*

Mrs. McGuire: Does the hon. Gentleman want to intervene about the constitutional issue? I thought that he was making a comment about it.

Mr. Weir: I am surprised at what the Minister has said. The Scottish Government are very keen to make progress on child poverty, but I remind her that all the briefings and reports that we got for this debate point out that the benefits system for which this House is responsible plays a huge part in causing child poverty in Scotland. This Government have to take action on putting in the £4 billion needed to tackle child poverty in the UK. That amount needs to be compared with what is being spent on the Olympics.

Mrs. McGuire: There is sometimes political amnesia. I regret offering the hon. Gentleman the opportunity to intervene, but I thought that he was going to say that the Scottish National party MPs in this House would do all that they could to ensure that we have a mature and robust relationship with the Scottish Government. Interestingly, question No. 10 in the consultation document recently sent out by the Scottish Government asks whether there should be extra powers under devolution. What on earth has that got to do with the task in hand? I hope that we do not get bogged down in a political football game on an issue that is too important for that. We have to increase the pace of change and we need the political will to make something happen.

We are committed to building an inclusive, cohesive and prosperous society, with fairness and social justice for all. Ending child poverty will not be an easy task, but it is the right thing to do. It is not just about fulfilling an historic mission; it is about building a future in which every child can grow to fulfil their true potential and where no child grows up blighted by poverty.

Given the Government's commitment on this matter, and the commitment of people and organisations in Scotland, I believe that we can—and must—end child poverty once and for all.

2.23 pm

David Mundell (Dumfriesshire, Clydesdale and Tweeddale) (Con): I very much welcome having a debate on the Floor of the House that focuses on Scotland. Perhaps such debates should take place more often, and

not only when elections are being held in England. Ironically, the most recent debate here to focus on Scotland was held when the debacle that was the Scottish elections took place nearly a year ago. I hope that, like me, Ministers will use what influence they have to bring matters affecting Scotland to the Floor of the House.

I welcome the report from the Scottish Affairs Committee, and want to take this opportunity to pay my respects to our Chairman, the hon. Member for Glasgow, Central (Mr. Sarwar). He has provided wise chairmanship, and shown a willingness to allow members of all parties and with all points of view to make those views known during our sittings. I found the Committee's various visits and evidence-taking sessions to be extremely useful. I am a little surprised that the hon. Member for Dundee, West (Mr. McGovern) is not present today, as I expected him to use this opportunity to campaign, as he always does, for a new railway station in Dundee.

I was disappointed that the Committee was not able to visit my constituency. I know that that was not deliberate, but we did not focus as much as perhaps we should have done on communities such as Rigside and Kelloholm. They are essentially urban communities in a rural location, and suffer from some very specific difficulties that are not the traditional and often discussed problems associated with rural poverty.

I have noted the response from the Scotland Office and the Scottish Government to the Scottish Affairs Committee report. On this occasion, I agree with the Minister that it is essential that the UK and Scottish Governments work together on these matters. We should not focus on our political and constitutional differences, as our key objective is to reduce child poverty.

I also noted what the Minister said about local government. It is very important that the Department for Work and Pensions works closely and directly with local government in Scotland. Representatives of Scottish local government made it clear to the Committee that, since the devolved settlement and for no particular reason, the relationship between the DWP and Scottish local government was not as direct as it had been. I hope that that matter will be addressed.

The Minister also referred to an important document—"Making British Poverty History"—that has been published and launched by my right hon. Friend the. Member for Witney (Mr. Cameron). I shall be referring to it, as it is relevant to this debate, and I shall also say more about the report on Glasgow by my right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) that was part of his "Breakthrough Britain" series for the Centre for Social Justice. I was very pleased that the Glasgow report was well received, especially by the leader of Glasgow city council.

Obviously, I am not about to agree with the Minister's interpretation of the past but, given that today's debate is to focus on the future, I will agree with her that it is not acceptable for the latest figures to show that 23 per cent. of children in Scotland—or some 250,000 children—are living in poverty. Those children have a low standard of living and are unable to access many of the leisure, sports and cultural opportunities available to others, and they are also at increased risk of educational failure, ill health and being unable to move into work when the time comes.

They in turn are likely to bring up their children in poverty. Indeed, the most probable explanation for an adult being in poverty is that he or she was born in poverty, rather than their having suffered a mid-life catastrophe.

It is clearly agreed throughout the House that addressing child poverty in Scotland should be a priority for any Government, but although I recognise that the Minister feels passionately about the subject, and that by and large the United Kingdom Government are expending a great deal of effort, I believe that the Government's approach is flawed. They have placed too much faith in what simply spending more money on a problem can do. The cocktail of mega-money and micro-management has been characteristic of Labour's approach in most areas of social policy, and in child poverty as in other areas the results have been mixed.

I believe that three changes are required. First, the tax and benefits system should be simplified, and the disincentives to work that are built into it should be removed. Secondly, Government action should focus more on addressing the root causes of poverty, such as educational failure, family breakdown, indebtedness, drug abuse and crime, rather than merely addressing its symptoms. Thirdly, the Government have trusted communities and people too little. I should like to see central, devolved and local government supporting voluntary and community groups in their efforts to end poverty, even if that means giving up some control.

As the hon. Lady said, the Government's flagship policy was their tax credit system. That system, designed by the current Prime Minister and his boffins at the Treasury, is one of byzantine complexity. It is so complicated that even Her Majesty's Revenue and Customs, the Government body responsible for administering the system, does not understand it. In the last year for which we have data, HMRC managed to get more tax credit payments wrong than right. Make no mistake: this is not just a situation that ties up civil servants in recalculating payments. It is not even just a situation that has led to the loss of £5 billion in public funds through overpayment, fraud and error, although it has certainly done that. Most gravely, it is a situation that has seen many of Britain's poorest families facing the prospect of repayment demands, and many others scared off even applying for tax credits, in case they receive such demands further down the line. That should alarm the Government.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I do not deny that there have been bureaucratic problems that have caused distress to a number of people, but tax credits have also helped many families out of poverty. What would be the hon. Gentleman's alternative?

David Mundell: As the hon. Lady knows, Opposition Members have made it very clear that they would retain the tax credit system but would make it work effectively.

Jim Sheridan: How?

David Mundell: It is very clear how the system could be made to work more effectively. It is about giving people the right amount of money to which they are entitled. It is about dealing with bureaucracy. It is about not clawing back money from people who can ill afford it. It is all very well for Labour Members to jest

[David Mundell]

about the topic, but they have had 10 years to get the system right, and they have failed to do so.

Mr. Carmichael: The hon. Gentleman spoke of "clawing back" tax credit overpayments from people who could ill afford to repay the money. Is it now his party's policy to write off tax credit overpayments?

David Mundell: If the hon. Gentleman had been listening to my speech, he would have heard that it is our party's policy to get people's tax credits right the first time.

I said that many people had been discouraged from applying for tax credits because of errors in administration, but, as the House must know by now, many more people who were eligible were deterred from going near the scheme in the first place, for the reasons that we have just been discussing. The same complexity that makes the scheme difficult to administer also makes it difficult to access.

Take-up of working tax credit by people without children is only 22 per cent. I remind the House that as well as being one of the principal weapons in the Government's anti-poverty armoury, tax credit is likely to be one of the key routes through which the Government attempt to provide compensation—or so they say—for their abolition of the 10p tax rate. Given such a low take-up, it is hardly surprising that the report on child poverty by the Scottish Affairs Committee features the constant refrain that the tax and benefits system needs to be simplified. That is what the Conservatives have said almost since the moment that the Prime Minister, as Chancellor, took control of it, and I hope that we are now beginning to see a consensus.

Miss Begg: Before the hon. Gentleman moves on from tax credits, I would be interested to hear him clarify the point he is making about bureaucracy. One of the reasons why tax credits are often overpaid is the way in which the system works to ensure that people do not constantly have to give information about income changes; the system contains an element of rationalisation. Is it the Conservative party's position that such reconciliation should take place monthly? That would be even more bureaucratic, which is why the Government did not go down that route.

David Mundell: Our position is that where people have identified that they are being overpaid tax credits, they should have the ability to pay the money back. As the hon. Lady knows, they do not have that ability at the moment.

Jim Sheridan: Following on from the question asked by the hon. Member for Orkney and Shetland (Mr. Carmichael), may I ask whether the Conservative party agrees that there should be an amnesty for those whose tax credits have been overpaid?

David Mundell: As I have made clear to the House, we believe that the tax credits system should be sorted out. The hon. Gentleman's party has had the time to sort out the system, but it has failed to do so: a Conservative Government will do it.

Given the number of times that the words "simplify", "simplification" and "simpler" appear in the Red Book, I do not think that the Government are listening to what is said about the tax and benefits system. I was going to say that "simple" appears to be the new buzzword, replacing "prudence"—although I admit that it would be grossly unfair to use that term to describe the Prime Minister. I suppose people now realise that it was equally inaccurate to describe him as prudent. At its most serious, the complexity of the system has allowed all the Government's initiatives to pass many of the most seriously impoverished families completely by. There is real concern that many are unaware that they might be eligible for some of the plethora of different types of benefit on offer, or may not have the confidence to complete a complicated means-testing process.

It has been stated that

"Current policies are having no effect on the very poorest children and their families".

Those are not my words; they are those of Save the Children's severe child poverty report of last year. The sad state of affairs even led the Scottish Affairs Committee to ponder whether increasing the level of the old-fashioned universal child benefit might be the only way in which the Government would be capable of getting help to those who need it most. What is the point of having such a complex and expensive system of targeting support as the tax credit system if the bullseye of that target is left untouched?

Ms Katy Clark (North Ayrshire and Arran) (Lab): Surely the hon. Gentleman must appreciate that during the 18 years in which his party was in power between 1979 and 1997, this country's child poverty doubled and became the highest in Europe, and that since Labour came into power in 1997, some 600,000 children have been taken out of poverty? Does he not think he is in a very difficult position to give anybody advice about how to end child poverty in this country?

David Mundell: I do not accept the hon. Lady's proposition at all. In fact, her contribution typifies the approach of Labour Members, who wish to focus entirely on the past, and not on the future or on their inability to meet the targets that they set for themselves.

It is unfortunate that Labour's policies were all calculated on the basis of a very narrow measure of poverty: having less than 60 per cent. of average median income, adjusting for family size. On that basis, the Government set a target of halving child poverty by 2010 and eliminating it by 2020. Although I share that aspiration, I would point out that progress to date has been largely achieved by moving hundreds of people who were receiving a few pounds a week less than the poverty line to a position in which they receive a few pounds more. In other words, the Government have been able to present themselves in a favourable light to the media without letting on that the problems of very severe poverty have largely been left untouched.

So, if we accept that the system is unnecessarily complex, we must consider why it has been constructed in such a way. While I do not dispute that the current Prime Minister—the previous Chancellor—may be attracted to complexity for its own sake, a far more likely explanation is that the Government were determined to micro-manage the incomes of millions

of Britons. Some have speculated that this was for ideological reasons. Others have said that it was to make people think that they were in some way dependent on the Government's staying in power. The most innocent explanation is that the Government wished to create a system that did not waste money and targeted help where it was needed, even if that has not been achieved in practice. This is not the place to speculate on which motive was most likely, as more important issues are at stake.

The most important issue is that this very heavy means testing has imposed high marginal rates of taxation on many low-income families and has therefore undermined the incentive for parents to take on a job, work more hours or move up the career ladder. The Treasury itself says that

"worklessness and low pay are the biggest direct causes of poverty...a child's risk of being in poverty falls from 58 per cent. to 14 per cent. when one or both their parents is working".

An illustration of how many people suffer such disincentives is the fact that more than 2 million working people in the UK stand to lose, in a vicious combination of increased taxes and cuts in their benefits, more than half of any increase in earnings that they make. The abolition of the 10p tax rate will exacerbate this situation even further. Notwithstanding the compensation package that has been forced out of the Government, the number will rise to more than 2.25 million.

If we take the problem of high marginal taxation at its most extreme, some 160,000 people in Britain would keep less than 10p of each extra £1 that they earned. To put that into perspective, that is three times the entire population of Inverness. For working an extra hour, often in hard jobs, those people would earn only a few more pennies.

The high rates of marginal taxation have led the Institute of Fiscal Studies to conclude that although the Government's over-reliance on means-tested benefits may reduce measured child poverty in the short term,

"its indirect effect may be to increase poverty through weakening incentives for parents to work".

In short, I very much accept that tax credits are an essential part of modern welfare policy, but I want to see them simplified, and the disincentives to work that are the unintended consequence of the system reduced.

I also want to see much better support for people looking to get back into work, with effective practices adapted from other countries and an expectation that the unemployed, if able to do so, will take part in welfare-to-work programmes.

Miss Begg: The hon. Gentleman mentions incentives to work. Do the lessons that the Conservatives are learning come from Wisconsin in the United States, which provides huge incentives to work, because people there get no money unless they do?

David Mundell: The hon. Lady has chosen to characterise the Wisconsin scheme in a way that meets her political objectives rather than according to the facts. We will bring forward comprehensive policies to encourage people to move from welfare to work.

Tax credits may be an essential part of a modern welfare policy, but they are not the only approach, and the Government have rather neglected the others. Particularly, they have failed to see that correcting the symptoms of poverty, such as low wages, has to be complemented by attacking the root causes of poverty, including educational failure, family breakdown, indebtedness, drug abuse and crime. How the Government and Scottish Government can do that will form the second part of my contribution.

Of course, the education system in Scotland is the responsibility of the Scottish Parliament and the Scottish Government. I shall therefore not dwell too long on the subject save to mention its importance in the context of this debate and to give a short synopsis of what my colleagues in the Scottish Parliament have said on the issues.

The education system is important to this debate because its products are the parents of tomorrow. If they can get themselves established in a skilled job when they leave education, when they go on to have children those children are unlikely to grow up in poverty. As poverty is a generational issue, their children's children, too, will have their risk of growing up in poverty dramatically reduced.

Unfortunately, the Scottish schools system fails to set many children on the path towards a skilled job or further study. Indeed, a higher proportion of young people are not in education, employment or training in Scotland than in any region of England, or any other country in the OECD. This represents an enormous waste of human potential, and has been estimated by the Scottish Government to cost as much as £1 billion per annum.

I believe that that is the legacy of decisions stretching back many years over how our education system should operate. Those decisions were often made to satisfy left-wing ideology or notions of political correctness, rather than being based on pragmatic consideration of what worked best for the children. The one-size-fits-all approach must be left in the past. Ironically, the efforts of the left to help the poor have often been counterproductive. It is time that vocational education in particular was opened up to those in their early teens who are not interested in, or not suited to, the current curriculum.

As for family breakdown, what we say and do in Westminster has a great effect in Scotland. Scotland has one of the highest rates of family breakdown in Europe, yet the Prime Minister's tax credit system penalises couples for staying together. Couples with children can receive more money by living apart, or claiming to live apart. The cost of the so-called couple penalty can reach into the thousands. The Government's policies discriminate so heavily against families with two parents that it is harder for couple families to escape poverty. As a result, the risk of poverty has hardly changed for children in two-parent families since 1997, and rose last year from 21 to 23 per cent. across the UK. In addition, 60 per cent. of poor children live in couple families.

Based on the experience of similar schemes abroad, the Conservatives are confident that our radical welfare reform programme will return at least 600,000 people to work—enough to pay the cost of ending the couple penalty. That will mean that 1.8 million of the poorest couples with children will gain on average £32 a week and 300,000 children in two-parent families will be lifted out of poverty. The long-term effects will be

[David Mundell]

greater still, as it is the first truly significant proposal to reduce family breakdown in a generation.

On debt, I welcome the forthcoming inquiry by the Select Committee on Scottish Affairs into the credit union system, as it can make a significant contribution. Debt is a serious problem for millions. Furthermore, it could easily become a problem in the future for even more people. An energy crisis, a recession in the US, global terrorism or a substantial fall in house prices could change the economic climate, plunging many more people into a severe debt crisis.

Debt is a particular problem for people on low incomes. With few savings to fall back on and still little or no access to mainstream banking facilities, they are more vulnerable than other income groups to unexpected changes. As the report by my right hon. Friend the Member for Chingford and Woodford Green entitled "Breakthrough Britain" said, possible solutions to the debt crisis include improving financial literacy, providing more information and more accessibility to savings for low-income families, strengthening the role of credit unions and increasing competition in the home credit market. This could be matched by more transparency of interest rates and charges, better regulation of the advertising of credit, data sharing among lenders and greater care in lending practices, particularly for low-income families.

Finally, drug abuse and crime are issues for the Scottish Government, but I point out, particularly to Members from the Scottish National party, that the Conservative group in the Scottish Parliament forced the minority SNP Administration into developing a drug strategy for Scotland and putting a real 500 extra police on the beat, by making that a precondition for supporting the Administration's Budget.

I have already mentioned the "Breakthrough Britain" report produced by the Centre for Social Justice, but I am sure that many Members are aware that a specific study on Glasgow was undertaken by the centre. Greater Glasgow is an area that impacts significantly on the poverty statistics for Scotland, and it is right that it was chosen for such a study. As I said in my opening remarks, I was particularly pleased that Glasgow city council and others who are usually described as "stakeholders" gave this important report such a warm welcome. The report praised at some length the burgeoning number of voluntary projects and workers who were

"battling largely unsung in their efforts to rebuild the lives of the many people left behind by Glasgow's economic rebirth".

It is all too easy to look at just what the Government are doing, but we should never forget the impact of charities, faith-based organisations and even individual acts of kindness in the fight against poverty. They can be more responsive to local needs than central Government. Third-sector groups often achieve excellent value for money.

Community groups are especially valuable, as they are well placed to put people with experience of poverty into the front line of action against it. I was struck recently when the Church and Society Council of the Church of Scotland said on its annual visit to Westminster that, just as the civil rights struggle in America could not have been won if it had been led by white people, and the feminist movement could not have achieved its aims if it had been led by men, so action against poverty will be truly effective only if it is led by those who have first-hand experience of poverty.

Tax credits are an essential part of modern welfare policy, but as I have said, I want to see them simplified, and the disincentives to work, which are the unintended consequence of the system, cut back. I also want to see much better support for people looking to get back into work, with effective practices adapted from other countries and an expectation that the unemployed are to take part in welfare-to-work programmes.

Most important, much more focus should be put on preventing the root causes of poverty. This means tackling educational failure, family breakdown. indebtedness, drug abuse and crime. I also want to see the UK's devolved and local government support voluntary and community groups in their efforts against poverty, even if that means giving up some control.

Sir Winston Churchill, who is always worth a mention, summed up welfare policy in two images when he talked about a ladder—

"We are for the ladder. Let all try their best to climb"—

and a net below which none should fall. It is time to reinterpret those images for the 21st century, and I hope that this debate will contribute something towards doing that.

2.54 pm

Mr. Mohammad Sarwar (Glasgow, Central) (Lab): I thank the Government for initiating this important debate, and for their positive response to the Scottish Affairs Committee report on child poverty in Scotland. Tackling child poverty is the key to creating a fairer society. We have a responsibility to help children who are living without the essentials that so many of us take for granted. We must take the opportunity to break the cycle of deprivation, in which poverty is handed down from parents to children. That will help not only today's children, but generations to come.

The Scottish Affairs Committee's recent inquiry on child poverty in Scotland discovered that there are 250,000 children living in poverty in Scotland today. In such a rich country, it is unacceptable for any children to grow up deprived of the opportunity to have a rich and full childhood. That is why the UK Government have committed themselves to halving child poverty by 2010, and to eliminating child poverty entirely by 2020. Those are ambitious targets, but good progress has been made over the past 10 years. In 1997, child poverty rates were at record levels. Since then, child poverty in Scotland has been reduced by a quarter, meaning that more than 100,000 Scottish children are no longer living in poverty. That has been achieved by raising family incomes through the introduction of the national minimum wage, as well as through targeted programmes such as the child tax credit programme.

Our witnesses were unanimous in welcoming the reduction in child poverty in Scotland, which many of them attributed to Government policies and a significant increase in resources. It is estimated that state financial support for children in the UK has grown by 52 per cent. in real terms since 1999. Written evidence submitted by the Joseph Rowntree Foundation stated:

"There can be no doubt that government policy has played a major part in the reductions in child poverty in Scotland".

Giving oral evidence to the Committee, the head of the Child Poverty Action Group in Scotland, Mr. John Dickie, said that

"the progress in child poverty has reflected the political will and investment that has gone into tackling it."

It now appears that all parties, including the Conservative party, agree that there is a need to tackle child poverty. That is a welcome development. In our report, the Scottish Affairs Committee stressed the importance of co-ordination to the fight against child poverty. The UK Government and the Scottish Government must continue to work together on that. Scottish local government also has a vital role to play, providing key services such as education and child care.

To make the most of the resources dedicated to fighting poverty, a joined-up approach is needed, integrating the services provided by the UK Government, the Scottish Executive and local authorities. In fact, my Committee's inquiry found that Scotland has done better at reducing child poverty than the UK as a whole. Some of that success may be due to the productive way in which the UK Government have worked in partnership with the Scottish Executive since 1999.

That has allowed anti-poverty strategies to be tailored to local needs. Such co-operation needs to continue in future. I am glad that the Minister has expressed her desire to work in co-operation with the Scottish Government, and I hope Scottish national party Members in the House will urge the Scottish Government to recognise that co-operation, not confrontation, will help to resolve the vital issues that our communities face in Scotland. Of course, we would like to spread Scotland's success more widely. We hope that the UK Government can learn lessons from the strategies that have been successful in Scotland and use them to benefit children throughout the UK.

Although much has been done, a lot remains to be achieved. The Committee report found that the reduction of child poverty was in danger of slowing down. In order to reach the target of halving child poverty by 2010, we found that the Government would need to match, if not surpass, the level of resources and of commitment of the past decade. I am pleased by the recent announcement in the Budget of an additional £1 billion per year to families through additional tax credits and child benefit. These measures renew the fight against poverty and will lift up to 250,000 more children out of poverty across the UK.

That has rightly been welcomed by many organisations that take a keen interest in child poverty in Scotland, including Barnardo's Scotland and the Child Poverty Action Group in Scotland. However, we should not underestimate the scale of the task that faces us in eradicating child poverty. The very poorest children are living in families with less than 30 per cent. of the national average income or about £130 per week. The Committee was concerned to hear evidence that up to 80,000 children living in the severest poverty in Scotland may have been left behind by the recent reduction in child poverty rates. Those are the children in greatest need. We must make sure that their welfare is our first priority.

Child poverty is a result of the family circumstances in which children live. Financial measures such as tax credits and child benefit go some way towards raising family incomes, but there are other considerations. As the Government have recognised, getting more people into work and making work pay is the best way to raise income levels, but child care is a barrier to work for many parents. Our inquiry found that parents may be prevented from taking a job because they cannot find affordable or suitable local child care. That is an even greater challenge for parents of disabled children.

Pete Wishart: The hon. Gentleman is right when he states that the objective is to get people back into work in order to alleviate poverty. Has he any views or comments about the abolition of the 10p rate of income tax? If that is taken away, people who find their way back into employment could find themselves in further and worse poverty.

Mr. Sarwar: I am sure the hon. Gentleman is well aware that since 1997 the Government, through their positive approach, have taken millions of people, including children, out of poverty. Three million more people are employed. I know that hon. Members on the Opposition Benches—the Conservatives and the Scottish national party—are obsessed with the 10p tax rate, but in his letter to the Chairman of the Treasury Committee, the Chancellor confirmed that all those who will be disadvantaged because of the abolition of the 10p tax rate will be compensated.

Our inquiry found that parents can be prevented from taking a job because they cannot find affordable or suitable local child care. The challenge is even greater for parents of disabled children. It also found that 80 per cent. of mothers with a disabled child are unemployed, and that disabled children are twice as likely to be in poverty as non-disabled children. Disabled people experience poverty of income, choice and opportunity. The Scottish Government should do more to ensure that resources reach disabled families, who are disproportionately affected by poverty. That is a massive issue, which I hope the Scottish nationalists will pass on to the Scottish Government so that the money allocated for families of the disabled reaches the most needy in our communities.

Mr. Weir: Does the hon. Gentleman not accept that the concordat into which the Scottish Government and local authorities entered is aimed at allowing those authorities to use the money in the best way possible for their areas? It is not a question of taking money away; the ring-fencing is being taken away, and that is a different matter.

Mr. Sarwar: I accept entirely that it is for the Scottish Government to decide how they want to spend the money. However, our inquiry found that disabled people suffer worst from child poverty. That is why our report urges the Scottish Government to do more to help the families of the disabled in Scotland.

Mr. Tom Clarke: Will my hon. Friend, along with me, invite our Scottish National party colleagues to accept not only that he, I and others consider that our Government got it wrong on the 10p rate and are putting it right, but that the Edinburgh Executive got it wrong on disabled children? Will they help us to put that right?

Mr. Sarwar: I agree with my right hon. Friend. I am sure that the Executive will do the right thing—apologise and allocate the resources to the disabled people and their families in Scotland.

Work can provide a route out of poverty, but only if there are good-quality jobs with decent career paths and reliable incomes above the poverty line. Many children living in poverty in Scotland come from households in which at least one parent is working. To continue to reduce child poverty, we must tackle the problem of low pay, promote job retention and create advancement. The tax and benefit system is an important safety net. As a minimum, we must make sure that no one in full-time work is living in poverty; that applies not only to parents, but to young single adults, who are the parents of tomorrow.

Our report on child poverty in Scotland emphasised the importance of simplifying the welfare system, which is still too complicated. Child tax credits have been a key factor in reducing child poverty, but the process of claiming them is complex, and we know that many people do not claim the money to which they are entitled. The tax and benefit system must be flexible enough to respond to the changing needs of families and must make it easy for people to move into work, when they find a job, without losing out.

During its inquiry, my Committee had difficulty in obtaining disaggregated poverty statistics for Scotland. In some cases, only UK-wide figures were available. We urge the Government and others to publish a breakdown of statistics whenever possible. My Committee was concerned by the evidence that we received that children living in the severest poverty in Scotland may not have fully benefited from the recent reductions in child poverty rates. The poorest children are not helped if the Government meet their targets by reaching only those just below the poverty line—a strategy that would also endanger the Government's longer-term targets for the total eradication of child poverty. That view is shared by Save the Children and many other organisations.

Major progress has been made in reducing child poverty in Scotland during the past 10 years, and my Committee wants to see that progress continue in the next 10 years. We intend to ensure that child poverty remains high on the political agenda in Scotland and throughout the UK. During our inquiry, it was brought to our attention that debt is a major contributory factor to poverty in Scotland and in the United Kingdom. We were astonished to learn that our financial institutions, moneylenders, and building societies charge interest rates of up to 100 per cent., and impose very high penalty and service charges. I passionately believe that there should be a cap placed on the banks and financial institutions, and that the courts should be given powers to decide whether banks and building societies are charging fairly those who are most vulnerable, needy and poor in our communities. It is sad to note that financial institutions are exploiting the most vulnerable in our society. I hope and wish that the Government will seriously concentrate on tackling that problem. We are not talking about loan sharks, but about legal moneylenders that are exploiting poor people in our society.

It is nice to see many members of my Committee here today. I am grateful for the kind words of the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell); I am not sure whether they were good for my political career. The hon. Gentleman is a very important member of my Committee. As you will know, Mr. Deputy Speaker, the Conservative party spent more than £1 million on Scotland in the general election, which produced one Conservative Member. The hon. Gentleman is therefore the most expensive member of my Committee, and the most expensive Member of the House, so I am grateful for his kind words. Once again, thank you for giving me the opportunity to speak, Mr. Deputy Speaker.

3.12 pm

Mr. Alan Reid (Argyll and Bute) (LD): It is a pleasure to follow the hon. Member for Glasgow, Central (Mr. Sarwar), and I congratulate him and his Select Committee on producing its excellent and well-researched reports on poverty in Scotland and on child poverty in Scotland. I also welcome the Government's allocation of this afternoon for this debate.

The extent of child poverty in Scotland has reduced in recent years—there is no doubt about that—but despite that reduction, the level is still high by international standards. One in four children, or 250,000, live in poverty, 90 per cent. of them in severe poverty. The statistics also deliver the disappointing news that the good rate of progress achieved in recent years is slowing and, with the UK economy facing a slowdown with poor growth forecasts, concerted action is needed at all levels of government to lift children out of poverty.

Poverty is neither a reserved matter nor a devolved one. To tackle it we need co-operation between all levels of government—the UK and Scottish Governments, local authorities, community groups, and charities, and we must work with those who find themselves on low incomes. Action to tackle child poverty necessarily targets parents, attempting to lift children out of poverty by raising family incomes. We also need to increase the incomes of young single adults because they are the parents of the future.

Concerted action must be taken by all levels of government. However, today I want to concentrate on the reserved powers—mainly the tax and benefit system. In the Budget, the Chancellor announced an extra £1 billion throughout the UK to tackle child poverty, but that is £2.5 billion less than what most independent estimates believe is required to meet the Government target of eradicating child poverty by 2020. More needs to be done.

Specific measures that need to be taken include increasing child benefit and reforming the tax credit system by making the overpayment rules fairer and taking higher earners out of it altogether. We would increase child benefit by £5 for the first child, thus making all families £250 a year better off. That would take about 15,000 Scottish children out of poverty. It would also reach all families, including those who do not claim tax credits. The take-up rate of tax credits is only about 80 per cent., whereas that of child benefit is nearly 100 per cent.

The tax credit system needs to be reformed to increase stability and reduce overpayments. We need to return to fixed, six-monthly awards so that people keep the money that is given to them. We should also reverse the burden of proof when overpayments are caused by

official errors, introduce a right of appeal to an independent tribunal and simplify the complicated awards notices.

We have all met constituents who say that they will never apply for tax credits again because of the debt into which they were forced by being overpaid through no fault of their own. The system must be reformed to give everyone confidence in it instead of causing debt and stress to many on low incomes. Tax credits should also be focused more on those on low incomes by increasing the taper rate and removing the right of high earners to them.

Doubling the 10p rate of income tax has obviously hit those on low incomes. We hear about a compensation package but many are not aware of their entitlement to tax credits and I hope that the Government will explain how the promised compensation scheme will take into account those who are entitled to tax credits but do not claim them. The 10p tax hits them, too.

It is significant that a high proportion of parents with a disabled child are unemployed, and disabled children are twice as likely to live in poverty as children without disabilities. The parents of disabled children often find it harder to get child care and more needs to be done to help those families find it.

More effort must go into improving the take-up of tax credits and benefits and helping people find work.

Mr. Tom Clarke: I hope that the hon. Gentleman will accept my genuine thanks to members of the Liberal Democrat party who took part in the review on disabled children. He must be as disappointed as I am about the implications so far in Scotland. However, I thank those Liberal Democrats.

Mr. Reid: I am grateful for the right hon. Gentleman's intervention. Yes, we are disappointed and urge the Scottish National party Government to review that part of their policy.

To assist the take-up of credits and benefits and help people find work, we would replace Jobcentre Plus with a new first steps agency—a single, one-stop shop for all benefit and tax credit claims. The front-line staff should be equipped with basic knowledge of the tax credits and benefits system so that they can assess whether a household is claiming its full entitlement and give advice. The new agency would also engage with the private and voluntary sectors to provide high quality, tailored, back-to-work support.

Jobcentres have an important role, but they must be located in local communities, where the staff understand local circumstances, not in large call centres. In the past four years, the number of staff in jobcentres in my constituency has almost halved as jobs have been transferred to call centres. The pattern has been repeated throughout Scotland. That is a double blow to jobs in rural areas. First, it removes Government jobs and, secondly, it takes away valuable local knowledge, which could help local people find jobs. To many jobseekers, a phone call to a call centre is no substitute for a face-to-face discussion with someone with local knowledge. That is particularly true in constituencies such as mine, where the islands create special circumstances that those in call centres often simply cannot understand. The Government should reverse their misguided policy. They should transfer Government jobs to rural areas, not take them away.

Sandra Osborne: Does the hon. Gentleman agree that it is unreasonable to expect people with mobile phones rather than land lines to pay to contact such call centres?

Mr. Reid: I am grateful to the hon. Lady for raising that important point and I agree with her.

The Minister of State, Scotland Office (David Cairns): I would be grateful if the hon. Gentleman provided the House with a rough estimate of how much it would cost to give every community in Scotland a new super jobcentre that combined work on tax credits and assessments.

Mr. Reid: We would utilise the jobcentres and buildings that are already there, but the Government are taking staff away. Almost half the jobcentre staff in my constituency have been lost in recent years, owing to transfers to the call centre at Clydebank.

I want to talk about the problems caused by the world energy crisis that people on low incomes face. Paying their fuel bills, both to keep their homes warm and to travel, is a serious problem for people on low incomes. To help tackle the problems that people on low incomes face in keeping their homes warm, the energy companies should be forced to use some of their huge windfall profits to ensure that all poor and vulnerable people have access to cheap social tariffs. The higher utility pre-payment charges should be abolished. It is a scandal that people with pre-payment meters should pay more for their fuel than those who have access to direct debits. We should work for the swift roll-out of smart meters in every home, so that people can have more control over their energy consumption.

Mr. Weir: I very much agree with the hon. Gentleman. Like me, he represents a rural area, so does he recognise another aspect of fuel poverty, which is that many people in our rural areas rely on oil-fired heating, which has rocketed in price? That is causing problems for people in rural areas. Although there is perhaps less help for those with electricity and gas problems than there should be, there is currently no help at all for people with oil-fired heating.

Mr. Reid: I am grateful for the hon. Gentleman's intervention. He raises a serious problem.

The charging regime for meters should be reversed, so that the first units of energy consumed are the cheapest, unlike under the current system, where people who use small amounts of electricity and gas often pay a higher unit cost. The availability of low-cost energy conservation measures should be extended and the winter fuel allowance should be extended to those on higher-rate disability benefits.

Another respect in which the rising price of fuel causes tremendous problems for people on low incomes is through rapidly rising transport costs for those who live in our remote communities. The Scottish Affairs Committee was absolutely correct when it said:

> "It is too easy to assume that poverty in Scotland is limited to deprived urban areas, made visible by problems such as poor housing or graffiti."

Poverty exists in rural communities as well as urban ones, often in homes off the beaten track and not

[Mr. Alan Reid]

noticed by those who come to look at the marvellous scenery. The Committee was right to state that

"poverty in rural areas is exacerbated by specific factors including the availability and quality of employment opportunities, transport costs and a dispersed population."

High fuel prices deliver a triple whammy to people living in remote areas. First, petrol and diesel cost more than in urban areas. Secondly, people have further to drive to get to work or the shops. Thirdly, there is a lack of public transport alternatives. The rising cost of transport makes it more difficult to sustain businesses and can sometimes mean that a low-paid job is not worth taking, owing to the cost of travel to and from work.

As well as removing opportunities for parents to earn money, the high cost of transport can lead to social exclusion for many children living in poverty. Children living in remote communities need to travel to meet other children of their age and engage in social pursuits such as sport, playing in bands and singing in choirs. The highlands and islands have a rich heritage of music and songs. Bands and choirs have to travel great distances to take part in concerts and competitions, but the rapidly rising cost of fuel makes fundraising for the pipe band, the Gaelic choir and the football or shinty team much more daunting.

Mr. MacNeil: I hear what the hon. Gentleman says about the rising cost of fuel. Is he minded to support the Scottish National party's idea of a fuel price regulator?

Mr. Reid: If the hon. Gentleman bears with me, I shall come to that issue shortly.

There is a risk that children from the poorest homes will miss out when it comes to teams, choirs and bands because of the higher cost of fuel. They might therefore miss out on an important part of growing up.

I was delighted that the Committee urged

"the UK Government, the Scottish Executive and local authorities to consider ways in which the high costs of transport in rural areas can be alleviated."

It is urgently necessary that that recommendation be taken on board. Those of us who represent Scotland's remote communities tabled amendments to the previous two Finance Bills, on Report, for a lower rate of fuel duty in remote communities. We will table similar amendments this year. The Government would not accept our amendments to the previous two Bills, and the Conservative party sat on its hands, but the situation is now critical. I hope that, this year, both the Government and the Conservative party will take the Committee's recommendations on board and support amendments that would allow fuel duty to be charged at a reduced rate in remote communities.

I have been focusing on powers reserved to the UK Government, but I now want to draw the House's attention to two disastrous SNP policies that will increase poverty in many parts of the highlands and islands. First, the SNP reversed the plans of the previous Labour-Liberal Democrat coalition at Holyrood for a 40 per cent. ferry fare discount for passengers who live on many of our islands and peninsulas. That is a complete scandal, as those discounts were targeted at passengers, not cars, and would have helped the poorest islanders with their travel costs.

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Reid: I shall certainly give way to the hon. Gentleman if he will explain why he believes that poor children from Colonsay should not get that 40 per cent. discount when they travel to the mainland.

Mr. MacNeil: The hon. Gentleman well knows that the Liberal Democrats sat on their hands for eight years. Does he welcome the fact that the SNP is introducing a road equivalent tariff to Coll and Tiree?

Mr. Reid: I certainly welcome its extension to Coll and Tiree. Originally, it was meant only for the Western Isles, and I have campaigned for its extension to the whole of my constituency. However, cheap ferry fares are needed to all the Scottish islands and peninsulas, not just those that the hon. Gentleman represents.

Ms Katy Clark: On that point, I fully appreciate why the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) might be very grateful for the scheme that the Scottish Government have brought in, but my constituents who use the lifeline services to Arran and Cumbrae are seeing significant increases in ferry prices. There seems to be discrimination in the way in which the measures are being applied. We are seeing ferry price increases of about 29 per cent. A great deal of party politics seem to be being played on this issue. Does the hon. Gentleman agree that whatever measures are introduced should be fair to all communities in Scotland?

Mr. Reid: I am grateful to the hon. Lady for that intervention. She is perfectly correct. Cheap ferry fares should be available to all islands and peninsulas, not just those that the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) represents.

Mr. MacNeil: Will the hon. Gentleman give way?

Mr. Reid: I shall give him one more chance to explain why ferry users from Colonsay have to pay high fares, while his constituents get off with cheaper fares.

Mr. MacNeil: Perhaps a more pertinent question would be: why did the hon. Gentleman's party wait for eight years? The Liberal Democrats, who were in power with the Labour party for eight years, did absolutely nothing for the good people of Colonsay. We now have a pilot scheme going in the Western Isles that will, in turn, I hope, help the good people of Colonsay. That has come from the SNP, but the Liberal Democrats sat on their hands—*[Interruption.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I realise that I might be taking my life into my hands, but I venture to suggest that we are getting into a little too much technical detail and moving away from the general theme of the debate.

Mr. Reid: Thank you for your guidance, Mr. Deputy Speaker. I will move on. If the hon. Member for Na h-Eileanan an Iar wants to find the answer, he should read my letter in this week's *Oban Times*.

Another example of where the Scottish National party is contributing to poverty in the highlands and islands is by cutting the budget of Highlands and

Islands Enterprise—the local agency that helps businesses, particularly those just getting off the ground, in the highlands and islands. The SNP cuts mean that fewer jobs are available, a grim prospect when the forecast is for an economic showdown—I mean slowdown.

David Cairns: Or even showdown, who knows? The hon. Gentleman began his speech by saying that issues of poverty are neither devolved nor reserved and that we need to work together. He will know that an initiative for these areas that was begun by Lord Forsyth was the Convention of the Highlands and Islands. Since its inception and particularly since devolution, it has looked at which issues should be devolved and which reserved; many of the decisions on issues affecting the highlands and islands are still taken here. Does the hon. Gentleman have any explanation, other than sheer spite, of why the new SNP Administration have cut Westminster out of the Convention of the Highlands and Islands, depriving people in the highlands and islands of the opportunity to put to Westminster Ministers many of the issues that he has rightly highlighted?

Mr. Reid: I am grateful to the Minister for that intervention. Like him, I can think of no good reason, and I wonder whether any SNP Members want to answer.

Travel costs are very important in rural areas and they must be reduced. Valuable services such as jobcentres and post offices must also be retained in our more remote communities so that sources of help and advice are available to be accessed close at hand. All policies should be rural-proofed to ensure that the level of poverty in rural communities is not increased. All levels of government have to co-operate with the right policies to eradicate poverty from both urban and rural communities by 2020. It is a difficult task, but a vital one. With the policies I outlined earlier, I believe that that important goal can be achieved.

3.32 pm

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): I begin by congratulating the Scottish Affairs Committee on its valuable work on poverty. It is some years since I was a member of that Select Committee and a great deal of work has been done subsequently. We all know that the life chances of too many Scots have been strangled at birth, so it is timely to take a look at how far we have come, what progress has been made and where there is room for improvement.

It was Labour in opposition that led the assault on the scourge of poverty under the Tories; it was Labour that provided a detailed analysis of the root causes of poverty under the Tories; and only Labour had the underlying values and ideology to address poverty in government and to make real progress in tackling poverty in Scotland and in the UK more widely.

Child poverty is of the utmost importance because in eradicating it we are paving the way for a society in which for the first time every child has a chance in life—a chance that will not lead to a dead end. Childhood poverty leads, for the most part, to lifelong poverty. Even those who escape financial poverty are left with the scars, which is why we hear so many Scots from working-class communities saying that they will never forget where they came from.

As we have heard from many hon. Members today, poverty needs to be addressed in all its aspects, because they are all interlinked. Unemployment, low pay, pensioner poverty, family poverty, women in poverty, the disabled, poor housing, deprivation, education, class and inequality, poverty and ill health are all connected and must all be addressed. Labour has recognised for decades how important all those issues are, but only when in power has it been able to start to do something about them. Therein lies a lesson for us all on the Labour side.

We have heard the statistics that show how well the Government are doing in tackling child poverty. We have heard about the record rises in child benefit, with 600,000 taken out of poverty—impacting even more in Scotland, which started out with higher poverty levels. As we have heard, that has received a warm welcome from many organisations in civil society in Scotland, including Barnardo's, the Child Poverty Action Group, Citizens Advice Scotland, the Church of Scotland and Save the Children. Statistics can be boring, but they matter to the individuals whom they affect: the person who has seen his or her income rise substantially thanks to the minimum wage, or the lone parent who now has a living wage thanks to the working tax credit and affordable child care. The Government's approach has been, and as we have heard from the Minister will continue to be, targeted support for those who need it most, work for those who can, breaking the cycle of deprivation, and delivering high-quality public services. That is a long-term approach that will bring about long-term change, to offer every individual and every generation the opportunity and support to raise and fulfil their aspirations.

Where I grew up, we had few aspirations and even less chance of realising them. Then the Tories came along, and we were completely scuppered. It is a positive fact that the aspirations of most young people now are entirely different from the hopelessness of the 1980s. Scotland has moved on, but still too many are left behind. We are making a difference, as the Select Committee's report acknowledges. When the Government are criticised, it is usually for not doing enough, and not doing it quickly enough, not for doing nothing, as was the case with previous Tory Governments.

The Committee's report and the many organisations that have briefed us for this debate all make the point that progress has stalled, so that must be our main focus. Nevertheless, it never does any harm to highlight, as a starting point, what has been achieved and can be built on. It seems that there is a consensus now that it is not a question of if, but how and when. What a change that is from the days in poverty under the Conservative party, which seems to have a new-found concern for the issue. As other hon. Members have said, that is certainly welcome, but will they put their money where their mouth is and commit to public spending on the issue? In Scotland, will the Scottish Government make the hard decisions needed to protect the most vulnerable in our country, who are not always popular causes, or will they play to the gallery?

I can remember standing outside jobcentres in the '80s, gathering information on jobs advertised at 80p an hour, in the fight against low pay. In 1997, my predecessor Phil Gallie said that it was okay for someone to be paid £1.50 an hour if that is what the market

[Sandra Osborne]

dictates. That is why it was no imposition for me—unlike some other hon. Members—to stay up all night to see the national minimum wage passed through the House. But I also say to the Government that that is why there is unfinished business such as the Temporary and Agency Workers (Equal Treatment) Bill, which practically all Labour Back Benchers were here on a Friday to support. We all look forward to its being passed, because it is part of the jigsaw—it is about not just fairness but tackling child poverty. As the Committee says in its report, where work is of poor quality, low- paid, short-term or seasonal, in-work poverty is a real prospect.

I remember when, as a young mother, a pre-school nursery place in Scotland could not be got for love or money. There was not one recognition from the then Government that child care or nursery provision had anything to do with them. The Tory Government thought that it was all down to the family—of course, they could all afford nannies. It is a proud achievement that pre-school education is now a statutory obligation; it is just as well, because otherwise it would be likely to be cut, as happened in the past.

I was disappointed to read the comments yesterday of my Labour colleague, Scottish MSP Rhona Brankin, that the Scottish Government look set to water down a commitment to the provision of more nursery teachers. As my hon. Friend the Member for Aberdeen, South (Miss Begg) has said, the money for nursery places for vulnerable two-year-olds will not now be found.

We all know that poverty is also gender-specific. While we support lone parents back into work, we should also remember that women and men are still paid on an unequal basis. It has been shown that equal pay will not happen on a voluntary basis, and we now need statutory equal pay audits. Equal pay would go a long way towards helping with child poverty.

As the Committee said, there is more to do, and its report outlines several recommendations that are well worthy of consideration if the target to halve child poverty by 2010 is to be met. I agree with its finding that we should consider the equalisation of child benefit for all children and families, as suggested by the hon. Member for Argyll and Bute (Mr. Reid), especially given the impact that that would have in lifting a further 30,000 children out of poverty. However, that prompts the eternal question of targeted benefits versus universal benefits. As we are all aware, everybody gets child benefit but it does not necessarily target resources in the best way. Contrary to what I have heard in this House several times recently, take-up of tax credits for families with children is higher than under any previous system of income-related support for in-work families, with take-up among those with incomes of less than £10,000 now at 97 per cent. in the UK, according to the Government's figures. It may be that increasing tax credits would be the best way to tackle poverty by releasing resources to those who need them most.

Last week, the church and society council of the Church of Scotland met us in the House. The council has made proposals on tackling debt, focusing on the need to find alternatives to the high-interest doorstep lenders who often target families with young children. It calls for an effective, flexible alternative through the social fund and supports the Committee's recommendation of empowering courts to fix a reasonable cap on interest rates, as in many other European countries. I know of other areas where such help has been extended through the voluntary sector by a crisis loan facility for priority debts paid through the local credit union. That has proved to be a very effective mechanism, and I would like the Government to give consideration to how it can be promoted.

We need to heed the Save the Children report, which shows that the poorest families pay £1,000 per year more for services because they do not have access to low-cost credit, fair banking or direct debit; and we are only too well aware of the extra costs of prepayment meters for fuel. I welcome the fact that Ofgem is considering that, and we all hope that this unfairness will be ended. We also need the restoration and expansion of free-to-use ATMs, not just the offers made in recent times by the very banks who removed them in the first place.

We must take seriously evidence from the Joseph Rowntree Foundation that the present system of uprating tax credits, benefits and allowances lags behind average incomes every year. That is reinforced by the Child Poverty Action Group's view that the minimum wage, in-work tax credit and benefit support must be raised so that no child in a working family is left in poverty. Most of the charities have endorsed the Committee's view that the tax and benefits system must, at a minimum, ensure that no one in full-time work is living in poverty. Almost half the children in poverty are in families in paid work. I welcome the pilots that will start in the autumn of the better off in work credit to ensure that everyone who has been claiming benefits for at least six months sees a gain from working of at least £25 per week. That is a modest measure, but it is a recognition that work, as the best route out of poverty, will be of benefit only if it is worth while working in the first place.

The Government have laid the foundation for the eradication of child poverty, and the direction of travel is now well established. However, I would like to raise with the Minister a couple of issues that have arisen in my constituency and are pertinent to the debate as well as to those living on a fixed income throughout the country.

First, I am grateful to Dr. Calum McCabe, one of our local GPs, who has brought to my attention a problem experienced by some of his patients in accessing benefits by phone. As we all know, many people on fixed incomes do not have landlines and instead use pay-as-you-go mobile phones. They may be more expensive in the long term but, like prepayment meters, they are used because they mean that people on fixed incomes do not run up bills. Many Government-run helplines—such as the ones for tax credits, benefits inquiries and the social fund—use numbers with the 0845 prefix that are assumed to be free or local-rate numbers. However, mobile network operators connect customers to the services at premium rates, with the result that low-income users who have no access to a landline incur disproportionate costs in accessing taxpayer-funded services.

I draw the Minister's attention to early-day motion 1285, which has been signed by 65 hon. Members of all parties. It calls on the Government to bring in

legislation so that the numbers are genuinely free to all users. It also asks the Government to look into providing free of charge at the point of use all essential Government-run helplines for which no alternative face-to-face service is provided.

Secondly, I want to refer to a constituent who lost her partner of 24 years in a tragic accident. They had two children, who are now aged seven and two. Although they were not married, they had been together since schooldays and their relationship outlasted many marriages. She sought financial help from the Government through the bereavement payment and the widow's parent's allowance. In a very blunt telephone call, she was informed that she had a very slim chance of success, as 99.6 per cent. of claims fail. She was told that, if she wished to proceed with the claim, she would be interviewed by two assessors. She would also have to furnish them with cards that showed that she and her partner had been related as husband and wife. Finally, three witnesses would be questioned about their belief that the couple were married.

It beggars belief that anyone should be subjected to such an insensitive, intrusive and discriminatory process at such a vulnerable time in her life.

Mr. Carmichael: A constituent of mine has been in exactly the same position and has experienced exactly the same treatment. The test that is applied was used in the past to establish whether a marriage under Scottish common law—that is, marriage

"by cohabitation, with habit and repute".

It is nonsensical to use that as a test for a benefit. Will the hon. Lady join me in encouraging the Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire), to take an urgent look at that test? It is out of date, and it causes severe anguish and embarrassment to many constituents.

Sandra Osborne: I agree with the hon. Gentleman. I was going to say that I am aware that only people in Scotland can apply for those benefits, thanks to the provisions of Scottish law. People in England cannot do so.

My constituent feels that a mockery has been made of her family, even though she and her partner worked all their lives and had no recourse to public funds. It is all very well to talk about marriage, but we all know that many couples live together. There are many different family forms in society today, and this debate is about addressing child poverty; it is not about making moral judgments about whether people are married or not. The problem that I have described has lasted a long time, and I do not expect the Minister to solve it today, although I hope that it can be addressed urgently. However, I shall seek the support of colleagues on all sides of the House to try to get the system changed.

The problem faced by my constituent illustrates how poverty affects people in different ways. It can happen to anyone at any time. People struck by poverty are treated differently, and their children suddenly become vulnerable. Their right to live as they choose can be undermined or taken away. That may seem a small matter in the grand scheme, but life is not all about money—it is also about dignity and respect. Those two qualities deserve more attention from the Government, as in different ways the lack of either can make vulnerable people poorer, whether they are adults or children.

Generally speaking, however, I believe that the Government have laid the right foundations for tackling poverty, both in this country and, thanks to the work carried out by the Department for International Development, around the world. Part of our core belief is that poverty is an enemy to be taken on and defeated wherever it can be found. I had intended to elaborate on that point, but as a colleague was pulled up earlier for straying too far from the subject, I shall not do so.

In the past five years, Scotland's health spending has increased by 50 per cent. under Labour. Waiting times are down from 18 months to 18 weeks, and the number of deaths from heart disease has fallen by 30 per cent. With a new emphasis on prevention and a focus on community services, Scots are just as likely to be kept alive and healthy by the paramedic's emergency treatment, the primary care worker who identifies high cholesterol, the teacher who gives a child the basics of a healthy diet, or Government legislation such as the smoking ban as they are by the skilled work of a surgeon.

Scotland has seen improved services for all, but with a focus on those who need them most. Underpinning all our policies on health is a clear understanding that good health needs good housing, good health needs good education, good health needs full employment and shared prosperity, and good health needs people to be lifted out of poverty. The good health of our children depends on the progress that we make on all those fronts. Year on year, we have invested in health. In fact, Scotland has been ahead of the United Kingdom in terms of health spend. But now, in the short time during which the Scottish National party has been in charge in Scotland, we are falling behind. The SNP's increase in health spend is half that of Labour.

An issue that concerns me at present is the impact of the new report on national health service resource allocation in Scotland, which was produced by the NHSScotland resource allocation committee and is now with the Scottish Government. It proposes replacing the Arbuthnott index, which takes deprivation and poverty factors into account when determining resources, with a new formula that will not take unemployment rates into account as an indicator for the additional-needs element, with the result that in my area, Ayrshire and Arran, the NHS stands to lose £5 million in its annual allocation. That was challenged in evidence given to the committee by the Scottish directors of public health, who argued that unemployment rates were a relevant factor in themselves in the assessment of health needs in an area—not just for those who are unemployed, but as an indicator of additional need throughout the geographical area. They have been ignored.

The link between health and poverty cannot be taken for granted. Many of us remember how hard we had to fight for it to be recognised in the first place. We should not accept anything that dilutes that link when we still have a Scotland where twice as many children in poorer areas die in infancy or fall ill as do so in more affluent areas. There is already plenty of evidence that the SNP

[Sandra Osborne]

will talk a good game about the priority of health, but ultimately constitutional wrangling will always be their chief end. Good health, better housing and better care services are pawns in their game of picking fights with Westminster. In Scotland, Labour will have to take up again the role that it played in the Thatcher years, and be there for the NHS. We cannot assume that it will be safe in the hands of the SNP.

As many have said today, tackling poverty in Scotland requires a partnership between the United Kingdom Government, the Scottish Government, local authorities and the voluntary sector.

Mr. MacNeil: Does the hon. Lady welcome the fact that accident and emergency units were saved by the SNP Government?

Sandra Osborne: I do, but unfortunately they were saved at the expense of a new cancer care unit and two community health facilities which were supposed to bring health care much closer to the community. I certainly do not welcome that loss incurred by my constituents.

As was acknowledged in the Committee's report, under a Labour leadership we have been able to make real advances in recent years, but with an SNP-led Scottish Government, that has already been put at risk and is starting to unravel in many places. Making a cut in business rates and giving nothing in return may appeal to the Tories as a sensible flagship policy, but it has not given me the sense of an SNP Government prioritising social justice and committed to eradicating poverty. Twinning that with proposals to freeze the council tax without a proper and serious strategy to ensure ongoing support for groups who rely on local government funding may also seem perfectly sensible to the Scottish Tories, but it puts at risk a very successful partnership between national and local government and the voluntary sector to tackle poverty.

David Mundell: I am interested to hear what the hon. Lady is saying, and some of her points are very relevant. Perhaps she would explain why her colleagues in the Scottish Parliament abstained on the SNP Government's Budget.

Mr. Deputy Speaker: Order. I hope that the hon. Lady will not go down that road. I have not heard too much on the specific subject of child poverty in the past few minutes of her speech. I hope that she will bear in mind the fact that other colleagues are anxious to participate in the debate.

Sandra Osborne: I take your point, Mr. Deputy Speaker, and I shall try to be as quick as possible, so that other hon. Members may speak.

Councils in Scotland are already having to make cuts in budgets and services to balance the books, and such problems are worse for councils whose areas have high levels of poverty and population decline. They receive the lowest increase in core grant funding. I am talking about authorities such as East Ayrshire council.

I understand why councils have welcomed aspects of the concordat, for instance the reduction in ring-fencing, for which many of us have argued over the years. However, a settlement that cuts finance year on year and is some £400 million less than the Convention of Scottish Local Authorities estimated it required will inevitably mean that councils will have to preserve statutory services at the expense of other priority services that are not statutory—services such as welfare rights and debt advice, and services commissioned from the voluntary sector. Such services together provide vital anti-poverty work that complements the UK's anti-poverty measures. Many of the most innovative projects are in that field—for example, providing support to credit unions, financial literacy activity and providing families with extra form-filling support.

Parts of my constituency need a major expansion of basic welfare rights and advice services, rather than for those services to be put under threat. For example, South Ayrshire's welfare rights service have been cut, and what is left is under threat. That is hardly the way to ensure income maximisation.

Michael Connarty (Linlithgow and East Falkirk) (Lab): My hon. Friend is listing some of the cuts that are occurring and will affect the most impoverished. Does she realise that just this week I have been contacted by the adult learning partnership in Scotland, which has been told that it is not going to be funded—

Mr. Deputy Speaker: Order. The hon. Gentleman has come into the debate just at this juncture, and he makes an intervention when we are talking about child poverty. I do not think that adult learning is directly connected at this particular point.

Michael Connarty *rose—*

Mr. Deputy Speaker: I so rule.

Sandra Osborne: In conclusion, may I cite the introduction to "Scotland the Real Divide", which was published 25 years ago? It states:

> "Scotland's poor are therefore not poor because they are Scottish; they are poor because, if they are not unemployed, they are in the wrong job, generation, sex or class".

That publication was of course edited by the Prime Minister and the late Robin Cook. Our strength in achieving what we have already achieved in tackling child poverty and our confidence in our ability to achieve much more—ideally, our target of eliminating child poverty by 2020—is rooted in our values and our analysis. We do not tackle poverty, be it at home in Scotland, in the UK or on the world stage, as a by-product; we tackle it as a priority.

Mr. Deputy Speaker: Order. The average length of Back-Bench speeches is running at 22 minutes. There is a limit on our time, and I believe that seven hon. Members are still seeking to catch my eye. If we go on at that rate, clearly many people will be disappointed. I hope, therefore, that hon. Members will hold to the forefront of their minds the fact that this debate is about child poverty.

3.58 pm

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I hear your words clearly, Mr. Deputy Speaker: this debate is about child poverty. I hope that my contribution will be brief, succinct and to the point.

We serve on a friendly Committee, under the good chairmanship of the hon. Member for Glasgow, Central (Mr. Sarwar), to whose work I would like to pay tribute. He does a good job, his approach is very inclusive and he is most kind to all Members, regardless of party or political persuasion. That is important to note.

I would like to say that it is a pleasure to be taking part in this debate—but I would much rather not be taking part in such a debate. Such a debate should no longer be necessary, just as debates about children sweeping chimneys need no longer occur. Those are things of the past, and I wish that child poverty, too, was a thing of the past.

Child poverty in Scotland, or in any European or first-world state, should be a thing of the past. Perhaps if international prestige were measured by the equity of society, or by low levels of child poverty, the nations that currently vie for influence on the world stage might be higher in the UNICEF table covering the well-being of children in rich countries. I refer, of course, to the United States of America and the United Kingdom, which prop up that table, just below some former eastern European bloc states. The Netherlands, Sweden and Denmark lead the table, incidentally.

The conclusions of the report by the Scottish Affairs Committee might be a good place to start. Progress has been made since 1997, and we all recognise and welcome that. Progress continues to be made, although its pace may be slowing. The report states, on page 29, that the 2010 target of lifting 50 per cent. of children out of poverty will be missed, even if the uptake of tax credits improves. We all know about the difficulty of ensuring that targeted benefits hit their target.

The first recommendation of the report shows concern because there is a slowdown in poverty reduction in the UK, but it should be noted that Scotland is doing a little better. However, much of that apparent success may well be attributable to the poorer baseline from which Scotland started. It is still notable that the rate of child poverty in Scotland is still higher than the average for the UK.

It is also clear that the main levers to address child poverty are held by the UK Government. That was emphasised by numerous witnesses to the Committee, who said that the UK Government held all the cards. Among those witnesses was Guy Palmer from the Joseph Rowntree Foundation, who said:

"The big policy levers are the non-devolved levers to do with tax and benefits."

That was echoed by Joe Connolly from NCH, who said:

"It is not for the Scottish Executive, as it was known, but a UK issue."

Nevertheless, the Government of Scotland, not content to wait for the adjustments of a lumbering ship of state to deal with the matter, have their own plans to tackle poverty, inequality and deprivation. To be fair to the previous two-party Government in Scotland, they did much the same—or at least tried to. Governments everywhere are united in efforts to reduce child poverty, which is a blight on any society, especially Scottish society. That more than 20 per cent., and perhaps even 25 per cent., of children live in poverty is surely a challenge for us all, regardless of political persuasion and regardless of where we live. This is a problem for nations throughout western Europe.

Perhaps if we all believed in reincarnation, so that we would have a one in four chance of being caught up in poverty in the next life, we might make more urgent and pressing efforts to address it. I shall leave that for others to ponder—

Mr. Carmichael: It is a bit wide of the report.

Mr. MacNeil: That is true.

The Scottish Government's aim, as part of their economic strategy, is to raise the proportion of income earned by the bottom 30 per cent. by 2017. That is a radical step and would put Scotland at the forefront of efforts to tackle poverty and inequality.

Jim Sheridan: The hon. Gentleman identifies an aim, not an objective. Having read the report, I did not see any suggestion that an independent Scotland would reduce child poverty. Given that he is a member of the Committee, does he accept that, and if not, why not?

Mr. MacNeil: I am sorry, but I missed the hon. Gentleman's last point. Perhaps he would repeat it.

Jim Sheridan: I did not see anywhere in the report the suggestion that an independent Scotland would improve child poverty. As a member of the Committee, does the hon. Gentleman accept that, and if not, why not?

Mr. MacNeil: The UNICEF table might provide some help to the hon. Gentleman. Ireland, which has become independent from the United Kingdom, is in the top 10, whereas the United Kingdom is in 21st place out of 21. Perhaps independence would be a useful and successful tool in fighting child poverty.

As I was saying, the aim is to increase the proportion of income earned by the bottom 30 per cent. We could glibly say that one of the most important factors in fighting poverty is wealth. The relationship between the two came up in a book that was given to me by a lecturer in public health at Aberdeen university, "The Health of Nations: Why Inequality is Harmful to Your Health" by Ichiro Kawachi and Bruce P. Kennedy. The book demonstrates what we all instinctively know: generally, the greater the income inequalities in any country, the worse the health expectancy and life expectancy are in that country. Those problems are, of course, results of poverty.

While the Scottish Government are aware of the need to increase GDP per capita to that of other countries similar to Scotland, we are also aware that the creation and sharing of wealth need to go hand in hand. If we are to have a society at peace with itself, with optimal health outcomes and the lowest possible poverty rates, that is a laudable aim.

In my view, we will need powers additional to those that Scotland independently controls. That means that more powers would need to be devolved from Westminster to Holyrood. I am sure that the national conversation and the Calman commission will both be useful to that end. Perhaps a laudable aim for those two bodies might be to identify what new powers would help Scotland to tackle its terrible levels of child poverty, which, we have to remember, are above the UK average, while the UK is bottom of 21 nations in the UNICEF table.

[Mr. MacNeil]

We need to look, at course, at the devolved levers. I think that the Scottish Government are using those. These are the slow-burn issues: health, education, skills and housing. Many of the witnesses who appeared before the Committee told us that the levers controlled by the Department for Work and Pensions were the most instrumental in tackling levels of child poverty.

Mr. Weir: Before my hon. Friend moves on to the subject of the DWP, does he agree that the decision by the new Scottish Government to start a council house building programme will go a long way to tackling the housing problem that is at the root of such poverty, as there is a severe shortage of affordable housing, especially for rent, in Scotland?

Mr. MacNeil: My hon. Friend is correct. When I taught on the Isle of Mull in the mid-1990s, housing was a particular problem. Children oscillated between various abodes during the year, spending six months in a winter let and then, when the summer season came, moving to a caravan for the summer. I hope that that situation will now come to an end. This subject hits all parties. We can easily throw insults around and say that this lot or that lot are to blame, but such things happen, and we have to do something about them.

Poverty is a big issue. In this speech, I can only throw a few shafts of light on it, when it requires floodlights—*[Interruption.]* Cruelly, the Minister of State, Scotland Office, tells me that I am not even doing that. I strive to do it. Charities, PhDs and professors are working on the subject, but the Scottish Affairs Committee has played its part. It has made at least 20 recommendations, which have been welcomed by many bodies. Barnado's Scotland estimates that 250,000 children live in poverty and 100,000 live in fuel poverty in Scotland. I shall return to that point. The Child Poverty Action Group in Scotland, like many other groups, has provided an excellent brief for MPs that draws attention to some of the 20 recommendations in the Committee's report.

Recommendation 6 says that

"the tax and benefits system must, at a minimum, ensure that no-one in full time work is living in poverty".

A quarter of children living in poverty have an adult in the family who is in full-time work. The Committee suggested that the minimum wage and tax credits should be raised to address that problem.

That reminds me of the evidence given to the Committee on 16 January 2007, 15 months ago, by Professor John Veit-Wilson of Newcastle university, who talked about the working poor. He said that, unfortunately, the UK leads Europe in the average percentage of people leaving low-quality jobs to go back into other low-quality jobs. The working poor remain the working poor. However, he also pointed out—this may help the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) with his question about independence—that Ireland is at the opposite end of the table. It is in the very fortunate position of having the highest proportion of people moving from low-quality jobs into high-quality jobs. It is important that we recognise the failures in our society and accept that there are better ways of dealing with the problem. Ireland clearly has some ability to improve things that Scotland does not have.

The next recommendation in the report is that we should be careful about forcing people into work. Recommendation 10 highlights the fact that the parents pushed into work could be entering low-paid work. They could go from low-paid job to low-paid job to low-paid job. Although work is of course an important route out of poverty, we must ensure that people do not leave socially valuable work. The report points out that much of the work that many people do in the home is not recognised. The work of carers and those who look after children is not fully recognised, and we should be careful about forcing people into work of low economic value.

Recommendation 12 calls for more resources. The Child Poverty Action Group in Scotland welcomes the £1 billion extra from the Chancellor, but it points out that this is only a quarter of what is needed. If we consider that we are fighting £1 billion a year wars in Iraq and in Afghanistan, perhaps we should take another look at our priorities.

Recommendation 15 is important, and offers a step that the Government can manage relatively easily. The hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne) picked up on this point, too. The equalisation of child benefit would remove the discrimination against larger families and would make sure that the state values all children the same. Child benefit should be £18.80 for all children, not £18.80 for the oldest child and £12.55 for subsequent children.

As I said, I want to touch on fuel poverty and how it impacts on one in 10 children. The memorandum submitted by the Highland council to the Committee in October 2006 marked out the low wages in rural economies and, as the Member representing Na h-Eileanan an Iar, I particularly recognise the higher costs of rural living. The current Scottish Government are trying to help with transport costs on the islands in my constituency through the road equivalent tariff, and a pilot project extended this to Coll and Tiree. However, as Edinburgh gives with one hand, London takes away with the other: the price of diesel was £1.34 a litre only a couple of days ago, and it could be higher now. The proportion of tax paid on fuel is higher in my constituency than in probably any other in the land.

The hon. Member for Orkney and Shetland (Mr. Carmichael) touched on an important point when he said that the cost of central heating oil was rocketing for his constituents. The position is the same for my constituents, and the percentage of household income spent on fuel oil and other fuels, and the distances that people have to travel, must mean that far more people are being plunged into poverty. As has been said, it is sometimes not worth while for people to take a job if they have to travel 20 or 30 miles in what may well be a poor third-hand car, and face the costs associated with that travel.

Perhaps we could throw party arguments to one side and aim to get child well-being higher on the agenda; our position in the UNICEF table should be a lot higher. Interestingly, in "The Health of Nations", the authors point out a fact that surprised me. The Swedish Government face the most unequal income distribution pre-tax, but the most equal post-tax. As one of the

contributors to the Committee's report pointed out, before the first world war a commentator said that where a thinking rich man might see a problem of poverty, a thinking poor man might see a problem of wealth.

4.14 pm

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I trust that the hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) will forgive me if I do not follow up on exactly the points that he raised, particularly as I have been encouraged to make a shorter speech than most hon. Members have made so far in the debate.

I sincerely congratulate my hon. Friend the Member for Glasgow, Central (Mr. Sarwar), who chairs the Scottish Affairs Committee, on presenting his report, and on his excellent speech. In order to avoid your strictures, Mr. Deputy Speaker, and to try to keep within the guidelines of our debate, I will base my speech on paragraph 42 of the Committee's third report, which says:

"Our research, conducted through the unique 1 in 4 poll, shows that social injustice impacts on families living with disability in many ways. They experience poverty of income, poverty of choice and poverty of opportunity."

It then says, in bold:

"The Scottish Executive should do more to ensure that resources reach disabled families, who are disproportionately affected by poverty."

I welcome that recommendation, and that is why I want to concentrate exclusively on those views and on the issue of children and disability in Scotland.

The focus on disability is real and necessary. In the Leonard Cheshire report, "Disability Poverty in the UK", it was confirmed that people who are disabled are twice as likely to live in poverty as those who are not disabled. The extra cost of having a disability can be a huge challenge. Some estimates indicate that disabled families have to pay about 24 to 35 per cent. in addition to their normal spending. Yesterday, when I spoke to representatives of Contact a Family in Edinburgh, they reminded me—my hon. Friend the Member for Glasgow, Central made this point—that debt is a much bigger problem for such families, who are four times more likely than other families to owe in excess of £10,000. Only 16 per cent. of mothers of disabled kids are able to work.

Behind all that is the realisation that in Scotland, as elsewhere in the United Kingdom, the population of disabled people, and therefore disabled children, is growing, so even if we are to keep public services at current standards, it is vital to increase resources. That was one of the reasons why I was delighted to be invited by my right hon. Friend the Secretary of State for Children, Schools and Families to chair a review that dealt exclusively with disabled children and their families, to which all parties contributed, as I have already acknowledged; we acted in an all-party spirit. My colleagues will understand what I mean when I say that what was important was not so much the views of Members of Parliament, but the evidence that people gave in our hearings in the House.

If Parliament is to mean anything, no people in the United Kingdom, whether from Scotland, Wales, England or Northern Ireland, should ignore the views of the parents who came to see us—parents who might be dealing with disabled children 24 hours a day, seven days a week—or of the disabled children who came and spoke about the real issues that they have to face daily.

I do not apologise for being passionate about the subject. I have been accused by a list MSP of scaremongering, but I genuinely do not want to make the issue a political football. I think that I am entitled to claim that I have tried to pursue disabled people's rights for a very long time in this House, and I will not change now. When we had evidence, as we did then, that was overwhelming, extremely moving and touching, about the need for much, much more support than we were giving, we were entitled to listen. When, in the event, we made our recommendations about short breaks, the crucial problem of transition when young people leave the educational system and go—sometimes we know not where—and the need for support to complement what the health service can provide, those issues became very real.

I was therefore delighted when, several months later, the Government issued the document, "Aiming high for disabled children: better support for families" and not only responded to the priorities that we as an all-party group set, based on what we had heard, but announced that they were making an additional allocation of £340 million to deal with most of the suggestions that we made.

I want to be clear. The Government did not accept everything that we wanted. Some of the recommendations —for example, on fuel poverty—have not yet been endorsed, but the vital issue is the £340 million and what happened in Scotland. Because of the Barnett formula, the contribution to Scotland amounted to £34 million. We expected that to be spent on the issues that we identified.

Mr. Weir *rose—*

Mr. Clarke: I wanted to take on board the point that the hon. Gentleman made earlier, but I am happy to give way.

Mr. Weir: I thank the right hon. Gentleman for giving way. I have great respect for him and his work on disabled people. I have personal knowledge of some of that. I will not accuse him of scaremongering, but he and some of his colleagues give the impression that the money has somehow disappeared, when it has not. Against the backdrop of tight financial settlement, the Scottish Government increased council funding by 12.6 per cent. above the spending review figure to more than the £34 million. That money did go to local authorities. I am sure the right hon. Gentleman would agree that local authorities must have the opportunity of spending the money in the best way possible to help disabled families in their areas.

Mr. Clarke: I am genuinely glad that the hon. Gentleman made that point. I tell him in all candour, and I hope humility, that he is absolutely wrong, and I hope to persuade him.

The £34 million was never allocated exclusively for local authorities, important though many of their services are. In England, Wales and Northern Ireland

[Mr. Tom Clarke]

the money is being spent by local authorities, but also by the NHS and other agencies. How could it be otherwise, in view of what we were told in the review? To say that the money has been given to the local authorities, with no accountability whatever, is entirely inconsistent with the recommendations that we made. *[Interruption.]*

I shall deal, if hon. Gentlemen allow me, with the response that has come from the First Minister. Following the debate in Westminster Hall—Scottish National party Members would have been welcome to come and participate, but they did not—I wrote to the First Minister. I wrote in the knowledge that Mr. Ingram, the Minister for Children and Early Years in the Scottish Executive, had written to my hon. Friend the Member for Dumfries and Galloway (Mr. Brown).

Mr. Sarwar: Does my right hon. Friend agree that the extra money given to local authorities in Scotland was used to freeze the council tax, not for helping people with disabilities?

Mr. Clarke: I have to say that, frankly, that is the conclusion that the Secretary of State for Children, Schools and Families has reached and expressed in the House. *[Interruption.]* Instead of heckling when they have not done their homework, Scottish National party Members should realise how much damage the issue is doing to their colleagues in Holyrood and to the whole process of devolution.

I want to be fair, as I hope I always am. I thought that something was going awry with the whole issue and knew that the money was not allocated exclusively for local government, but I accepted the argument on ring-fencing. The report that came out under my chairmanship said that if ring-fencing was not acceptable, we would welcome a mechanism for identifying where the money had gone. That is all that we asked for.

On 5 February, following our debate in Westminster Hall, I wrote to the First Minister. I hope that the House will recognise the tone in which I tried to conduct the correspondence. I wrote:

"Obviously I have given this matter a great deal of thought on the basis of my having said on a number of occasions that I have no wish to see such an important issue becoming a game of 'political football'.

I am writing because I am moving towards the conclusion—encouraged by Mr. Ingram's letter"—

that is, the letter written to my hon. Friend the Member for Dumfries and Galloway—

"that there is a substantial misunderstanding relating to the Treasury's intentions as to the impact on disabled children and their families in Scotland."

Six weeks later, I received a reply from the First Minister, thanking me for my letter. He went on to rehearse the arguments that we have heard this afternoon, and encapsulated them in this sentence:

"Our Concordat with the Convention of Scottish Local Authorities...includes a commitment to make progress towards delivering an extra 10,000 respite weeks per year. This is for all care groups, including disabled children."

He then declined the opportunity to have a meeting.

Scottish National party Members want poverty to be challenged, especially for children in Scotland. Do they really believe that I was such a threat to the First Minister that we could not have had a meeting? The right hon. Member for Banff and Buchan (Mr. Salmond) talks about money going to local authorities, but we do not know how it will be spent; it could be used for repairing roads. I would have asked him where the answer was to our recommendations about the health service, including about children who suffer from brain damage.

Pete Wishart: I congratulate the right hon. Gentleman on the tenacious way in which he has gone about dealing with this issue. I do not want to accuse him of scaremongering and giving the wrong impression.

We all accept that the money has not been lost, but passed on to local authorities. Why does the right hon. Gentleman not trust the local authorities to make the right decisions on such vital issues on behalf of their communities? We trust our councillors. Does he not trust his?

Mr. Clarke: I do trust local authorities. As a former provost and former president of the Convention of Scottish Local Authorities, I have every reason to do so. I urge Scottish National party Members to read our report; they clearly have not. It acknowledges that local authorities offered excellent examples of best practice. However, in summary, that money was never meant to go exclusively to local authorities. Why are we not being told about the non-provision of extra funding to the health service? I had representations from Scottish organisations that deal with specific disability needs. There are children who need wheelchairs, provided by the NHS, that are adapted for their purposes. Why are they able to feel that more money is being devoted to such things in every part of the United Kingdom other than Scotland?

Michael Connarty: On the link between poverty and wheelchair use, the chairman of one of the wheelchair users campaign groups lives in my constituency, and he has a daughter with muscular dystrophy. He wrote to me recently to say that he is deeply concerned that resources are inadequate, because families who need specialist wheelchairs have to find extra money from their own limited budget. I can pass that letter on to my right hon. Friend; it shows that what he is saying is perfectly accurate. Money was intended for such users and it is not going to the health service.

Mr. Clarke: My hon. Friend makes an absolutely excellent point.

Mr. MacNeil *rose—*

Mr. Clarke: I shall give way for the last time, because other people want to speak.

Mr. MacNeil: Can the right hon. Gentleman tell us whether any wheelchair users in England are encountering similar problems?

Mr. Clarke: Yes, undoubtedly. Our report said that they happen throughout the United Kingdom, which is why we argued that there had to be additional funding and resources, and in the absence of ring-fencing, there

should be accountability about where the money is going. That is happening in places other than Scotland. That is my argument.

I urge hon. Members opposite to think again; I do not think that the First Minister would lose out if he had a meeting with me in which we discussed our report and what we hope to achieve. One of the reasons why we have to argue to ensure that the money is spent where it is meant to be spent—local government, the health service and other agencies—is that more funding is being made available. On 28 April, the Minister of State, Department of Health, my hon. Friend the Member for Exeter (Mr. Bradshaw), announced an additional 5.5 per cent. increase in funding for care trusts, which will be spent on disabled children—palliative care, community equipment, short breaks and wheelchair services for those children.

People everywhere except Scotland realise that the report we produced was sufficient to persuade the Government to give extra funding and to ensure that it went to disabled children and their families—that remains a priority. We find it absolutely unacceptable if people fail to consider the arguments, not just the views of Members of Parliament, while knowing that money is not going where it was meant to go—only to local councils, with no accountability. I urge them not to do that. The challenge of poverty among children will remain, and on these Benches, we shall fight and fight again until we remove it.

4.32 pm

Mr. Alistair Carmichael (Orkney and Shetland) (LD): It is genuinely a pleasure to follow the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), who made a reasoned and knowledgeable contribution. It is fair to say that as long as the right hon. Gentleman remains in this House, people with disabilities will always have a champion.

On the right hon. Gentleman's latter point, I make only one observation. Ultimately, the issue will be resolved when disabled people see the services with which they are provided in Scotland. However, there is a larger point at issue, which is a classic illustration of the need to revisit the funding formula for the Scottish Parliament and of the need to give the Scottish Parliament greater control over the raising of its own budget. The Government in Westminster control finances and have a deliberate and entirely laudable aim, with a ring-fenced policy, but there is no guarantee of how money will be spent when it goes to Scotland. That is why we need to examine the wider issue, and the right hon. Gentleman has done us a service by giving a good example of the work that needs to be done by the Calman commission.

I am delighted once again to be a member of the Select Committee on Scottish Affairs. I was a member in the first Parliament in which I served and I have just rejoined. I was not a member when the Committee took evidence for the report but I joined it just before the report's publication and I could hardly have improved on its terms. I congratulate the hon. Member for Glasgow, Central (Mr. Sarwar), who is an excellent Committee Chairman, on focusing the Committee's work in this Parliament on poverty in Scotland. It is an exemplar of how such a Committee can be made to work post-devolution and I commend him for his efforts.

The hon. Member for Na h-Eileanan an Iar (Mr. MacNeil) cited a couple of statistics on child poverty in Scotland that especially struck me: 250,000 children live in poverty and 100,000 children are in fuel poverty. I do not make a partisan point. Anyone who is a citizen of one of the world's richest nations should find that a source of profound shame and embarrassment. That is why the work of the Committee, the Government in Westminster, the Government in Edinburgh, local authorities, non-governmental organisations and private business is crucial in tackling that scourge.

I congratulate the Government on their progress since 1997. They have put a focus that previously did not exist on reducing child poverty, and there has been some benefit. Like many who gave evidence to the Committee, I am concerned that progress has stalled. If we approach the subject on a less partisan basis, acknowledging that stalling becomes less difficult.

The danger is that we are left with the very poorest—what might, if one were pessimistic, be perceived as an irreducible core. That is why partnership working, focusing on so many different levels, is supremely important. Let me pick up on a few matters for which special effort is needed.

The hon. Member for Glasgow, North-West (John Robertson), who is not in his place, identified education. He is right that education knows no equal as a driver for social mobility. As the hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne) said, work and training constitute other opportunities for getting out of poverty. As my hon. Friend the Member for Argyll and Bute (Mr. Reid) said, transport is also important. Transport opens up, especially for young people and those in rural communities, a range of opportunities for education, social inclusion and developing talents, which would otherwise be denied them.

I hope that, by the time the Minister responds, he will have had an opportunity to get a reply to the question that I asked the Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire). What assessment has the Department for Work and Pensions made of the impact of the remarkable recent increases in the price of basic foodstuffs and fuel? Many people in rural communities rely on a private car for transport and need fuel for that as well as for heating their homes.

I draw hon. Members' attention to conclusion 24 of the report. It states:

> "We believe that rural poverty presents its own challenges, which will not be solved by an approach tailored to the small pockets of deprivation characteristic of urban poverty. It is vital that the Government's anti-poverty policies are subject to 'rural-proofing'. Witnesses have suggested that the establishment of a Commission for Rural Scotland might be a way to give rural communities a stronger, unified voice and we hope that the Government and the Scottish Executive will consider this proposal. Greater investment in outreach is needed to ensure that geographically dispersed communities have equal access to services".

That is a cause close to my heart and that of my constituents. In many ways, poverty in urban areas is much easier to identify. One can sometimes identify urban areas that have a problem with low income and social deprivation just by walking around the streets. Rural areas often do not have the same critical mass of population and poverty is not so obvious. One might see a bonnie wee cottage with a well-kept front garden,

[Mr. Alistair Carmichael]

but behind the front door one is still as likely to find two or even three generations living in a house that was built for one family. That is a graphic illustration of the lack of affordable social housing that blights Scotland.

Let me say a few words about tax credits. There is a rural perspective to tax credits, too. The Government place a great deal of reliance on tax credits, but I am sure that every hon. Member has encountered the same problem as I have: the hardship suffered by those who can least afford it that is caused by tax credits being overpaid and the overpayments being reclaimed. Tax credits seem to work best for people who work for a defined 36 or 40 hour week, with little overtime or fluctuations in their family circumstances. As soon as the family unit breaks up because of a separation or somebody gets a lot of overtime and their income increases, problems arise. However, a lot of people in areas such as the one that I represent are self-employed. Their incomes fluctuate throughout the year; indeed, their incomes for the previous financial year are often not known until the next financial year. Tax credits can hardly cope with that, which causes financial hardship for those least able to deal with it.

Mr. Weir: Will the hon. Gentleman give way?

Mr. Carmichael: I am under some time pressure, so I will not take the hon. Gentleman's intervention.

There is another phenomenon experienced in my constituency, whereby a number of people have two or three part-time jobs to make up one equivalent full-time job or are in seasonal employment, making a lot of money in the summer months but not so much in the rest of the year. They need the help given by the tax credits system, but it does not seem to be able to cope with their situation. The Minister pulls a face—perhaps he does not agree—but that is my experience as a constituency Member of Parliament. We have a higher number of people in self-employment and one of the lowest wage economies in Scotland, but we also have a low level of unemployment. I fully accept that those cases are not easy to deal with. However, because of the highly bureaucratic nature of the tax credits system and the inefficient way in which it has been administered, those people are being hurt most.

Mr. MacNeil: If I could jump to the Minister's aid, I know that her son is a share fisherman in Barra. As you will be aware, share fishermen face particular difficulties with tax credits, because of the seasonal nature of their work and changing catches. Fishermen frequently come to me with the difficulties that the hon. Gentleman is describing.

Mr. Carmichael: I am sure that you are indeed acquainted, as I am, with the problems that share fisherman face, Mr. Deputy Speaker.

The Government ought to be focusing on two opportunities: the equalisation of child benefit, which has been referred to, and the introduction of seasonal grants, which, Save the Children UK predicts, would lift an extra 440,000 children out of poverty and would go a long way to ensuring that that irreducible core, as some might see it, can be tackled.

4.44 pm

Miss Anne Begg (Aberdeen, South) (Lab): Given the time constraints, I shall simply refer to some of the points that I was going to make, which have been covered by many speakers already. I was going to discuss in detail the Government's successes in alleviating child poverty. The increase in child benefit has been mentioned, as have the introduction of tax credits and the fact that they have gone up ahead of inflation. We have also heard that we have got more lone parents—indeed, more parents—into work. Those measures are all important for the reduction of child poverty. For most people, work will be the main route out of poverty. If we do not get people of working age into work, the poverty that they and their children experience will continue for generations.

I have been slightly disappointed by some of the comments made by SNP Members. A simplistic view has been taken of the consequences of child poverty and the measures that are needed to alleviate it. Child poverty is not just about benefits, although they are important. The issue is much more complex than that. My hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne) amply illustrated the interrelationships and complexities that can often gather in a family's life to make the poverty that they experience long and enduring.

No single policy, whether from Westminster, Holyrood or local government, will alleviate child poverty. It will be a combination of such policies, working together, that will lift people out of poverty. So far, the Government have been very effective in lifting children out of poverty, although we know that those efforts will have to go further. As has been mentioned already, Scotland has done better than the UK, proportionately, in lifting people out of poverty. The figure for the UK is 600,000, whereas for Scotland it is 90,000, which is far better, proportionately, in relation to Scotland's population.

If the Government's success is illustrated by any one thing, it is the fact that all political parties now say that they want to end not only child poverty but poverty. Things were not always that way. Poverty was not on the political agenda until the Labour Government put it there. Perhaps it is a mark of their success in engaging with the general population that poverty is now seen as something that needs to be tackled and as a measure of the Government's success. It is easy to say that we should end poverty and child poverty, but saying it does not wish it away. Warm words are easy to say, and we have heard warm words this afternoon, but whether a political party is able to back up its words will be illustrated by its actions—by their actions shall we know them.

What action have we seen from the SNP in the year since it took power in Holyrood and in Aberdeen city council, both of which have been mentioned this afternoon? Holyrood and local government both have a role to play in reducing poverty. We know, from all the reports that have been done, that early intervention is incredibly important to the alleviation of child poverty. We need to reach children at a young enough age and work with their families. In England, in particular—but, not quite so obviously in Scotland, unfortunately—we have seen from Sure Start that early intervention clearly works. That involves making sure that children have nursery places, which is why I am so

disappointed that the nursery places for vulnerable two-year-olds in Aberdeen have been scrapped under the SNP and Liberals.

It is not just a matter of nursery places, but of good local schooling, so I am sure that you, Mr. Deputy Speaker, can imagine my disappointment when only yesterday the SNP and Liberals on Aberdeen city council voted to close Victoria Road primary school which is in the most deprived part of my constituency. That school is a well loved part of the community, and parents and children have mounted a campaign to save it, but it has fallen on the deaf ears of the Scottish National and Liberal councillors who have hard-heartedly said that the school has to close by August. We are trying to tackle child poverty, but that will not help the children in my constituency.

Mr. Weir: The hon. Lady mentions closures, so will she condemn the Unionist coalition on Angus council, of which her party is a member, for its proposals to close schools such as Eassie primary school?

Miss Begg: If I remember correctly, when the SNP was in control in Angus, it was also closing rural schools—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. We really do not want a battle of this kind going on if we can help it. We do not want to talk more about education than child poverty either, although I understand that the two are related.

Miss Begg: Thank you, Mr. Deputy Speaker.

Much of this afternoon's discussion has been based on the report of the Scottish Affairs Committee, but I am sure its Chairman will not mind my mentioning that a month later a report was published by the Work and Pensions Committee on which I sit. It was called, "The best start in life? Alleviating deprivation, improving social mobility and eradicating child poverty" and it looked at the issues across the whole of the UK. What came out clearly in our report was the close correlation between poverty and disability. My right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) has already mentioned that, and there is indeed such a correlation. People living in households in which there is a disabled adult or disabled child are more likely to be living in poverty than people living in households without disability, so what is done to provide services for adult disabled people will have a direct relationship with the poverty levels experienced by the children of that family.

Once again, Mr. Deputy Speaker, you can imagine how upset I was to discover that £27 million was being cut from the SNP-Lib Dem Aberdeen city council's budget of 14 February in what is now known in the city as the Valentine's day massacre. That might have something to do with the disappearance of the money that my right hon. Friend the Member for Coatbridge, Chryston and Bellshill talked about. Included in those £27 million of cuts were services to disabled adults, so they will have an impact on the children in those families and may well make child poverty in Aberdeen worse.

Mr. Carmichael: I am not particularly familiar with the situation in Aberdeen, but will the hon. Lady tell me what proposals were in the Labour alternative budget for Aberdeen this year?

Miss Begg: It has turned out to be terribly difficult for us to find out exactly where all the figures came from. Only four weeks after the budget was passed were we able to work out the figures on the various lines in it. Given that the Liberal Democrats—and, indeed, the SNP—did not propose an alternative Budget to the one presently going through the House, it would have been foolhardy indeed if the Labour group on Aberdeen city council had proposed an alternative budget when we could not even find out what the figures were. The figures are so bad that the Accounts Commission is about to hold a public inquiry in Aberdeen in two weeks' time to find out what has gone so seriously wrong with the council's finances. *[Interruption.]* If the Accounts Commission cannot work out exactly what has gone on, it shows that—*[Interruption.]*

Mr. Deputy Speaker: Order. We cannot have all these sedentary remarks being made across the Chamber, as it really hampers the debate.

Miss Begg: Thank you, Mr. Deputy Speaker. I suspect that I am getting off the subject as well, so I shall move back to the issue of child poverty.

I was never among those politicians who have said this afternoon that they advocated the removal of ring-fencing. I always thought that ring-fencing was a perfectly legitimate thing for central Government to do when disbursing funds for particular projects or policy areas. I am very disappointed that the SNP Administration in Holyrood have removed ring-fencing, because, as we have seen in Aberdeen, services for the vulnerable and disabled are the first to get cut when there is any kind of budgetary pressure, as there obviously has been.

Mr. MacNeil: The hon. Lady mentions the vulnerable and disabled, but is she confident that all those who were affected by the doubling of the 10p tax rate will be compensated fully?

Mr. Deputy Speaker: Order. That is barely related to the topic in question.

Miss Begg: Indeed, Mr. Deputy Speaker, and those with children will have been compensated by the child tax credit. If only such people were in work and anywhere near paying the tax rate, they would have an income far in excess of their current one.

I want to touch briefly on another aspect of money from Westminster going into a black hole, and ask the Minister to look into the matter. In Aberdeen, individualised budgets and something called "in control" have been proposed for disabled people. Aberdeen is the only local authority in Scotland going down that route, but the programme has begun to be rolled out across local authorities in England, where half a billion pounds has been made available to local authorities for implementation. The Barnett consequential of half a billion pounds is £55 million; I can only assume that that £55 million has gone into the Scottish block grant—we know that lots

[Miss Begg]

of money has, because the Scottish block grant has more than doubled in size from 1999 to 2008.

That £55 million is not being used for the purposes for which it was allocated in England and Wales. Before SNP Members start jumping up and down, I accept that it is up to the Scottish Executive to decide how to disburse the block grant, but that money is specifically geared to helping disabled people to manage their own budgets and perhaps assist with their social care. As Aberdeen is the only Scottish council that has gone down that route, it is interesting that it has not had access to any of that money; if it had, it might help to fill some of its £25 million gap in funding. Perhaps the Minister can look into that new issue.

Although the Labour Government, working in consort with the Labour Executive in Holyrood, made worthwhile strides in reducing child poverty, what has happened in the past year? On the evidence of my local authority and what the SNP has done in Holyrood, if only the warm words were followed by actions, we would not be where we are. Actions to alleviate child poverty have been lacking, and many of the actions and policies pursued by the SNP have been to the detriment of those living in poverty. My fear is that instead of the child poverty figures continuing to come down, they might go into reverse and go up. I hope not, because we are talking about vulnerable individuals who deserve our help.

4.59 pm

Pete Wishart (Perth and North Perthshire) (SNP): As always, it is a pleasure to follow the hon. Member for Aberdeen, South (Miss Begg), who turns to consistent and familiar themes. SNP Members are going to start dedicating a song to her, "The Fairy Tale of Aberdeen". It is a pleasure to take part in the debate.

David Cairns: Will the hon. Gentleman give way?

Pete Wishart: I have only been on my feet for a minute, but yes, of course.

David Cairns: Given that the hon. Gentleman has made about a million interventions, I am surprised that he does not want to take one. He accuses my hon. Friend the Member for Aberdeen, South (Miss Begg) of telling a fairy tale. In that case, why does he think that the local Aberdeen newspaper, which is no friend to my party, plastered all over its front page on the day that his party put through its budget, "Will the last person to leave Aberdeen please put out the lights"? Is the local newspaper perpetuating a fairy tale too?

Pete Wishart: I cannot say that I am grateful for the Minister's intervention, which is the usual pile of rubbish that we have consistently heard on this issue. We have been here again and again. The fairytale of Aberdeen has several choruses and verses, and he has just added a further verse.

It is good to take part in this debate, and particularly good to be able to discuss the report by the Scottish Affairs Committee, chaired by the hon. Member for Glasgow, Central (Mr. Sarwar). When I hear all the references to his fine chairmanship of that Committee, I sometimes wish that I could experience it, but I guess that my hon. Friend the Member for Na h-Eileanan an Iar (Mr. MacNeil) is in that position for us just now.

It would be churlish of me not to say that yes, of course, the situation concerning child poverty has improved since the election of a Labour Government in 1997. There is absolutely no doubt about that, and it would be foolish to try to pretend otherwise. However, we should look at what they inherited—the scorched earth policies of the Conservatives. Even Attila the Hun wearing a red rosette would have had to have improved on the situation that new Labour inherited when it took over from the Tories and their disastrous policies on employment and poverty. We are still in a situation that leaves 18 per cent. of our population in relative poverty and 130,000 Scottish children in absolute poverty. Worse than that, Save the Children reckons that some 90,000 Scottish children are still in what is regarded as severe poverty. After 11 years of a Labour Government, that is not good enough. We have to do much more to tackle this, the most pernicious of our social problems.

I remember those days in 1997. I remember all those warm words—the almost missionary zeal with which the Labour party was going to tackle child poverty. We heard fantastic statements from the former First Minister—the late, great Donald Dewar—about what he was going to do. Child poverty was to be halved by 2010 and major targets were to be taken forward to deal with it.

Mr. Wallace *rose—*

Pete Wishart: I am conscious that other Members want to speak, but I will take an intervention if is it brief.

Mr. Wallace: What is the SNP's target on reducing poverty now that it is in charge of the Scottish Government?

Pete Wishart: Unfortunately, all that the SNP Government can do is deal with the symptoms of child poverty—the cure lies in the powers and mechanisms that unfortunately rest with this place. If the hon. Gentleman wants to join me in a campaign to have those powers repatriated, I would welcome him as a new recruit.

I remember all the warm words about how new Labour was going to approach this. If I had not known that shower better, I would almost have been carried away by it myself. I was prepared to be dazzled, knocked out and totally impressed by what they were going to do. It has not quite worked out like that, and now we can see that there has been disappointment about what this Government have achieved. The promise to eradicate child poverty within 20 years will not be met, and the goal to halve it by 2012 has more or less been shelved.

Another key commitment from those early days was to reduce the number of children in poverty by at least a quarter by 2004. That target has not been met. I have seen the figures. There was a reduction in child poverty between 1998 and 1999, and again between 2004 and 2005. However, figures released by the Department for Work and Pensions suggest that there was an increase in child poverty in 2004-05 and 2005-06. This year, there will be progress in dealing with child poverty

because in their Budget the Government committed to putting £1 billion of extra spending into areas such as child benefit and tax credit. I welcome that. However, that figure is completely inadequate to meet the targets and goals. It is reckoned that £3 billion-worth of investment—

Mr. Sarwar *rose—*

Pete Wishart: Of course I give way to the Chairman of the Select Committee.

Mr. Sarwar: I can see that the hon. Gentleman cares about child poverty. The reduction in prescription charges from £6 to 80p, which will benefit almost every Scottish Member of Parliament and councillor, will cost almost £100 million. Could a fraction of that have been used for disabled people, making a big difference to their quality of life?

Pete Wishart: I am very disappointed by the hon. Gentleman's intervention. I hope that he is not suggesting that there is no place for universal benefits. The scheme has been welcomed by practically everyone in Scotland, and he should do the same.

It will cost £3 billion to get the Government back on course to halve child poverty by 2010, but that figure needs to be put into perspective. It is one third of the £9 billion that the Government will spend on the infrastructure for the Olympic games in London. This week, *The Sunday Times* published its "Rich List", and it shows that the wealthiest 1,000 people have seen their income quadruple under new Labour. Even under the brief premiership of the current Prime Minister, their fortunes have soared by a massive 15 per cent.—just when the financial squeeze kicks in for the rest of the community, with faltering house prices and people in poverty being hit especially badly.

The abandonment of the 10p tax rate represents an appalling attack on the poor. Labour Members should be thoroughly ashamed of themselves. The Government have proposed various spurious concessions, but I have no clue as to how they will get around the problem. I have seen a ridiculous suggestion that the winter fuel allowance could be used to compensate for the loss of the 10p starting rate of tax. It is totally ridiculous, and there will be a massive impact on the poorest in our community.

The cost of child poverty to Scotland is absolutely massive. The Scottish Government have estimated it at between £.5 billion and £1.75 billion, but we know that, in terms of its impact on our society, the cost is almost incalculable. It will lead to poor levels of health and educational attainment, and the lost potential of every Scottish child who is in poverty. The Scottish Government produced a well-researched paper on child poverty in Scotland. It concluded:

"The savings from ending child poverty are potentially of a similar order of magnitude as the expenditure required to do so."

That is the true economics of poverty. It shows that, if we were prepared to apply the resources, we could really start to deal with it.

What are Labour Members of the Scottish Parliament doing while the Scottish Government get on with tackling and challenging child poverty? They had an opportunity to debate the problem in the Communities Committee, but they preferred to talk about golf courses. That shows what their priority for Scotland is. It is an absolute disgrace, and they should be ashamed.

It is a pity that the hon. Member for Lancaster and Wyre (Mr. Wallace) is no longer present, as we could have recruited him to the campaign. We can deal only with the symptoms: it is up to the Government in Westminster to resolve the problem. They have the powers but, if they are not going to use them, they should get out of the way and give them to the Scottish Parliament so that we can get on with dealing with what is a very real problem.

Mrs. McGuire: Does the hon. Gentleman accept that, in my speech, I said that child poverty is not a matter for the Westminster Government alone? I said that we had to work in partnership with the devolved Administrations, charities, voluntary organisations and business across Scotland. That is how we will alleviate poverty, and the tone of the hon. Gentleman's last few words are at odds with that approach.

Pete Wishart: Of course I accept that we have to work in partnership, but the main powers and responsibilities for tackling child poverty reside with the Government. I maintain that they are not fulfilling their obligations in that regard, and that they should be doing much more.

I want to deal briefly with a couple of recommendations in the report from the Scottish Affairs Committee. Recommendation 6, to which my hon. Friend the Member for Na h-Eileanan an Iar referred, states:

"The tax and benefits system must, at a minimum, ensure that no one in full time work is living in poverty."

Currently 25 per cent. of children are living in poverty with an adult who is working full time. That suggests to me that there is something not quite right about working family tax credits and child benefits. It is surely a basic assumption that if a child lives with a working parent there is no excuse for that child to be in poverty.

Recommendation 10, to which other Members have referred, states:

"Ministers must be cautious in suggesting that all parents are now expected to enter paid work."

We must be careful about how we proceed. I am sure that I am not the only Member of Parliament who sees a large number of anxious people making their way to his surgery to express their feelings about being forced back into work and the impact that that will have on their child care arrangements. I am very concerned about the Government's policy. We must ensure that support is available for lone parents returning to work. Returning people to work should involve more carrots than sticks, and certainly there should be no use of sticks when children are involved.

Above all, we need resources. We now know the cost of failing to fulfil our obligations and to meet the targets and goals set by the Government: it is £3 billion a year. That is what the Government need to invest in order to deal with this problem, and if they were serious about it, that is what they would invest.

5.11 pm

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): I believe that the Government have a good record on tackling child poverty, and poverty in general. It is

[Mr. Ian Davidson]

particularly noticeable in constituencies how much has been achieved. It can be seen on the ground, and in the lives of real people that have been improved. The Government are to be congratulated not only on the amount that they have done, but on changing the political climate by moving this issue up the political agenda. As some of my colleagues have observed, it is discussed much more now than in earlier years, and in that context the Select Committee's report is very welcome.

However, the Government's record is not perfect. As I have pointed out in election leaflets in the past, much has been done, and there is still much to do. We need to identify the areas in which we think that more needs to be done. One of them is the national minimum wage. It is a tremendous achievement, but the rate at which it has been set is clearly inadequate. We should press for a substantial increase if we believe that one of the best routes out of poverty is employment. I accept that some companies will find it difficult to pay the increase, but we should not be trying to build an economy on the basis of low wages. The Government should also think more about the level of their commitment to temporary and agency workers. The way in which they have run away from that issue does not fill us with enthusiasm for their record.

Another context in which we should consider how the Government deal with those in employment is tax credit. Much of what I intended to say has already been said today, but I do not think I can avoid repeating the point that people do not comprehend how the tax credit system works. They think of it as an act of God, and that is profoundly disempowering for its recipients. It is undoubtedly far too complex. The experience of falling into debt, and of the debt recovery process, inhibits many people from claiming.

Perhaps the Government will take up the suggestion from my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) that there should be an amnesty. I am sorry if I am interrupting the Minister's private conversations, because I hope that he will respond to that suggestion. Owing to their anxiety about the possibility of falling into debt, many people who would benefit from tax credits do not claim them. The low rate of benefit claims in my constituency is one of the issues that ought to concern us all.

The third area where the Government have a good record is the efforts that they are making to get people into work. The number of people who are unemployed has fallen substantially in my constituency, but there must be a recognition of the fact that we are now getting to those who are the most difficult to place: those who have literacy difficulties—I had to spell that twice before I got it right—those who have numeracy difficulties, and also those who have drink and drugs issues, mental health problems or physical problems. All those people are much more expensive to get into employment than the "normal" unemployed.

In those circumstances, there is a real danger that the Government's drive to move those on invalidity benefits into work will often be easier and cheaper than tackling that hard core of unemployment. I hope that the people whom I mentioned are not neglected, but there is an indication that the targets of some employment agencies operating in my area, which are funded partly through the Scottish Executive, are zeroing in on the invalidity benefit people rather than on the hard core of unemployed. We want to ensure that they are not left behind.

It is in that context that I have strong opposition to any policy of unlimited immigration, because I see the way in which immigration has affected unemployment in my constituency. When an employer is faced with a choice between a 50-year-old Scot who has perhaps been unemployed for 10 years and has drink problems and a number of other issues to address, and a 25-year-old Pole who is highly skilled, highly motivated and enthusiastic, it is a no-brainer to work out who will be chosen. We must recognise that those at the very bottom of the pile are being adversely affected by the scale of immigration into this country. Although the limits that the Government are seeking to put on third-world immigration are perhaps welcome, we need to keep monitoring the situation to ensure that the effects are genuine.

I believe that my hon. Friend the Member for Aberdeen, South (Miss Begg) intervened on the Opposition spokesman on the question of Wisconsin, community programmes and the like. In approaching the question of how to deal with those who are most difficult to get into employment, we must examine the idea of reinstating things like the community programme, and the idea of sanctions.

There is no doubt that a substantial group of people in my constituency and elsewhere have no intention of going into employment if they can possibly avoid it, and that in some, but not all, circumstances only the use of sanctions will be effective. I recall that there was almost unanimity when we said that there should be no fifth option for youngsters—the fifth option being simply taking benefits, sitting on unemployment and not being prepared to take one of the positive outcomes on offer. If positive outcomes are on offer, we ought to be prepared, taking account of people's circumstances, to apply sanctions, because the generosity of the benefits system depends on the consent of those who are contributing. Many people in my constituency are turned against the generosity of the benefits system if they believe that it is being abused by people who, in many cases, they believe to be better off on benefits than they themselves are as a result of making a positive effort to look after themselves and their families. The Government have perhaps not faced up to these serious issues as we should.

In dealing with those who are not in work, we must examine how we can revise and review the benefits system. As with tax credits, the vast majority of my constituents do not understand how the system works—they find themselves struggling to comprehend how best to claim their entitlements—which means that they cannot make meaningful decisions about what their choices are. We must accept that rough justice might result from simplification, but that would be better than the current mess.

Any revision of the benefits system ought to take account of the disincentives to work that the enormously high marginal rate of penalty places on people. Depending on their exact circumstances, people who move into employment might gain tax credit, but they would possibly lose all or part of their council tax benefit, their rent rebates, free school meals, free footwear and

clothing grants, free dental care and free prescriptions. That is why the vast majority of my constituents who are on that margin do not believe the argument that work always pays. Many of them are prepared to take work, even it costs them money, because they see it as a stepping stone. None the less, for those who are on the margins, there is undoubtedly an enormous disincentive.

Poverty is not just about individuals; it is about areas. The old Strathclyde region used to have areas for priority treatment. The jargon has changed over the years, but the recognition that there are whole areas affected by the blight of poverty and unemployment, into which resources should be poured, remains a good one. The average man in my constituency does not reach pension age, but in Eastwood, in the area represented by my hon. Friend the Minister for Europe, the average age at death is some 10 years higher. That is clearly unfair and unreasonable, and should be tackled—and not only on an individual basis. Such collective poverty and misery leads to poverty of ambition and aspiration, as well as poverty of service, because service providers know that they can get away with offering a lower level of service than they do to those who are more prosperous, more educated and more articulate, and can work the system better. Those who need the services least often end up getting the most.

Initiatives such as Greater Pollok Working, under which the jobs created in the Silverburn development went overwhelmingly to local people, are to be welcomed. I hope that the jobs that will be created as a result of the Southern general hospital development will also go mostly to local people. As the Conservatives have pointed out, we need to try to empower local communities more. That is why I regret that the Scottish Government, in both its previous and current incarnations, have created community planning structures that are essentially mechanisms by which the centre can set all the rules and leave little discretion for local people to administer them.

Like many others, I could have spoken for several hours on this subject, because it is one of the main drivers of my involvement in politics, and it motivates many people in our constituencies to speak out. I welcome the report by the Committee, and this debate, and I hope that the Government will return to this issue, not just on a wet Thursday when elections are being held in England, but on a day when we can have a more vigorous exchange about how best to take more of our fellow countrymen out of poverty.

5.23 pm

Ms Katy Clark (North Ayrshire and Arran) (Lab): It is a pleasure to have the opportunity to make a contribution in this debate. I thank the Chairman of the Scottish Affairs Committee, my hon. Friend the Member for Glasgow, Central (Mr. Sarwar), for suggesting this topic for consideration by the Committee. The work that we have done has been very helpful for members, and has led to a report that makes some important recommendations and has been well received by the organisations that campaign on poverty issues in Scotland.

Last Friday I was invited by Save the Children Scotland to one of the local primary schools to discuss the issue of child poverty in Scotland with the schoolchildren. That was part of Save the Children's campaign to end child poverty in Scotland. It was one of the most challenging meetings that I have had to attend as a constituency MP, because the children, having had the opportunity to look at the issue through their young eyes, were outraged that adults seem to accept it as reasonable that some children in our society do not have access to basic human rights or resources. They were outraged that some children do not have the opportunity to go to the cinema or on holiday, never mind access to decent food and fuel.

The school asked to me to read a short statement to the House, and I hope that you will allow me to do so, Mr. Deputy Speaker. It states:

> "Gateside Primary School in North Ayrshire think that it is fantastic that the Government is aiming to half child poverty in the UK by 2010 but want to know why you can't do more now? If the Government could provide extra funding surely child poverty in the UK could be tackled sooner rather than later. Gateside pupils don't want children in poverty to lose hope and think life is not worth living. Children in poverty need your help now!"

After questions, I told the children that I hoped that they would be as radical in what they said as they grew older. As we get older, we sometimes see things less clearly.

Of course, we live in one of the richest countries in the world. There are disputes about how riches can be counted, but it is said that we live in the fourth richest economy in the world. However, the wealth in our country is unfairly distributed. The Government should be congratulated on the ambitious targets that they have set themselves, both on child poverty and on the eradication of all poverty in this country. It is important that we are having this debate today.

I welcome the fact that an extra £1 billion was put forward by the Government in the recent Budget. Not a huge amount of additional funds were available in the Budget, but the political commitment that was given by putting an extra £1 billion into strategies to ensure that we meet our child poverty targets by 2010 is to be greatly welcomed. However, we need to take on board the comments made by the organisations that are campaigning on the issue, such as the Child Poverty Action Group. That group strongly welcomes what the Government are doing, but says that it believes that an extra £3 billion will be required to ensure that we meet the targets by 2010.

The hon. Member for Perth and North Perthshire (Pete Wishart) said that he thought that we were shelving our targets for 2010 and that the 2020 target would never be met. The reason why the Committee wanted to look at the issue of poverty—all the evidence we received from organisations and academics showed that Scotland is meeting our targets now—was that we wanted to ensure that, politically, we continue to do everything we can to meet those targets.

I want briefly to focus on some of the Committee's recommendations, and in particular I want to support my hon. Friend the Member for Glasgow, South-West (Mr. Davidson), who highlighted the wish of the Committee—expressed in a clear political statement—that no one in full-time work should live in poverty. Although we welcome the huge amounts of money that have been put into the system through tax credits and the number of children and families that have been lifted out of poverty through that mechanism, it is clear

[Ms Katy Clark]

that the introduction of the national minimum wage, and the fact that more than 2.5 million people are in employment who were not in employment in 1997, have been at least as significant in achieving what we have so far achieved.

We need to look again at the national minimum wage. I do not believe that it is the role of the state or of Government to subsidise bad employers. We need to question why so much tax credit money goes to people who work in full-time jobs. Is it reasonable that multinationals, supermarkets such as Asda and other organisations should pay wages that are either at minimum wage levels or just above? I hope that we will reconsider the level of the national minimum wage and significantly increase it.

Another matter related to the national minimum wage which the Committee discussed was the youth rates. Part of the evidence from all the organisations from which we took evidence showed that there were problems with young people and poverty. Young people have not benefited as much as other groups from the Government's policies. Young people are better off than they were in 1997, but because they are not eligible for tax credits and because the minimum wage rates for them are lower, they have not benefited as much. I therefore welcome the commitment that the Government have made in the past fortnight to reconsider the youth rates for the national minimum wage.

The evidence that the Committee heard was that if young people live in poverty, there is an impact when they become parents, and on their children. We cannot compartmentalise the issue of child poverty. It is a symptom of the fact that we have such a big gap between rich and poor, and that we have accepted high levels of poverty in such a wealthy country.

The Government inherited an horrific situation in 1997. We had the highest levels of child poverty in Europe, despite the fact that we were one of the richest countries in Europe. A huge amount has been done, but we need to go further. We need to take on the comments that have been made about the tax credits system, which has done so much. The system is highly bureaucratic and it does not cope very well with people's changing circumstances. The problem of overpayment is increasingly a disincentive to apply for tax credits. I hope that, as we go forward, we take those points on board.

We also need to consider the recommendation in the Committee's report that says:

> "Ministers must be cautious in suggesting that all parents are now expected to enter paid work."

There has been a change of policy recently, whereby people with children aged 12 and over are now expected to work. That may not be appropriate in all circumstances. We must say clearly that there is a strong role for parents to look after their children at home.

We must also consider an issue that all the campaigning organisations have raised with us: we should equalise the rate of child benefit. There have been significant increases in recent years, and we must continue that trend of big increases. However, we also must ensure that large families benefit as much as they can. The evidence that the Committee heard was that families with many children are often the families in the most extreme poverty, and the Government should look into that.

I also ask the Minister to consider something that has been raised with me by Citizens Advice Scotland over the last couple of days. Regulations will be introduced in July to cut the backdating of benefit, particularly housing benefit, council tax benefit and pension credit. If there is any attempt to reduce the backdating of those benefits in October, that could affect some of the poorest families with children who rely on them. I ask the Minister to reconsider.

We need to look at all our policies from the perspective of the impact that they have on child poverty and on meeting our poverty targets. As a Labour MP, I expect the Government to poverty-proof all our policies—whether those policies are on taxation or on other things. We have done a huge amount, and I believe that the political will is there to make sure that we meet the 2010 target. With all-party support from colleagues throughout the House, we will make a real difference to children's lives.

If we allow children to live in poverty now, we will be living with the social consequences of that in the future. Those consequences include antisocial behaviour, crime and drug abuse—subjects that we have not dwelt on in the debate. The children at Gateside school were concerned about the impact on children of parents abusing drugs. If we do not deal with all those issues, we will live with the problems in the future.

I am grateful to my hon. Friend the Member for Glasgow, Central for instigating the report that has led to this debate. I very much hope that we will be able to come back here in two years' time to say that we have met our targets.

5.34 pm

Mr. Ben Wallace (Lancaster and Wyre) (Con): Today's debate has been a welcome opportunity to debate child poverty in Scotland, and the UK Government's policy on child poverty in general. Undoubtedly, in many regards, the Government's efforts have helped to reduce poverty levels for thousands in Scotland. The questions that we must all continue to ask are whether the Government's policies are a short-term or long-term solution, and whether the large sums of money being spent are having the desired effect of stemming people's need for Government assistance and reducing the risk of people entering poverty.

As was said by my hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), the shadow Secretary of State for Scotland, we fully support some of the measures. It is clear that the minimum wage has made a real difference and acts as a strong incentive for people to go out and work—making work pay, so to speak. As we are the originators of the tax credit concept, hon. Members would expect Conservative Members to recognise the role that tax credits play in eradicating poverty and in ensuring that a person who makes the effort to work is rewarded by state support.

However, we worry that the Government have perhaps put too much faith in the tax credit system, instead of spending in other areas to address the underlying causes of poverty. Some have said that in its

current state, the tax credit system now at best serves merely as a guaranteed comfort blanket for target groups, increasing benefit dependency and diverting funds away from tackling underlying poverty. In the words of the right hon. Member for Darlington (Mr. Milburn), tax credits

"cushion the blow of poverty rather than help...people to escape it."

People are perhaps becoming more entrenched in the system, rather than breaking away from it.

Department for Work and Pensions figures from June last year show that although in the UK 1 million children have moved from just below the poverty line to just above it, there are 1 million more children than a decade ago who need support to get above that line. The benefit system is having to run harder and harder just to stand still, and tax credits are perhaps masking the symptoms of poverty, not curing it.

Let me turn to the very poorest in society—those people in our society who earn 40 per cent. less than the median. In our inquiry, the Scottish Affairs Committee heard that Save the Children felt that

"while UK and Scottish Government policies have succeeded in lifting many children out of poverty, current policies are having no effect on the very poorest children and their families".

The facts speak for themselves: according to the Institute for Fiscal Studies, the number of people living in severe poverty has risen in the UK by 600,000 since 1997.

More than two contributors to the Committee highlighted the different experiences of other groups in the benefit system. Compelling evidence from the Joseph Rowntree Foundation said that although the tax system helped lone parents with children, lifting nearly all of them out of poverty in Scotland, which is of course welcome, it helped to entrench working couples with children in poverty. I was glad to see that the report recommended that the Government look into trying to make sure that couples with children get at least equal treatment. That point was echoed in the evidence from Barnardo's.

Today's debate is entitled "Child Poverty in Scotland", although given the contributions of some Scottish National party Members, one could easily have been confused about that, as we wandered on to fairy tales. However, we must not forget the other people who live in poverty. It is worse than a shame—it is almost a disgrace—that the number of working adults in poverty who do not have children has risen to its highest level since 1961. Some 4 million such people are now in poverty; that is 800,000 more than in 1998. If tomorrow's parents are in poverty, what chance will their children have?

I believe that we are approaching the time when the tax benefit system in its current form will have run its course. Yes, it has been a success in pump-priming the situation since 1997—there have been some positive results—but if we are to progress, we must address the underlying roots of poverty. I was delighted to see that the Committee focused on and recommended stronger measures on child care. One of the biggest challenges for all of us in Scotland, and not just the low-paid, is finding proper child care so that we can take advantage of economic prosperity, and so that those on low incomes can work themselves out of poverty.

However, it is worrying that some of the contributory factors in Scotland are going in the wrong direction. Many of them are in devolved areas. If education is the solution to poverty, it is worth stating that in 15 per cent. of the most deprived areas in Scotland, pupils' standard grades are two grades behind the average. When my great-grandfather left being a farm labourer in Fife, it was because his education allowed him to make the leap from farm labourer to railway porter. That is the real future for all of us in this country. We must invest in education as the No. 1 priority to help solve poverty for the long term.

Unfortunately, drug abuse in Scotland is up, drug crime is up and methadone prescription is up. We should not debate child poverty in Scotland without talking about the role of the family. I recognise that families cannot be forced together, but the facts are clear. Where children are brought up in stable homes, they have less chance of growing up in poverty and have better chances in life. The Government can at least try to encourage families and should do nothing to penalise them.

During the debate the hon. Member for Ayr, Carrick and Cumnock (Sandra Osborne) spoke of her fears about the changes to the NHS in Scotland under the SNP Administration. She said that her party would have to go back to being the party of the NHS. Having served as a shadow Health Minister in the Scottish Parliament, I point out that that comes from a member of the party that has increased the role of the private sector in the NHS more than any other party in its history. We will be interested to see whether the hon. Lady supports a reversal of that policy.

The hon. Member for Glasgow, Central (Mr. Sarwar) chairs our Scottish Affairs Committee. I congratulate him on being an excellent, patient and inclusive Chairman. The report does justice to him, and I hope he will be around for the next few years as our Chairman.

The hon. Member for Argyll and Bute (Mr. Reid), not surprisingly for a Liberal Democrat, made many spending commitments, such as cuts in fuel prices and a jobcentre on every island, amounting to a £2.5 billion increase in spending.

Mr. Carmichael: Will the hon. Gentleman give way?

Mr. Wallace: I am sorry, I do not have the time.

The hon. Member for Argyll and Bute criticised the Government's extra £1 billion to eradicate poverty, saying that an extra £2.5 billion was needed. As ever, spend, spend, spend from the Liberal Democrats.

The hon. Member for Aberdeen, South (Miss Begg) made some genuine points, as did the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) in relation to local government and money coming from Westminster. I should tell the hon. Member for Aberdeen, South that we might not like the way in which the block grant is spent, but that is devolution. The Treasury could, if it wished, try different mechanisms to ensure that funding was ring-fenced, but hopefully the electorate will make that judgment at the next election. If the local papers carry headlines about that spending, the SNP administration in Aberdeen will not be in office much longer.

[Mr. Wallace]

The hon. Member for Perth and North Perthshire (Pete Wishart) referred to the fairy tale. I shall merely say that the Scottish National party knows more about fairy tales than Alice in Wonderland, and leave it at that.

As usual, the hon. Member for Glasgow, South-West (Mr. Davidson) made a robust and frank contribution. He would probably be surprised to know how much I agree with him on many of the issues that he raised. He has at heart the real interests of his constituents, and perhaps one day we will see where we agree.

We have had a good debate and a long debate, although many might have predicted that it would not go the full time. We all believe in trying to eradicate poverty, no matter what our party allegiance, and no matter what the party of government would like to portray. I went into politics because the soldiers whom I worked with from the Scots Guards, from Bellshill, Castlemilk, Easterhouse and Govan, grew up in poverty and I felt that they deserved better government.

5.44 pm

The Minister of State, Scotland Office (David Cairns): It is an honour to respond to this debate. I thank all who took part; they made important contributions. I was to have had 15 minutes, then 10 minutes, then eight minutes for my speech. Now it turns out that I am allowed 16 minutes, and I shall try to do justice to and respond to some of the important points that have been made.

Child poverty, the subject of this debate, goes right to the heart of why so many of us came into politics in the first place. It goes right to the heart of why my party came into existence more than 100 years ago and what the Labour Government, elected 11 years ago today, are all about. The struggle against child poverty has consumed generations of campaigners and given birth to countless movements, societies, trade unions and moral crusades. In my party, and in our country, the struggle has been led by titans—people such as John Wheatley, James Maxton, John Smith and, of course, Keir Hardie.

The desire to eradicate the scourge of child poverty from the land has had no stronger champion than the Prime Minister, who has devoted his entire adult life, with energy and unwavering commitment, to ensuring that every person in this country benefits from the opportunities enjoyed for too long by only a few. In the past 11 years, that drive against poverty has been the constant theme of our politics. It is why we introduced tax credits to help the poorest paid, especially those with children. It is why we raised child benefit above and beyond inflation and why we introduced the first ever national minimum wage—in the teeth of opposition from those who claimed that it would cost 1 million jobs and from those who could not be bothered to get out of bed to vote for it. The drive against poverty is also why we set the extraordinarily ambitious target of halving child poverty by 2010 and eradicating it by 2020.

That target is no idle boast or vague aspiration, but a commitment made during our long years as the Opposition, when we stood impotent as child poverty doubled in Scotland between the late 1970s and mid-1990s. The results of all that effort—the tax credits, the new deal, the minimum wage—are there for all to see. Ninety thousand children have been lifted out of poverty in Scotland, a greater rate of decline than in the UK as a whole. More people are in work today than at any time in our nation's history. Families in the poorest fifth of the population are £4,500 a year better off.

Behind every one of those statistics are real people, whose lives have been changed and aspirations raised. Families and communities now have the prospect that tomorrow can be better than yesterday and that years of decline and decay can be reversed. That is why so many of my hon. Friends who spoke this afternoon took the opportunity to remind the House of the progress that has been made; to be fair, Opposition hon. Members also acknowledged that. However, my hon. Friends did something more: they spoke of a genuine, passionate desire to go further, do more and make deeper inroads into the problems that still beset so many of our communities. I share that desire. Our achievements are real, and in some areas progress has been nothing short of remarkable, but much more needs to be done.

Before I turn to some of the comments made today, I should like to thank those who have made a significant contribution to the debate, inside and outside the Chamber. First and foremost, our thanks go to the Chairman and members of the Scottish Affairs Committee for producing an excellent and thoughtful report. I particularly thank my hon. Friend the Member for Glasgow, Central (Mr. Sarwar), the convenor and, ultimately, the author of the report.

In part, today's debate grew from a round-table discussion, convened by the Scotland Office, that brought together many organisations involved in the day-to-day reality of helping those still affected by poverty. Many of those organisations have taken a great deal of time and effort to draw up detailed briefing papers in order to inform our deliberations better. I would like to add my thanks to Barnado's, the Church of Scotland, the Child Poverty Action Group, Citizens Advice Scotland, NCH and Save the Children. I assure them that their contributions have been studied by the Scotland Office and the Department for Work and Pensions. We shall continue to work with those organisations towards our common goal of eradicating child poverty.

The shadow Secretary of State for Scotland, the hon. Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), said that he did not want to talk about the past. I wonder why. He did not make an apology for the fact that child poverty doubled when the Conservatives were in charge, although, in fairness, for much of that time he was in the Social Democratic party, so he does not bear personal responsibility. He spoke about the new Conservative approach of making poverty history. It stands in sharp contrast to their old approach, which was just making poverty. He launched his usual attacks on tax credits, then said he would keep them. He condemned clawbacks, but dodged the chance to set out his views on clawbacks. He attacked the definition of poverty as being 60 per cent. of median income, despite the fact that that is the acknowledged international standard, used around the world and certainly throughout the European Union.

The organisations that I mentioned earlier said, in the submissions that they put to us, that we should be working to that standard.

The hon. Gentleman did not mention the fact that in the document "Making British Poverty History", a new target emerged—not 60 per cent. of median income, but 40 per cent. That is now going to be the aspiration that the Conservative party will address. I think that I hear the sound of goalposts being moved. I think that I hear the sound of targets becoming aspirations. I think that I hear the sound of a Labour Government's definition of poverty at 60 per cent. of median income being downgraded to 40 per cent. I think that I hear the sound of a return to the bad old days. The hon. Gentleman quoted Churchill—another famous convert from Liberalism to Toryism—who also said, "you can rat, but you can't re-rat."

My hon. Friend the Member for Glasgow, Central, the Chairman of the Select Committee on Scottish Affairs, spoke in detail about his Committee's excellent report on poverty. He said that good progress has been made, and he welcomed the new consensus of all parties, which is welcome, if a little late. None the less, his Committee worked collegiately on the report, and it reached out to all parts of Scotland in making its final recommendations. We have responded to the report. We do not share all of its analysis or accept every one of the recommendations, but we acknowledge the tremendous contribution that the report has made in furthering this important debate.

I look forward to working with my hon. Friend and other members of the Select Committee because the problem of poverty, which has taken generations to build up, cannot be eradicated overnight, even with 11 years of progress. That is why we are aiming to meet the target in 2020. It is a tough target—an immensely challenging one—and as the hon. Member for Orkney and Shetland (Mr. Carmichael) rightly said, external factors are now making that target even more challenging. I shall say a word about that in a moment. However, we are not resiling from it or backtracking. We want to hit those targets in 2010 and 2020, but we know that we will have to work, as the Under-Secretary of State for Work and Pensions rightly said, with the Scottish Administration, non-governmental organisations, charities, faith groups and all of those working in Scotland to eradicate poverty, or we will not hit the target. We cannot do it on our own, and the Select Committee report highlights ways in which we can make definite progress.

The hon. Member for Argyll and Bute (Mr. Reid) stressed the need for us to work together, and graciously acknowledged that much progress has been made. I am afraid, however, that he fell into the trap that often affects individuals who consider these problems. He piled up more and more spending commitments with no real ability to say how much anything would cost, or to say whether spending much more on administration, which was his solution, would divert money from those who need it in the fight against poverty. It is right that the Department for Work and Pensions has tough efficiency targets. Hon. Members from all parties know that sometimes local jobcentres are asked to make challenging efficiency savings. However, we are doing that so that the massive amount of extra money that goes towards the fight against child poverty gets through to the front line and those who need it most. The hon. Gentleman's vision of a series of super first steps centres in every community, combining Jobcentre Plus and Revenue and Customs functions, was presented without any idea of how much it will cost, let alone how much the Liberal Democrats will pay for it.

Mr. Alan Reid *rose—*

David Cairns: If the hon. Gentleman is willing to give us that figure now, I shall give way.

Mr. Reid: The Minister's description of the policy is at variance with what it actually is. We propose using existing jobcentres, which are half empty because staff have been transferred from them to call centres, and employing staff who can give local advice to local people rather than expecting people to phone a call centre, where local circumstances are not understood.

David Cairns: I think that the hon. Gentleman went further than that in his original contribution. We need to consider what the benefit processing centres do. There is one in Greenock in my constituency. Bringing together benefit processing activities can create greater efficiency, leading to people's benefits being processed much more quickly than when functions are disaggregated throughout the country. It means that money gets to people who need it more quickly. That is why we are making efficiency savings and I do not believe that those who work in the call centres, whom the hon. Gentleman has callously dispatched to the dole queue, perceive their job as having no interest in people's local circumstances. That is grossly unfair.

My hon. Friend the Member for Ayr, Carrick and Cumnock (Sandra Osborne) made an excellent speech. She reminded us that poverty is not simply about material deprivation –lack of stuff—but the crushing of ambitions and condemning communities to never being able to better themselves, dream that life can be better or aspire to something beyond the circumstances in which they grew up. The crushing of ambition is part and parcel of poverty. Unlocking people's potential and realising their ambitions is as much part of the target to eliminate child poverty as any specific indicator of material deprivation.

My hon. Friend raised an issue to which many hon. Members reverted during the debate—the age-old quandary between universalism and targeting. It is as old as the welfare state and no Government will ever say that they have completely solved it. However, in the past 11 years, we have been able to increase universal benefit such as child benefit and the winter fuel payment at the same time as increasing targeted benefits such as tax credits and pension credit. We have managed to do both: increase universal benefit and target most help at those who need it most.

The hon. Member for Na h-Eileanan an Iar (Mr. MacNeil)—

Hon. Members: Very good.

David Cairns: I have been practising. However, I am afraid that that is as good as it gets for the hon. Gentleman. He paid lip service to the issue at hand and moved quickly to the nationalist comfort zone—the consuming obsession with constitutional wrangling, in

[David Cairns]

contrast with my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). It is shameful that the First Minister has not found time to meet my right hon. Friend to discuss child poverty, but has found time to write to Robert Mugabe and President Ahmadinejad of Iran, attempting to form some sort of coalition with them.

The hon. Member for Orkney and Shetland rightly said that the current huge external challenges make the targets harder to achieve. That is why we have to keep down inflation and unemployment and avoid the return to boom and bust, which occurred whenever those external shocks happened in the past.

I regret that I do not have time to go into detail about the important contributions of my hon. Friends the Members for Aberdeen, South (Miss Begg) and for North Ayrshire and Arran (Ms Clark), and the hon. Member for Perth and North Perthshire (Pete Wishart).

As I said at the outset, this has been a significant and timely debate. It has involved important contributions from beyond the House, from those on the front line of the campaign against the scourge of poverty. The debate has allowed us to reflect, 11 years to the day after our election, on the tremendous progress that has been made on reducing poverty and tackling low pay. The debate has also given us the opportunity to reflect on what still needs to be done. The Labour party came into being to combat poverty. It is our historic purpose and one to which we are as committed today as we have ever been—

It being Six o'clock, the motion lapsed without Question put.

Violent Crime against Taxi Drivers

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

6 pm

Mr. Brian Binley (Northampton, South) (Con): May I say first how I much appreciated the words of the Under-Secretary of State for Transport, the hon. Member for Glasgow, South (Mr. Harris), who could not be here today? I thought that his apology was most courteous. May I say, too, how nice it is to see the Under-Secretary of State for Work and Pensions, the hon. Member for Stirling (Mrs. McGuire) sitting in his place? I am more than hopeful that with either of those distinguished parliamentarians I will be kicking at an open door.

Let me briefly explain the need for the debate. The need is quite apparent, because violent crime against taxi drivers is increasing rather quickly. My seeking this debate was also partly motivated by a horrific case, to which I shall return, in which the taxi driver son-in-law of a constituent of mine was murdered.

Violent attacks against taxi drivers are of equal concern in all constituencies. That is why I am hopeful of kicking at an open door. The industry is sizeable and employs 340,000 people, including 71,500 hackney cab drivers and more than 250,000 private hire drivers, who are obviously licensed through the licence system. In 2003, the last year for which we have any sensible figures, 650 million taxi journeys were made and £3 billion was spent on fares.

The trade is facing sizeable issues. I do not want to go into those now; instead, I want to stay with the issue of violence against drivers. The reasons why violence occurs are clear. First, taxi drivers are alone with their customers in their cabs and are therefore highly vulnerable. Secondly, drivers operate at the front line and deal with some emotionally charged and volatile situations. Thirdly, in city and town centres, taxis are the only form of public transport available at antisocial hours. Violence is commonplace on the night shift and has worsened since the introduction of 24-hour drinking. Indeed, taxi drivers' hours are stretched, too, so they are more tired at the most vulnerable times. On average, they worked 12 to 14 hours a day before the extension of many city and town centre pub hours. I am told by Bryan Roland, the editor of *Private Hire and Taxi Monthly*, that that has now been extended to between 14 and 18 hours. Taxi drivers are therefore most vulnerable when they are most tired.

Let us consider the proof of attacks on taxi drivers. As I have said, there has been a rise in attacks and murders throughout the country, involving guns, knives, syringes, ropes, bottles and bricks, as well as the traditional weapons of the fist and the foot. The consequences of those attacks are physical injury, depression, death and a massive hit on drivers' families, which must not be forgotten.

In 2007, there were 13 murders and 60 serious assaults, as well as more than 1,000 other assaults, and those are just the reported ones. As we all know, many lesser incidents tend not to be reported to the police. There have been 49 murders within the private hire industry over a 15-year period. This year, 120 serious assaults have already been committed. That is double the number of last year, and we are only in May. Incidents of verbal

and racist abuse stretch to many thousands. Although one third of taxi drivers are from ethnic minorities, two thirds of those murdered were from that sector of our community. That is of serious concern. The Kapila report in 2004 into racist incidents involving Bury's taxi and private hire drivers highlighted some of the problems. Drivers did not feel supported when they were racially abused; the police were inconsistent in dealing with taxi drivers; and police response times were 40 to 60 minutes. That is a very long time to wait when there has been a serious, violent incident.

The estimated cost to the nation of investigating the 49 murders, which constitute but a small part of the serious incidents in this area, was £76 million. The cost of each investigation of violence against a person was £3,036. If we add to that the cost of social security and of loss of earnings to the victims, the total cost to the country to date is about £168 million. I know that the Minister would love to have £168 million to pursue her work in her Department. It is a great deal of money.

Let me give examples of people who have suffered personal injury in recent years. My friend, John Kelly, who is the secretary of the Northampton Hackney Cab Association, was the victim of a serious assault with a hammer in 1997, after which he was hospitalised for four days. That incident caused him to leave the trade for three years, and his spine has been permanently damaged. I pay tribute to him for helping to motivate me to secure this debate. The son-in-law of another of my constituents, Ron Corbett, whom I mentioned in my opening remarks, was murdered during his duties as a taxi driver. He was so struck by that incident that he created Safe Shield, to try to protect other drivers. He, too, helped to motivate me to secure the debate. I hope that he will not mind my paying that tribute to him.

There have been other incidents. In May 2007, Gian Chand Bajar, aged 70, was murdered in Gravesend, Kent. Colin Winstone, aged 44, who was a father of two, was stabbed in Bristol in 2005. Mohammed Jamil was stabbed in the face, in west Yorkshire, over a £3.50 fare. Mahmood Ahmed was murdered in Keighley two weeks after the birth of his child. Taxi drivers in west Yorkshire staged a seven-hour strike in 2006 after the murder of Mohammad Parvaiz in Golcar. I could give more examples. Those incidents are well known, and I have cited just a few to highlight the importance of the issue.

Sadly, there has been a lack of parliamentary activity on this issue, although I realise that a body has been set up to look into the matter, and we await its report. In 2005, my hon. Friend the Member for Hertsmere (Mr. Clappison) asked about this issue and was told:

"No information is available on assaults on taxi drivers".—[*Official Report*, 28 June 2005; Vol. 435, c. 1422W.]

So, there is a history of concern about the problem, although I am pleased to admit that things are better now.

In April 2007, my hon. Friend the Member for Gravesham (Mr. Holloway) asked the Department for Transport how much it had spent on reducing crime against taxi drivers. He was told:

"The Department does not hold any figures on how much is spent on improving safety for taxi drivers by local authorities and other local bodies."—[*Official Report*, 16 April 2007; Vol. 459, c. 58W.]

He was, however, told of a research project to be completed by the end of 2007.

I, too, wrote to the Department for Transport about this issue last year, and was told that the Government were funding a project into the personal security of private hire vehicle drivers and taxi drivers. My office rang the Department to get a copy of that report, which was due to be finalised at the end of last year. I was told that the project had overrun, but was completed, although no publication date for the report had been set. I was told that an executive summary was available, but the truth of the matter is that I was passed from civil servant to civil servant, to the present Minister and finally to the Minister of State, Department for Transport, the right hon. Member for Doncaster, Central (Ms Winterton). It was a ministerial wild goose chase, you might well think, Mr. Deputy Speaker, but sadly it did not have a happy ending. I was told no, I was not allowed a copy of executive summary, which I found rather odd, given my sustained interest in this matter.

It is difficult to know the Government's current position, but I am hopeful that the Minister will be able to enlighten us on the basis of the executive copy of the report, which I am sure she will have. The word on the street, however, is that the report does not carry with it the significance that was hoped for by Members who sat on the body that commissioned the report.

I am aware that local projects are under way and that taxi marshals, sponsored by the police, community groups and local authorities, are operating at some taxi ranks. That is most welcome. They are mainly intended to reduce drunken violence, but have also gone some way to offering protection against attacks at taxi ranks, although whether it has had a massive effect on assaults against drivers is not clear. Those projects on their own are simply not enough; they need greater support from the Government.

Taxi drivers are exchanging information about troublesome areas and troublesome passengers, which is welcome, and they are making a greater commitment to prosecute. Too often, people do not want to get mixed up in the red tape of prosecution, but they should be encouraged to do so in this particular area. Eastbourne provides a good example of such a scheme.

CCTV is a vital part of the defence process and is becoming more clearly accepted as such. A number of trials are going on throughout the country, including one in Rugby this year. Let me provide an example of the impact that CCTV can have. In Sheffield a year ago last Christmas, a 500-strong taxi firm suffered 400 incidents of violence and abuse between December and the new year—a frightening number of incidents for a single-town or single-city taxi firm. The firm was so worried that it paid for in-car cameras that recorded in an encrypted fashion. This year, only six such problems occurred—a massive result, showing that we need to spread round more information about what happened.

I said that the cameras were encrypted, which is important, because we Members all have friends who might pay more than particular attention to their partners in taxi cabs. The last thing that we would want is for those friends to be placed in an embarrassing position. It is worth making the point that the encryption can be opened only by police or the magistrates court when an incident has been reported, so it cannot be used to provide the sort of television programmes provided by the police that we see from time to time.

[Mr. Brian Binley]

There are problems, however. The units cost between £700 and £1,000 a car, and we know that most taxi drivers are self-employed and do not have that sort of capital. I am told that the cost of production is only £80 and that the rest is maintenance and back-up. Perhaps the Government could look further into that, given that it has proved to be such a massive aid.

I could go on. The question of shields is relevant to the matter. On Monday this week, the professional drivers branch of the GMB union organised a rally, which was attended by thousands of drivers, who spoke to Members of Parliament. They asked for Government incentives for safety measures through the local licensing authorities; for CCTV to be fitted into vehicles; for proper training to be given to drivers, such as nationally recognised NVQs that are portable between areas; for a more sensible sentencing regime; and for the police to record attacks on taxi and private hire drivers as a separate category. I seek similar commitment from the Government today, as well as a publication date for their research project, which would be useful.

I am grateful for the opportunity to raise this issue. I hope that I have made the case for a more serious and unified programme of action. I have the feeling that the problem is not being properly recognised by Government, but I hope to hear differently this evening. Taxi drivers make a massive contribution to public transport in this country, usually in those hours when most sensible citizens have taken to their bed. They and their families collectively pay a sizeable price to make that contribution. We owe them more protection, help, encouragement and training, and greater understanding of their plight. I hope that the Minister can respond to me with serious encouragement in all those areas.

6.15 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mrs. Anne McGuire): I congratulate the hon. Member for Northampton, South (Mr. Binley) on securing this debate on an important matter, not only for people employed as taxi and private hire vehicle drivers, but for all of us who are, as he clearly indicated, concerned with the safety of transport workers. Obviously, this is to a certain extent a health and safety at work issue. The Department for Work and Pensions takes a keen interest in the issues raised by the hon. Gentleman, although, as he pointed out, the Department for Transport leads on these matters within Government.

As the hon. Gentleman also said, many Members of Parliament have shown a keen interest in this matter, and several spoke at a GMB union rally on Monday to support its campaign to draw attention to the serious safety issues affecting drivers. I also thank the hon. Gentleman for the tribute that he paid to his constituents who have suffered violence as taxi drivers, or whose relatives have suffered such violence. As he said, they encouraged him to seek the debate.

The hon. Gentleman mentioned Bryan Roland, who, he might be interested to know, was part of the Department for Transport's research study group. I place on record our thanks to him and his colleagues for their help in formulating the report.

The taxi and private hire trades provide an invaluable means of transport for thousands of individuals. Astonishingly, millions of journeys are made every year by taxi. Taxis might be used by an older person in an isolated village making their weekly shop in a market town, a commuter returning home after arriving at a railway station late at night, or night clubbers wanting a safe ride home. Rather like the hon. Gentleman, I have used taxis in nearly all those situations, although not in the first one—yet.

Unfortunately, as with too many people who serve the public, taxi and private hire drivers are too often undervalued by the very people they serve. That can lead merely to rather casual dismissive behaviour by people, who treat drivers as almost invisible. Unfortunately —and far too often, as the hon. Gentleman indicated—it can lead to something worse. The reports that we have seen in the past few days, and which appear month after month in the trade press, about attacks on drivers, are far too depressingly familiar. Each report means that a driver and his or her family will have been deeply affected, sometimes in a most traumatic way, particularly in case of severe violence and death.

The level of violence reported against private hire and taxi drivers is deeply worrying, and we share the hon. Gentleman's concerns. It goes without saying that verbal and physical assaults on drivers are totally unacceptable. Drivers have every right to work in a safe environment. The Government take very seriously any assault on front-line transport staff, and that is just as true for taxi drivers as it is for train and bus drivers, or other any transport worker going about their job. That is why we very much welcome the recent Sentencing Guidelines Council advice that assaults on transport workers, among others, cause harm to the individual and to the wider community. The council's view is that the sentence handed down by the courts should reflect that point.

The Government recognise the concerns of drivers about their safety, and we are taking action to help to address those concerns. That is why, for the first time, we have undertaken national research to investigate the personal security problems that most concern and affect taxi and private hire drivers, with the help of trade associations, trade unions and drivers themselves. I appreciate the hon. Gentleman's point about the report, and I can advise him that it will be published shortly, linking in to the analysis and research that has been done. The research has been received by the Department for Transport, but there still needs to be some consultation with stakeholders, taxi drivers and trade unions. Any guidelines that result from this must have credibility with the industry. I recognise the hon. Gentleman's frustration about what he feels is an inordinate delay, but we think this process is important, so anything that comes out of the research must be well proofed with the taxi drivers and private hire industry.

It is increasingly clear that taxi drivers have to put up with a great deal while carrying out their jobs, including verbal and physical abuse, which many drivers feel is due to a lack of respect. There is significant under-reporting of incidents to the police, particularly in relation to bilking. The hon. Gentleman did not mention that, but he will know that bilking is what happens when a passenger runs off without paying. Incidents are rarely reported to the police, yet we know that to be one of the

most common problems for today's drivers. Verbal abuse is a common occurrence, not only from passengers but from other road users and pedestrians. Unfortunately, too often the verbal abuse of minority ethnic drivers is also racist. I am pleased that the hon. Gentleman highlighted that. As he said, the statistics for violence against drivers from the black and minority ethnic community are significantly higher than for the other drivers out there on the road. It is a sad fact of life that many drivers are almost resigned to seeing abuse as "part of the job". That should definitely not be the case.

Police data do not automatically identify a victim of violent incidents or robbery as a taxi or private hire driver. That means that we do not have national data on the number of such incidents. However, local and regional data are available to give us a partial understanding of the regularity of such incidents. For example, an analysis of three years of recorded crime data on offences against drivers in west Yorkshire shows that there are, on average, 10 to 20 assaults a month—quite a figure. Many, but not all, violent incidents are alcohol-related and occur at night. Some of the attacks are premeditated and planned.

The most serious incidents are already reported to the police, but I would, through this debate, encourage all those in the taxi and private hire trades to report all other incidents to the local police and appropriate local community safety forums. There are examples of initiatives to encourage such reporting, including of racially motivated and hate crime, to make the reporting procedure easy and accessible, and minimise its length. By building up a more accurate picture, the authorities will be able to monitor the incidents being experienced by the trade. I hope that local police, licensing authorities and others will be able to target their responses appropriately.

The hon. Gentleman mentioned in-vehicle CCTV and driver shields. Those can have a useful role to play in driver security, and they are currently in use in a number of vehicles. Local authorities can choose to fund in-vehicle CCTV as part of their wider work in protecting workers and members of the public, particularly through community safety partnership funding.

Following on from the results of our research, as I said earlier, we will publish guidance to drivers on how to stay safe later this year, and we will also try to raise trade and police awareness of the legal position on bilking. In addition, we will be working to raise awareness among crime and disorder reduction partnerships about the need to engage with the trade to address crime and disorder affecting transport operators, and about the benefit to be derived from that.

The Department's best practice guidance urged licensing authorities to look sympathetically on, and actively to encourage, the installation of security features. We are now embarking on a revision of the guidance, and will consult on that revision before publication. Our consultation will, of course, include representatives from the taxi and private hire vehicle trade, and we certainly welcome their input.

It is essential that the trade, licensing authorities and other local partners work together on this issue. Taxi and private hire drivers are often seen as the "eyes and ears" of the local community. If we value them as such, they should be treated with respect, and given appropriate help so that they can carry out their valuable duties in safety.

We are committed to improving the personal security of transport staff, including taxi and private hire drivers. Assaults on taxi drivers are totally unacceptable, and as I said earlier, taxi drivers have the right to work in a safe environment. It is important to consider how we maintain their safety, and the Department for Transport looks forward to further work with the trade, the police and the Home Office on this important issue. Again, I thank the hon. Member for Northampton, South for raising this matter.

Question put and agreed to.

Adjourned accordingly at twenty-six minutes past Six o'clock.

House of Commons

Tuesday 6 May 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

TRANSPORT FOR LONDON BILL *[LORDS]*

Read the Third time, and passed.

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Abortion

1. **Mr. Philip Hollobone** (Kettering) (Con): How many repeat abortions there were in (a) Kettering, (b) Northamptonshire and, (c) England in the last three years; and if he will make a statement. [203357]

The Parliamentary Under-Secretary of State for Health (Ann Keen): The number of repeat abortions in Kettering and Northamptonshire combined in the past three years was as follows: 508 in 2004; 546 in 2005; and 599 in 2006. The number of repeat abortions in England in the past three years was as follows: 56,645 in 2004; 58,068 in 2005; and 59,687 in 2006.

Mr. Hollobone: Are not those figures truly appalling? Given that a third of all abortions are repeat abortions, what steps will the Government take to bring down those horrendous figures?

Ann Keen: We are working very hard to ensure that women have access to abortion services as soon as possible, because evidence shows that the risk of complications increases the later in the gestation. We have made investment to improve early access, and primary care trust performance in this area has been measured as part of the Healthcare Commission's annual health check. The latest data for 2006 show that progress is being made to increase early access; some 65 per cent. of national health service-funded abortions took place at under 10 weeks.

David Taylor (North-West Leicestershire) (Lab/Co-op): Unfortunately, a good proportion of the numbers that the Minister has just given to the Chamber relate to teenage pregnancies—I believe that 19 year olds are the age group that has the highest number of abortions in the country. Could she tell us what she has done in the wake of last summer's Government-funded advisory report entitled "Sex, Drugs, Alcohol and Young People", which concluded that British teenagers were in the grip of a sexual health crisis fuelled by a "celebrity culture" that condoned alcohol abuse, drug addiction and promiscuity? Can she say what her Department is doing to tackle those three issues referred to in the report's recommendations?

Ann Keen: My hon. Friend raises a very serious issue in relation to teenage pregnancy, and, all across government, Departments must take responsibility for dealing with it. Of course, sex education and contraception are paramount, so that we do not have teenage pregnancies and their consequences, which affect not only the girl, but the family and all concerned for the rest of their lives.

Miss Julie Kirkbride (Bromsgrove) (Con): I am sure the Minister would agree that the number of repeat abortions is extremely disappointing, bearing in mind the likely impact on the health of the ladies involved. She will also be aware—perhaps she will agree with me—that for some people the number of repeat abortions is a good reason to tighten up on abortion laws and deny women the right to choose. Does she agree with me that, while it is regrettable that there are so many repeat abortions, that should still be permissible?

Ann Keen: Again, the hon. Lady raises very serious issues, which this House will be considering shortly and in respect of which it is always this House's decision to make. We need to re-examine the role of contraception and, in particular, that of long-acting reversible contraception, which I know many primary care trusts are pushing—it is for all PCTs to examine that option. National Institute for Health and Clinical Excellence guidelines on long-acting reversible contraception show that if 7 per cent. of women switched from the contraceptive pill to long-acting methods, thus doubling the proportion of usage to 15 per cent., the NHS could save £100 million by reducing the number of unplanned pregnancies.

Sir Patrick Cormack (South Staffordshire) (Con): That might be all right for mature women, but does not the Minister share my concern that the giving out and the encouraging of the giving out of the morning-after pill to teenagers is an incentive, almost, to promiscuity?

Ann Keen: I would have to disagree with the hon. Gentleman. This is such a complex and serious issue, and it is for parents, those in education and all Departments to address it. It is in all our hands to try to prevent teenage pregnancies and to provide help. As I mentioned, the consequences, not only for the young woman, but for her family and for the young father, must be taken into account. Fathers and young men should be taking much more responsibility than they do at present, but that can come about only with good, positive education.

Premature Babies

2. **Ms Katy Clark** (North Ayrshire and Arran) (Lab): What the survival rate of premature babies born before 24 weeks was in each of the last three years. [203358]

The Parliamentary Under-Secretary of State for Health (Ann Keen): In 2005, there were 435 premature births in England and Wales with a gestational age below 24 weeks; some 383—or about 88 per cent.—of those babies died before they reached their first birthday. No further information is currently available.

Ms Clark: I thank my hon. Friend for that reply. She will be aware of the debate taking place on viability. Does she agree that, when considering this issue, population-based data, such as EPICure 2, are the most reliable available?

Ann Keen: The House will be fully aware that we will shortly discuss those serious issues. The British Association of Perinatal Medicine, the British Medical Association, the Royal College of Nursing and the Royal College of Obstetricians and Gynaecologists issued a joint statement in April stating that there is no evidence of a significant improvement in the survival of pre-term infants below 24 weeks gestation in the UK in the past 18 years.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): Although there are studies that claim to show improvements in individual hospitals, does the Minister agree that the reason the organisations that she has just cited are of the view that there has been no reduction in the threshold of viability below 24 weeks is that the best research, which looks at every birth rather than a selected sample—more findings have recently emerged—has failed to show any reduction since 1995? That is a good argument for keeping the time limit as it is.

Ann Keen: The hon. Gentleman has always shown a great interest in this issue, and he is correct.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): I am sure that the Minister is aware that the EPICure 2 study averaged out every birth in the UK, wherever they took place and whether they were in a hospital with a neonatal unit or not. Does she agree that if a woman goes into premature labour in a hospital with a good neonatal unit, to which the baby is immediately transferred, the outcome for that baby is likely to be much improved?

Ann Keen: The hon. Lady is consistent in her arguments: I am equally as consistent in saying that the evidence shows the contrary.

New Deal for Carers

3. **Stephen Pound** (Ealing, North) (Lab): What progress has been made in developing the new deal for carers; and if he will make a statement. [203359]

6. **Tom Levitt** (High Peak) (Lab): What progress has been made in developing the new deal for carers; and if he will make a statement. [203362]

7. **Jessica Morden** (Newport, East) (Lab): What progress has been made in developing the new deal for carers; and if he will make a statement. [203363]

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): We have already given councils in England an extra £25 million to allow them to provide emergency cover for carers. We have committed to a further £25 million a year for the next three years. We are progressing work on the information helpline, which will give carers access to reliable information and enable them to access services and support for themselves and the person they care for. Finally, work on the revised national carers strategy is progressing well and we will publish the new 10-year strategy shortly.

Stephen Pound: I thank my hon. Friend for that reply. The fact that so many Labour Members have asked similar questions shows the high level of concern about this subject. What are my hon. Friend and his Department doing to help carers who are trying to balance work with their caring responsibilities?

Mr. Lewis: My hon. Friend is right to raise this issue. We are seeing many changes in our society, with an increasing number of people struggling to bring up children while also caring for an elderly or disabled relative. An increased number of people have to balance their work responsibilities with child care and caring for an adult. That is why we have introduced, for the first time, the right to request flexible working for those who have caring responsibilities and we want to raise awareness of that right. Many employers acknowledge the importance of providing the necessary flexibility for, and supporting, employees who have difficulties with, for example, an ageing relative. One of the issues that the new carers strategy will address is the balance between working responsibilities and caring for an older relative.

Tom Levitt: My hon. Friend will be aware that many people do not recognise themselves as carers, even though they are looking after an adult child or an elderly parent, because that is just "what you do" when the need arises. Therefore, many people will not be aware of the facilities now available to support carers or of the new rights and support that will be available in the future. How will he ensure that the message about the good news—including that yet to come—will be put across to the people who need it most?

Mr. Lewis: My hon. Friend is right. In an ageing society, in which people are living longer, and in a health and social care system in which an increasing number of people want to stay in their own homes rather than go into institutionalised care, more responsibilities will be placed on family members. An increasing number of people, who previously have had no experience of the health and social care system, suddenly find themselves having contact with that system because of an ageing parent. One of the challenges is to raise the status, value and recognition of carers in our society. We should support families who want to take responsibility for looking after an elderly relative or a disabled son or daughter, but we must ensure that people are fully aware of the range of available support.

Jessica Morden: May I welcome the consultation's emphasis on young carers and the role that they play? The young carers whom I met recently say that they often feel isolated and weighed down with responsibility. They miss school and can miss out on a social life. What specific help will be targeted on that group?

Mr. Lewis: My hon. Friend is absolutely right. We do not want any children to have their childhood stolen as a result of fulfilling inappropriate caring responsibilities. It is not for politicians to stop children wanting to love a parent who may be dependent because of illness. None of us should want to stop that, nor will we ever be able to do it, but we must ensure that no child is expected to fulfil inappropriate caring responsibilities. That is why for the first time we have made it clear to adult services that, when they assess the needs of an adult with an illness or a social care need, they must make sure that they are not leaving a child in that position. It is also why the forthcoming strategy must look into expanding the number of support groups for young carers. One thing that children and young people say is that it is much easier for them to talk to other young people in the same situation as themselves than it can be to talk to other teenagers, who find it alien.

Sir George Young (North-West Hampshire) (Con): Does the Minister agree that many adult services departments would like to extend the support that they offer to carers but are constrained by resources? Does he recognise that the recent local government settlement has made it very difficult for some local authorities to maintain even the level of support that they currently give?

Mr. Lewis: If one looks at the local government settlement, one sees that there are specific grants to meet social needs and that £500 million has been set aside for the social care reform grant. In 1999, this Government introduced to local authorities the first ever annual carers grant: no such grant existed before, and it is clear that an unprecedented amount of money is going into supporting carers. However, we accept that there is a lot more to do, and that is why we will announce in the next few weeks a new 10-year strategy to enhance the support that we give to carers. It is also why we are going to hold an extensive public consultation on the future of the care and support system. It will look at the consequences of an ageing society and changing demographics, and seek to redefine a new, fair settlement for the funding responsibilities of the state, the family and the individual.

Mr. Graham Stuart (Beverley and Holderness) (Con): May I ask about another specific group—elderly carers? In my constituency, many people of considerable age spend a great deal of time looking after equally elderly relatives and friends. What plans do the Government have to support that group? The financial settlement to which my right hon. Friend the Member for North-West Hampshire (Sir George Young) referred means that the respite care and other support that they desperately need is not coming through. In future years, there should equal funding increases for both health and social care. That would be an example of joined-up government.

Mr. Lewis: I feel another Opposition spending commitment coming on—I hope that the shadow Chancellor has been consulted. However, the hon. Gentleman makes the serious point that, in an ageing society, more people will end up caring for a husband or wife who will often suffer from dementia. That is why the national dementia strategy to be published later this year will be so important. The consultation with carers will inform the development of that national strategy, and as part of that we have spoken to thousands of carers up and down the country. They have said that their priorities are income and access to short respite breaks, but it is not just the amount of respite that is important. Quality also matters because carers will not use the respite care available to them if they do not feel confident about it. Moreover, carers have told us time and again that they need better information and advice to help them make the incredibly difficult decisions involved in getting the care and support that they need. The 10-year strategy will address all those issues. We will not be able to change everything overnight—no hon. Member would expect that—but we will be looking to make significant progress over the next three years.

Mr. Stephen O'Brien (Eddisbury) (Con): Given that the Minister today announced that the updated strategy will be with us within weeks, and that he has also announced emergency respite care provisions, and given that he originally announced the new deal for carers more than two and a half years ago—and re-announced it five times—where is the £2.8 million for the carers information service that was promised? Where is the £4.7 million expert carers programme that we were promised? Those matters really do concern my constituents in Eddisbury, and indeed those in the neighbouring constituency of Crewe and Nantwich. It is important to recognise that if the Minister cannot give us an answer to those questions, perhaps the Prime Minister is out of touch, as the Minister said on an earlier occasion.

Mr. Lewis: Desperate, Mr. Speaker. There was no annual carers grant, nor even any distinct recognition of the fact that carers had their own needs, under the previous Government. *[Interruption.]* I will answer the hon. Gentleman directly: in the summer, the first expert carers programme training courses will begin. Later this year, the website for carers, offering them the kind of information that they tell us they need, will be up and running. Early next year, we will launch the carers telephone helpline, so that carers can ring one number and get high-quality information and advice. That builds on the unprecedented levels of resources that have gone to local authorities, year on year, to expand services and support to carers.

Barbara Keeley (Worsley) (Lab): Carers in my constituency say that what they need most is better quality respite care; that would give them more frequent chances to get a break from caring, which many of them really need if they are to avoid stress and health problems. What specific plans are there to improve the quality of respite care?

Mr. Lewis: My hon. Friend has done a tremendous job of championing the needs of carers since she became a Member of the House, and she continues to do so. She makes an important point. People who care for an ageing parent, a husband or a wife who has— *[Interruption.]* That is how important Opposition Members think the subject is. People who care for an ageing parent, a husband or a wife who has dementia, for example, have to feel confident that if they allow that

person to go somewhere for a week or more, the quality of care and their safety will be guaranteed. We must therefore not only expand the range of respite care places available, but do more to improve quality, through regulation and inspection, and through the decisions that local authorities make about where they purchase respite care from. At the heart of that will be a greater use of individual or personal budgets, which will mean that we can give people much greater control over where they get the respite care from.

Finally, we should not forget the unprecedented level of investment that the Government are making over the next three years specifically to expand respite care for parents of disabled children; that is entirely separate to the extra commitment that we will make for those caring for adult relatives.

Hospital Beds

4. **Mr. Peter Bone** (Wellingborough) (Con): What the average NHS hospital bed occupancy rate was in the last 12 months. [203360]

The Minister of State, Department of Health (Mr. Ben Bradshaw): The latest figures available show that the average NHS bed occupancy rate for 2006-07 was 84.5 per cent.

Mr. Bone: I am very grateful for the Minister's response. To reduce the rate of the superbug clostridium difficile, there must be a hospital bed occupancy rate of 85 per cent. or less. Kettering general hospital had the worst C. difficile rate in the whole country. It has a hospital bed occupancy rate of 92 per cent. Would not the Minister agree that the way to solve the problem is to build a new hospital in my constituency in order to reduce the bed occupancy ratio in Kettering?

Mr. Bradshaw: I am afraid that I have to correct the hon. Gentleman's figures. My information from the local trust is that the bed occupancy rate in Kettering general hospital in the latest year for which figures are available was 81 per cent., whereas at Northampton general hospital it was 85.6 per cent. It is interesting that, according to the figures, although the occupancy rate in Northampton was higher, it has been even more successful than Kettering in reducing C. diff rates. In Northampton's case, they went down by 61.3 per cent. between 2006 and 2007; in Kettering, they went down by 64.1 per cent. in the same period—a great achievement by his local hospital.

Alan Simpson (Nottingham, South) (Lab): Without getting drawn into the relative merits of various claims for new hospital building, will the Minister look carefully at the arguments in favour of reducing occupancy rates? As I understand it, in France there is a presumption that a 70 per cent. occupancy rate is the tipping point beyond which the gains begin to be overtaken by hospital infections, re-admissions and staff turnover. May we have a similar independent study in the UK that would identify the tipping point at which we move from efficiency to absurdity?

Mr. Bradshaw: We had such a report a few years ago, which stated that the optimal bed occupancy rate was 82 to 85 per cent. The latest figures available suggest that the rate has come down to below 85 per cent. on average, which we welcome. It is coming down slightly all the time, although we do not think it is our job to dictate to local hospitals how to run their affairs. If one examines the latest bed occupancy rates and superbug rates, there is no correlation between them. Other issues are much more important in the way in which hospitals manage disease outbreaks.

Norman Lamb (North Norfolk) (LD): The Minister will be aware that Professor Barry Cookson of the Health Protection Agency has advocated an occupancy rate of about 85 per cent., yet about 50 per cent. of hospitals are running at above that level. He also highlighted the potential risk to patient safety if that level is exceeded. Despite a promise in the NHS plan that there would be 7,000 extra beds, there has been a reduction in beds of about 13 per cent. since 1997. With so many hospitals often in a state of crisis because they are completely full, is it not time for an urgent review of the number of beds in the system and the way in which those beds are used, to ensure that we do not put patient safety at risk?

Mr. Bradshaw: Again, I must correct the hon. Gentleman. In the past there was a stronger correlation between bed occupancy rates and infection rates, but as infection rates and bed occupancy rates have come down, we have looked into the matter in great detail in the past two or three years and we cannot find the correlation that the hon. Gentleman points to. There are hospitals with a higher bed occupancy rate than 85 per cent. that have very good records on infection and other matters. What is much more important is how well the hospital is managed and what its overall anti-disease measures are, rather than the bed occupancy rates. Although we have said and I repeat that we think the optimal level is between 82 and 85 per cent., we do not think it is sensible to dictate to well performing hospitals that may have bed occupancy rates over 85 per cent. that they should bring those rates down. That is for them to manage, and it is for them to be answerable to their local communities.

Ann Coffey (Stockport) (Lab): A bid has been made by Stockport primary care trust for a community hospital in Shaw Heath, in one of the most deprived wards in my area. It is an exciting and innovative project. Does my hon. Friend agree that a community hospital on the site would enable better use of NHS beds at Stepping Hill, and at the same time would tackle health inequalities in the area?

Mr. Bradshaw: I certainly would, and I was going on to say in response to the hon. Member for North Norfolk (Norman Lamb), who speaks for the Liberal Democrats, that one of the reasons for the decline in beds in acute hospitals is that more and more people are staying in community hospitals and then being cared for in their own homes, which I think is welcomed by Members in all parts of the House. My hon. Friend will be pleased to know that I am informed that the board of the North West strategic health authority is meeting tomorrow to make a final decision on the community hospital for which she has been a long and doughty campaigner. We think the scheme is a visionary and innovative one that meets national and

local health objectives and will enhance community health services. I congratulate my hon. Friend on her successful campaign.

Anne Milton (Guildford) (Con): The Minister may well argue that other measures are important, but there is no doubt that an internal policy review from the Department of Health showed that reducing bed occupancy to a maximum of 85 per cent. could save about 1,000 cases of methicillin-resistant Staphylococcus aureus—MRSA—a year. The aim should undoubtedly be nearer 82 per cent. Does the Minister agree that while bed occupancy rates remain unacceptably high, consequences on the scale that we saw at Maidstone and Tunbridge Wells remain a real threat?

Mr. Bradshaw: What was wrong in Maidstone and Tunbridge Wells was a totally incompetent management. As I have pointed out, there has been no correlation in the past two or three years between bed occupancy rates and infection rates. I would have expected that, rather than making the same old points time and again, the hon. Lady might have welcomed the fact that the latest national figures show a 30 per cent. reduction in MRSA rates and a 23 per cent. reduction in C. difficile rates in the past year. She should congratulate the Government on our action, rather than constantly criticise us.

Care Standards

5. **Mr. Graham Allen** (Nottingham, North) (Lab): What steps he is taking to improve access to care and standards of care. [203361]

The Secretary of State for Health (Alan Johnson): In recognition of the challenges presented by an ageing society, the Government are committed to fundamental reform of the adult social care and support system. We intend to hold a national consultation, which will lead to the publication of a Green Paper, to identify options for a new system that will be fair to all and sustainable for the long term.

Mr. Allen: I understand that the first consultation meeting on the Green Paper will take place next week. Will the Secretary of State ensure that one of the key considerations will be the interface between the national health service and social services, particularly when assessments are required for conditions such as incontinence or for the care package? Will the Secretary of State make a point of asking Members of the House for their experience around that interface? Perhaps he could publish a list of Labour and Opposition Members interested enough to respond to that consultation.

Alan Johnson: My hon. Friend is right; the interface will be a crucial element of the exercise. We need to knit adult social care, local authorities and the NHS much more closely together. That is happening in many parts of the world, and my hon. Friend should take credit for what he has done in Nottingham. In the meantime, £510 million is available for the adult social care grant and it is specifically to encourage much greater integration in the next three years. The review is more long term, but we have immediate action and resources to back it up.

Greg Mulholland (Leeds, North-West) (LD): One of the issues in respect of standards of care relates to people with dementia. Is the Secretary of State aware of the butterfly scheme, which is being trialled in Leeds? It was the brainchild of my constituent Mrs. Barbara Hodkinson, and it has been extremely successful in allowing patients to be identified without stigmatisation and allowing their care needs to be addressed. Does he agree that we should roll the scheme out nationally? Will he or the Minister with responsibility for care come to Leeds to speak to Mrs. Hodkinson and Sister Christine Tall, who implemented the scheme, to see whether it could improve standards for dementia sufferers nationally?

Alan Johnson: I am aware of the important butterfly scheme in Leeds, and I would be pleased to nip over from Hull to Leeds to see it. It is an important part of how we can make progress, deal with the issue and use best practice to develop our strategy on that debilitating disease.

Mrs. Madeleine Moon (Bridgend) (Lab): There tends to be a lack of uniformity in the care provided by child and adolescent mental health services and in the standardisation of and access to services across the UK. Is it not time that we had a more standard service so that young people who are at the difficult transition into adulthood and face mental health problems, and their parents, could access a service that catered for people aged up to 25, rather than 16, 17 or 18?

Alan Johnson: My hon. Friend is absolutely right; a review on that specific issue is under way at the moment. The Green Paper and the public debate cannot be only about adult social care for older people, which was the subject of the 2006 Wanless review; they have to embrace the entire adult population. That is not least because, as I know from my own constituency casebook, many people are alive today who would previously probably not have survived childhood. Such people need far greater care. That must be integrated into the social care system and it is a very important part of the review.

John Bercow (Buckingham) (Con): In seconding the proposition made by the hon. Member for Bridgend (Mrs. Moon), may I put it to the Secretary of State that the requirement for joined-up and continuing care is marked among those on the autistic spectrum? The right hon. Gentleman will know that I and others are looking at provision for children and young people from birth to age 19. However, there is also a significant issue for the Government in respect of assisting people well beyond age 19—sometimes throughout life—as they negotiate the difficulties that they encounter. Such people have the opportunity, if helped, to contribute to the country through employment. However, they do need some help.

Alan Johnson: The hon. Gentleman has taken a huge interest in these issues and is doing some very good work on speech and language therapy. I completely agree with him. This whole area would probably not have been very high up the political agenda as recently as 10 years ago, but it is now much more of a crucial issue. That is why announcements on it will be made very shortly, not least for the reason that he touched

on—that there is such a huge waste of talent out there because we consign these young people to being the passive recipients of benefits for the rest of their lives instead of using the opportunity to make them active citizens in our society.

Children's Health

8. **Ms Dawn Butler** (Brent, South) (Lab): What plans he has to improve children's health; and if he will make a statement. [203365]

The Parliamentary Under-Secretary of State for Health (Ann Keen): Improving outcomes for children is a priority across the range of responsibilities of the Government. The recently published children's plan set out how the work is focused towards achieving a long-term vision of England as the best place in the world for children to grow up.

Ms Butler: Ten years ago there were no children's centres in Brent; now we have 12. That has vastly improved the well-being of children and young mums. By 2010, there will be a children's centre in every constituency. In the meantime, however, does my hon. Friend agree that baby and toddler centres like the one that my constituent, Sarah Green, is fighting for should be kept open by primary care trusts and local authorities?

Ann Keen: My hon. Friend is right. The importance of these centres in the early years is paramount, not only for children but for parents. We are very proud of our Government's initiative in introducing them and increasing support in the community. This morning, I saw on Beavers Lane estate in Hounslow a hub where all the integrated services are working closely together. That makes a huge difference to the future lives of children, who will be our young people, and their parents. All health professionals are to be congratulated. I urge people in my hon. Friend's local area to take note of this.

Mr. Nicholas Soames (Mid-Sussex) (Con): Does the hon. Lady agree that children's health starts with a happy and successful birth, and that it therefore makes no sense at all for the Government to press primary care trusts all over country, including those in West Sussex, to close and diminish the number of maternity services, particularly at Princess Royal hospital in Haywards Heath—an area of exceptional growth with an enormous new population expected? It makes no sense whatever to downgrade valued and cherished maternity services at an excellent hospital.

Ann Keen: The hon. Gentleman has raised this issue with me before in Adjournment debates in Westminster Hall, and he has campaigned strongly for his area. However, what is happening is not to downgrade but to improve. The Royal College of Midwives and the Royal College of Obstetricians and Gynaecologists would agree that we want children to have the best possible start in life, and the first few minutes are critical, for obvious reasons. As we know, this is happening with the consent of clinicians and the local community. I am sure that the hon. Gentleman will continue to engage with his constituents on this important issue.

Mrs. Maria Miller (Basingstoke) (Con): Does the Minister agree that under-age binge drinking is a growing and alarming health problem for children? Police, ambulance workers and accident and emergency workers would certainly agree with that. Why has so little progress been made in the past eight years in cutting the amount of alcohol that school-age children drink, and what confidence can we have in the Government having more success in that area in the future?

Ann Keen: The evidence shows that we are making improvements as regards this very difficult issue, which the hon. Lady rightly raises. It is a serious issue for all of us in this House to address because, as was said in questions and answers earlier, the consequences are so severe. In particular, our hard-pressed health professionals do not wish to have to spend their professional time and resources dealing with it. All of us, across Government and across this House, should take it very seriously.

Patient Data

9. **Christopher Fraser** (South-West Norfolk) (Con): What assessment he has made of the security of patient data. [203366]

The Minister of State, Department of Health (Mr. Ben Bradshaw): Data held electronically can be secured using encryption and other measures not applicable to old paper-based systems. The health service's national programme for IT has particularly high levels of security because of the sensitivity of data held, and individual health organisations are responsible for complying with data protection rules.

Christopher Fraser: Three hundred thousand patient prescription forms have been lost, junior doctor job applications have been found on the internet, a laptop with thousands of patients' details has been stolen, and child benefit information affecting millions has gone missing. Does the Minister accept that patients do not have faith in the Government's plans to put their personal details on an NHS database?

Mr. Bradshaw: No. As I have already explained to the hon. Gentleman, the level of security on the national NHS IT system is second to none in the world. In fact, we get regular complaints from people saying that it is too secure, because it does not enable them to exchange the information that they need to make sure that patients are cared for properly. I also have to tell him that child benefit is not the responsibility of our Department. None the less, we do take data losses extremely seriously.

Since the problems experienced by Her Majesty's Revenue and Customs, the chief executive of the national health service has reminded the managers of every trust in the country of their legal responsibility to comply with data protection rules. They are now obliged to publish quarterly reports on any serious data losses and to say what action they have taken to ensure that such losses do not happen again. The vast majority of the data losses that have happened, including the ones the hon. Gentleman referred to in his question, would not have happened under the level of security used by the national NHS system for IT.

Mr. Kevin Barron (Rother Valley) (Lab): Does my hon. Friend agree that the major problem we have with the NHS database is not the database itself, which is secure—probably more secure than the local bank—but the people who misuse it by downloading information and then carelessly leaving it in the backs of cars? Millions of our constituents have had their records stored electronically for decades, and it is about time we moved away from this negative debate about it, took the issue out of party politics, and recognised the work that it can do to help people, particularly those with chronic illnesses.

Mr. Bradshaw: My right hon. Friend, who has done a number of reports on this issue and knows a great deal about it, is absolutely right. I regret that all too often in the debates we have about the subject, we lose sight of the enormous benefits of the good exchange of data on patient care. Patients get quicker, more reliable and much safer care, while the NHS saves a lot of money through not using the old, expensive and cumbersome paper-based systems.

My right hon. Friend is right. In an organisation that employs 1.3 million people—the biggest organisation in the world, I think, after the Indian railways and the Chinese red army—it is impossible to conceive of a situation in which some human failure could not lead to data loss. That is why it is important that every NHS employee is aware of their responsibilities. It is also important that those in hospital management are aware of their responsibilities, and make those clear to staff.

Psychological Services

10. **Mr. Graham Brady** (Altrincham and Sale, West) (Con): What the average waiting time was for access to primary care psychological services in the most recent period for which figures are available. [203368]

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): Information about average waiting times for access to primary care psychological services is not collected centrally, but we are investing significantly in improving access to psychological therapy over the next three years, with funding rising to £173 million in 2010-11, to train 3,600 therapists and to treat up to 900,000 people.

Mr. Brady: In June last year, when I raised this question with the previous Secretary of State, she was good enough to agree that waiting times were far too long. For many of my constituents, the waiting time for such vital services is still 16 months or longer. Does the Minister agree that such a wait can allow conditions that would otherwise have been treated to get worse, and will he take urgent steps to deal with the issue?

Mr. Lewis: The history of this country's approach to access to mental health services in primary care is not a happy one, but I am proud of the fact that we are the first Government since the national health service was created to say that people in every community should have universal access to psychological therapy according to clinical need. The health service must concern itself as much with mental well-being as with physical well-being. Over the next three years, we will be investing an unprecedented amount in access to psychological services, which is every bit as important as the extension of GP hours and conventional primary care. We can be proud of the fact that we are the first Government since the creation of the health service to ensure that people have access to universal psychological services, recognising that mental well-being is every bit as important as people's physical health.

Community Hospitals

11. **Mr. Andrew Robathan** (Blaby) (Con): What assessment he has made of the contribution of community hospitals in (a) England and (b) Leicestershire. [203369]

The Minister of State, Department of Health (Mr. Ben Bradshaw): Community hospitals can provide care closer to where people live. The local health service makes decisions about how services are organised, but the Government are providing £750 million over five years for new community hospitals and new community services throughout the country.

Mr. Robathan: The Minister states that the Government want people to be treated closer to home, which I applaud. However, in Leicestershire as elsewhere, the primary care trust is considering closing down or reducing services in community hospitals, especially in Lutterworth in my constituency, and possibly in Ashby. Will the Minister explain to me and to my constituents in the Lutterworth area—and, indeed, to Leicestershire PCT—how treatment closer to home is deemed desirable, yet services in Lutterworth are being reduced, which will mean people having to travel to Leicester or Rugby for treatment?

Mr. Bradshaw: It is not the job of Ministers in Whitehall to second-guess the decisions of local primary care trusts, but I am sure that the hon. Gentleman's PCT has listened carefully to his comments. However, my information from the PCT is that there are currently no proposals such as he describes for Lutterworth, and it has decided not to go ahead with any consultation about Lutterworth in the first round of consultation on community hospitals in Leicestershire. Contrary to his suggestion, the PCT is trying to do exactly what I described earlier: moving more services out of the big acute hospitals in Leicester and elsewhere into community hospitals, and from community hospitals into people's homes, because that is what people want. It may be decided locally that some services are best provided by one community hospital, or by district nurses or others who go into people's homes. That is a matter for the local PCT. If the hon. Gentleman does not like its proposals, he should speak to its representatives. If the local elected councillors do not like them, they have a democratic forum in the overview and scrutiny committee to refer them to the national independent review panel, which examines any objections to the sort of reorganisation that he describes.

GP Surgeries

12. **Anne Snelgrove** (South Swindon) (Lab): What plans he has to extend access to GP surgeries. [203370]

The Minister of State, Department of Health (Mr. Ben Bradshaw): The Government are working to make it easier for people to see their GP in the evening and at weekends. We are also investing £250 million in new GP-led health centres in every health care area of England, open 12 hours a day, seven days a week, and in extra GP surgeries in poorly served areas.

Anne Snelgrove: My constituency has benefited from a great deal of investment, especially at Priory Road health centre in Parks. Does my hon. Friend share the concern of my constituents at the Queen's Road medical centre, who are unsure whether they will have a GP surgery in future, as it is considering moving to north Swindon? What hope can he give my constituents that they can see a doctor without having to make a complicated bus journey?

Mr. Bradshaw: I understand that the problem to which my hon. Friend refers concerns two branches of a practice, which it does not believe are adequate to provide the sort of care that their patients expect. However, it is the duty of all primary care trusts to ensure that GPs and primary care services are adequate for an area and that there are no big gaps, especially in areas such as those that my hon. Friend mentioned, which I know quite well. I hope that when the local primary care trust considers the proposals, it will work closely with my hon. Friend, and also with my hon. Friend the Member for North Swindon (Mr. Wills), to ensure that all patients in the city of Swindon are well served by expanding GP services.

Mark Simmonds (Boston and Skegness) (Con): The Opposition believe that the most accessible health care services are those tailored to local needs and priorities, not those that are centrally imposed. In the debate on 23 April about GP services and access, the Secretary of State said that primary care trusts that did not want GP-led health centres would be able to use the resources to provide primary care services more appropriate to their local patients' needs. Does the Minister stand by his boss's statement that primary care trusts can say no to GP-led health centres?

Mr. Bradshaw: No, my right hon. Friend did not say that. There is good flexibility in the proposals that we put to primary care trusts. Labour Members are interested in making it easier for people to see their GP. It is astonishing that the Conservative party's policy now is to hand over policy to the doctors' union, the BMA, and allow it to decide—*[Interruption.]* Yes, I am sorry, but the Leader of the Opposition said in a speech 10 days ago that the BMA should be able to decide when surgeries could open and where they were located. The Conservatives even launched a website so that doctors could sign their petition.

Topical Questions

T2. [203420] **Joan Walley** (Stoke-on-Trent, North) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Alan Johnson): The responsibilities of my Department embrace the whole range of NHS social care, mental health and public health service delivery, all of which are of equal importance.

Joan Walley: May I ask my right hon. Friend why, in connection with the consultation on the framework for the registration of health and adult social care providers, which is due to end shortly, he has decided to exclude non-urgent patient transport services from the services that will come under the remit of the Care Quality Commission? Those services—including taking people who need dialysis to hospital, for example—are a seamless part of the health and social services that we provide, so it seems perverse that they should not be included. Would the Secretary of State consider, at this late stage, including those services within the remit of the proper standards of care regulation?

Mr. Speaker: Order. May I appeal to hon. Members to be brief in topical questions and supplementaries?

Alan Johnson: This matter is out to consultation, and the consultation finishes on 7 June. Our view is that it is in the interests of good regulation that we should split away the high-dependency patient transport service from the non-urgent, as my hon. Friend the Member for Stoke-on-Trent, North (Joan Walley) rightly says. There is an issue about the balance of regulation, and we thought that that was the best idea. The issue is out to consultation. My hon. Friend will obviously make her views known, as will others, and we will consider them at the end of the consultation period.

T3. [203421] **Sir Nicholas Winterton** (Macclesfield) (Con): I declare an interest as honorary vice-president of the Royal College of Midwives. What steps have the Government taken to ensure that there are sufficient places for student midwives and midwifery educators in England to meet the Department's target of 4,000 more NHS midwives by 2012? It is a simple question; I hope that I can get a good, positive answer.

Alan Johnson: The hon. Gentleman is a hero of the Royal College of Midwives, let alone a patron. He raises an important point. We wish to recruit 4,000 new midwives. Some of them will return to practice, but a large group will require extra training places. We are working on that, and I believe that there might be an announcement around the time of the annual conference of the Royal College of Midwives.

T6. [203424] **Mr. Graham Allen** (Nottingham, North) (Lab): Will the Secretary of State tell us what impact health can have on reducing crime and on ensuring that youngsters get good qualifications and do not spend a lifetime on benefits? Does he agree that early intervention by the health service, particularly through the nurse-family partnership, sets young people on the way forward, and—to ensure the topicality of this question—may I also ask him whether he welcomes those initiatives being applied to Nottingham?

Alan Johnson: The nurse-family partnership is undergoing a £30 million expansion, which includes Nottingham. The most important point in what my hon. Friend said about the link between crime and health relates to mental health. I believe that the recruitment of 3,600 psychological therapists, based on the pilot in east London and Doncaster, will have a startling effect on the mental health problems that have previously consigned many youngsters to less fulfilling lives than those of those fortunate enough not to suffer from such problems.

Mr. Andrew Lansley (South Cambridgeshire) (Con): Just weeks ago, the Secretary of State's Department received a report from an expert group on clostridium difficile infection that said:

"We consider that, more than any other factor, it is the failure to implement the existing guidelines described in the 1994 report that has contributed to the recent rise."

Can the Secretary of State explain why, 11 years into a Labour Government, existing guidelines from before 1997 have not been implemented?

Alan Johnson: No, of course I cannot cover the course of 11 years in this answer. What I would say is that there was a period at the end of the 1990s when, if the problem had been tackled, we could have seen the elimination of MRSA before it took root, as happened in many other European countries. However, there has been a 30 per cent. reduction in MRSA since this time last year and a 23 per cent. reduction in clostridium difficile. The important elements are hand washing, isolation with cohort nursing, and the responsible prescription of antibiotics. We are acting on all three.

Mr. Lansley: The complacency of the Secretary of State's answer explains exactly why there is a wreckage of the Labour party across the country following last Thursday's election results. Perhaps he can explain why, 11 years into a Labour Government, the report says that half the hospitals in England have C. difficile infection rates 10 times those reported in other countries. People know that the experience of Labour government has been of a top-down, target-led, bureaucracy-obsessed culture that is preventing the NHS from delivering high-quality care, and which has led directly to an inability to focus on patient safety. Will the Secretary of State explain that?

Alan Johnson: The hon. Gentleman's problem is that people have long memories. They remember waiting lists such that people waiting for fairly routine operations wrote to ask whether their place in the queue could be bequeathed in their will to their children or their nephews, because the queues sometimes lasted four or five years. They remember the lack of capital investment in hospitals and equipment, they remember that there were too few doctors and nurses, and they remember that the health service was on its knees when we came to power in 1997.

Clive Efford (Eltham) (Lab): May I commend my right hon. Friend's decision to move services into the local community? I want to draw his attention to a consultation that I held about my local primary care trust's proposal to open a cottage hospital in Eltham, to which the response rate was more than 10 per cent. More than 1,400 people responded, virtually 100 per cent. of whom were in favour of having a cottage hospital in the middle of our community, bringing services into the heart of Eltham. I commend the Secretary of State's approach, and I commend my PCT's proposal to him.

Alan Johnson: I am happy to be commended on that proposal. I believe that the consultation taking place in London about what kind of health service people want is revealing that the majority of people see the sense in the review conducted by NHS London. They see cottage hospitals and polyclinics—I see, today, that the public in London have overwhelmingly said that polyclinics are a good thing—as a sign that we are going in the right direction.

T4. [203422] **Mr. David Heathcoat-Amory** (Wells) (Con): Will the Secretary of State tackle more vigorously the waste of medicines in the NHS, which is enormous and scandalous? Will he look specifically into the issue of repeat prescriptions going uncollected by patients in pharmacies? That problem needs ministerial intervention, and could be tackled by better liaison between prescribing doctors and pharmacists. The current situation is completely unacceptable and an enormous waste of public money, and it needs his attention urgently.

Alan Johnson: I will look into this issue personally. There is evidence that there is a great deal of waste involving medicines and prescription, but I would not say that it is as bad as in some other European Union countries: France is one example. Nevertheless, any waste needs to be addressed. We have a target, over this comprehensive spending review period, of making 3 per cent. year-on-year efficiency savings. One part of achieving that should be tackling the waste of medicines.

Dr. Brian Iddon (Bolton, South-East) (Lab): The hepatitis C action plan for England was published four years ago, but a report that has just been published by the all-party group on hepatology shows that there are still big gaps between the diagnosis and treatment of hepatitis C. Will my right hon. Friend look at the report and do what he can to improve, in particular, the treatment of carriers who have been diagnosed with hepatitis C?

Alan Johnson: I will, but it says here—in my brief—that the results of the audit are encouraging and show marked improvement since 2006. The results indicate that progress made in implementing the action plan has been sustained. Nevertheless, I accept my hon. Friend's point, and we will look to see how much we can improve the situation.

T5. [203423] **Mark Pritchard** (The Wrekin) (Con): With abortion at near industrial levels—there were nearly 200,000 in England and Wales last year—does the Secretary of State accept that although the original Act, as amended by the Human Fertilisation and Embryology Act 1990, set out a range of medical reasons for abortion, it is increasingly, and in far too many cases, being used for social reasons? Does he agree that that has to stop?

Alan Johnson: I struggle to understand the definition of "industrial" in this context. This is a matter for all Members of Parliament to address individually. I personally, as an individual, believe that that legislation has stood the test of time, and I would not want to see any change to it.

Mr. Kevin Barron (Rother Valley) (Lab): Can my right hon. Friend tell us when he is likely to publish the outcome of the review of prescription charges that he announced in July last year?

Alan Johnson: We are likely to publish in the summer—a period that I accept can, in political terms, stretch from April to December. However, I expect publication to take place in what could be called the summer by most reasonable people's definition.

T7. [203425] **Mr. Philip Hollobone** (Kettering) (Con): Having had the worst hospital-acquired infection rates in the whole country in 2006, Kettering general hospital has now halved its rates of infection for C. difficile and MRSA, and met all its major NHS targets this year. In congratulating all those who work at the hospital on this tremendous achievement, will the Secretary of State encourage the strategic health authority to look favourably on Kettering general hospital's application for foundation trust status, which is due to be submitted shortly?

Alan Johnson: I think that the hon. Members for Kettering (Mr. Hollobone) and for Wellingborough (Mr. Bone) should go and have a cup of tea together and compare notes, because we are getting a different picture of what is happening in the health service in their area from each of them. The hon. Member for Kettering has raised an important point, and we should congratulate all the health service workers in his hospital on such a fantastic result. The issues are clear: they involve good hand-washing policy, good isolation facilities with cohort nursing, and the responsible prescription of antibiotics. There are a lot of other things that I could talk about, but those are the three most important messages, and they have obviously been hammered home in the hospital in the hon. Gentleman's constituency.

Paul Rowen (Rochdale) (LD): Can the Secretary of State explain why existing GP practices are being excluded from the new GP posts being established in areas that are under-doctored? Is this another attempt to privatise the NHS?

The Minister of State, Department of Health (Mr. Ben Bradshaw) *rose—*

Alan Johnson: After a battle to get to the Dispatch Box, may I say to the hon. Gentleman that existing practices are not being excluded? He is absolutely wrong on that point. I did have a representation from a social enterprise to say that it was being excluded. The first contract went to a social enterprise, and I have no doubt that the majority of the contracts will go to existing GP practices. Those practices are not being excluded. They are, however, being asked to go through a rigorous process, because if we are spending £250 million of taxpayers' money in under-doctored areas—some of the poorest areas in the country—we want to ensure that patients and the public in those areas get the service to which they are entitled.

T8. [203426] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): Given that there were more than 4,000 stillbirths in England and Wales last year, why is there still no national stillbirth strategy?

Alan Johnson: The hon. Gentleman has raised a point that I have raised myself in response to questions that I have been asked while going around the country. We should be looking at the situation across the country, because I hear that some places deal with such issues brilliantly, while other places could learn from those centres of excellence. Whether we turn that into a national strategy, with all that that entails, or whether we simply seek to spread the best practice, the hon. Gentleman is right to raise this issue; indeed, I have raised it myself.

Bob Russell (Colchester) (LD): Audiologists have expressed concern about the potential hearing impairment brought about by young people wearing personal music centres plugged into their ears. Does the Secretary of State agree that there is a serious likelihood of hearing impairment affecting those young people at a much earlier stage of their lives, and that there should be an inquiry into what action can be taken to prevent the danger of hearing impairment being brought about by those items of social fashion?

Alan Johnson: The hon. Gentleman has an interest in this subject. I believe that he was the chair of the all-party group on noise—*[Interruption]*—of which he has made quite a bit in this Chamber over the years. I do not think that this issue can be near the top of our agenda, but it does need to be looked at. I increasingly find that people, not just young people, have developed problems—sometimes mental health problems—because they live in an environment of constant noise. In the workplace, for example, noise levels can be huge. Some people think that playing a radio station featuring the inane chatter of a disc jockey all day is good for calming the nerves, whereas actually it does the opposite—*[Interruption.]* The hon. Gentleman has started me off—but yes, I do think that we should look into that issue.

Points Of Order

3.34 pm

Dr. Andrew Murrison (Westbury) (Con): On a point of order, Mr. Speaker. Today's Order Paper gives notice of a written statement entitled "New investment in Headley Court". We warmly welcome the news, but we question why it was given to the weekend press in advance of the statement. Defence Ministers are becoming serial offenders when it comes to manipulating politically sensitive material that should first appear before this House. The media had advance knowledge of the answers to the question asked by my hon. Friend the Member for Woodspring (Dr. Fox) on 11 March and to my question of 12 March on the number of medically unfit servicemen. I appreciate that a beleaguered Government must media-manage as best they can, but I would welcome your guidance, Mr. Speaker, on how Defence Ministers can be persuaded not to use our armed forces, and abuse this House, in a way that I fear is becoming routine.

Mr. Speaker: The only thing I can say to the hon. Gentleman is that the House should be the first to be told of these matters.

Mr. Peter Bone (Wellingborough) (Con): On a point of order, Mr. Speaker. A recently filed freedom of information request returned a 92 per cent. bed occupancy ratio at Kettering hospital. The Health Minister, however, provided a different figure. Is it not disturbing, Mr. Speaker, that the Government are putting different figures to Members?

Mr. Speaker: Let us not extend Health questions. I did, after all, run into three minutes' injury time—and the hon. Gentleman is trying to extend that even further.

CRIMINAL JUSTICE AND IMMIGRATION BILL (PROGRAMME) (NO. 4)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A(7) (Programme Motions),

That the following provisions shall apply to the Criminal Justice and Immigration Bill for the purpose of supplementing the Orders of 8th October 2007 and 11th October 2007 in the last Session of Parliament and 9th January 2008 (Criminal Justice and Immigration Bill (Programme), Criminal Justice and Immigration Bill (Programme) (No. 2) and Criminal Justice and Immigration Bill (Programme) (No. 3)):

Consideration of Lords Amendments

1. Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion at this day's sitting.

2. The proceedings shall be taken in the order shown in the first column of the following Table.

3. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Lords Amendments	*Time for conclusion of proceedings*
Nos. 9, 301, 327 and 86 to 91	An hour and a half after the commencement of proceedings on consideration of Lords Amendments
Nos. 285, 115, 173 and 117 to 149	Four and a quarter hours after the commencement of those proceedings
Nos. 116, 1 to 8, 10 to 85, 92 to 114, 150 to 172, 174 to 284, 286 to 300, 302 to 326, and 328 to 348	Six hours after the commencement of those proceedings, or 10 p.m., whichever is the later.

Subsequent stages

4. Any further Message from the Lords may be considered forthwith without any Question being put.

5. The proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.—*[Ms Diana R. Johnson.]*

Question agreed to.

Orders of the Day

Criminal Justice and Immigration Bill

Lords amendments considered.

Mr. Speaker: I must draw the House's attention to the fact that privilege is involved in Lords amendments Nos. 92 to 95, 304 to 306 and 173. If the House agrees to any of these amendments, I shall ensure that the appropriate entry is made in the *Journal*.

Clause 10

ABOLITION OF SUSPENDED SENTENCES FOR SUMMARY OFFENCES

Lords amendment: No. 9.

3.35 pm

The Minister of State, Ministry of Justice (Mr. David Hanson): I beg to move, That this House disagrees with the Lords in the said amendment.

Mr. Speaker: With this we may discuss Government amendment (a) to the words so restored to the Bill, Lords amendment No. 301, Government motion to disagree thereto, Government amendment (a) to the words so restored to the Bill, Lords amendment No. 327, Government motion to disagree thereto and Government amendment (a) to the words so restored to the Bill.

Mr. Hanson: Thank you, Mr. Speaker. I was listening so intently that I almost forgot my part in the script.

May I say what a pleasure it is to return once again to the Criminal Justice and Immigration Bill? I am pleased to see in their places both the hon. and learned Member for Harborough (Mr. Garnier) and the hon. Member for Enfield, Southgate (Mr. Burrowes). Today provides an opportunity to return to the discussions we have had on this important Bill since the beginning of the parliamentary Session—discussions that are now reaching their denouement. I should also like to welcome the hon. Member for Eastleigh (Chris Huhne) to his Front-Bench position for the later stages of our proceedings on the Bill.

Having noticed the hon. Member for Somerton and Frome (Mr. Heath) in his place, I want to pay tribute to him. When we started our consideration of the Bill in Committee, the hon. Gentleman and the hon. Member for Cambridge (David Howarth) were the Liberal Democrat Front-Bench spokesmen. Since then, there has been a change in Front-Bench responsibilities, but I wanted to put on record at this late stage my thanks to the hon. Member for Somerton and Frome for his consideration in Committee and on the Floor of the House. I hope that he will recognise that although there were major disagreements between us, some movement has taken place on some issues, and indeed that I have been able to accept some of his positive suggestions. I hope that the hon. and learned Member for Harborough and the hon. Member for Enfield, Southgate will also recognise that changes have been made in response to some of their suggestions.

That brings us up to today, when we will have a full debate on a number of key issues. The amendments before us return us to the matter of ending suspended sentence orders for summary-only offences. As you are aware, Mr. Speaker, I am inviting the House to disagree with the Lords amendment, which would altogether remove from the Bill the proposals in clause 10. On reflection—I know that there was an ordered and considered debate in the other place—I believe that that legislation is necessary, for reasons that I hope briefly to set out.

There is an honest disagreement between the hon. and learned Member for Harborough and myself—and, indeed, between the other place and myself—in respect of the use of suspended sentence orders for summary-only offences. On reflection, I think that it is an inescapable conclusion, on the basis of sentencing figures, that the courts are now using the new suspended sentence orders for substantial numbers of cases that would previously have received non-custodial sentences.

As you will be aware, Mr. Speaker, I am very much in favour of non-custodial sentences when appropriate. I hope shortly to introduce a campaign to support greater use of such sentences in the community at large, because they have a place in our society and are an important part of the overall armoury of sentences. However, if we look carefully at the use of the new suspended sentence orders, we see that a substantial number of cases are now being drawn into the framework that would previously have involved non-custodial sentences. That is important, and although it has already been considered in another place, I think we should reflect on it closely here today.

Let me take the hon. and learned Member for Harborough and the hon. Member for Enfield, Southgate back a few years. As they will observe, there has been a huge growth in the use of suspended sentence orders by the courts since their introduction in April 2005. However, I am sorry to say that there will be no equivalent drop in the use of immediate custodial sentences. I conclude that whatever changes were intended in April 2005, suspended sentence orders are not, in most cases, being imposed instead of sentences to immediate custody.

David Howarth (Cambridge) (LD): The Minister said that there had been no equivalent drop in immediate imprisonment, but does he not agree that in the case of summary offences there has been a drop?

Mr. Hanson: I am grateful to the hon. Gentleman for his intervention. Let us look at the figures for magistrates courts alone. The immediate custody rate remained stable, at about 4 per cent., between 2005 and 2006. However, the use of suspended sentence orders increased from just under 0.5 per cent. in 2005 to 1.7 per cent. in 2006. Some 7,081 suspended sentence orders were made in 2005, compared with 23,274 in 2006, 12,397 of which—this returns me to the point made by the hon. Member for Cambridge—were for summary offences, compared with 4,007 in 2005. According to my ready reckoning, that amounts to an increase of some 8,300 over the period, and indicates some difficulty over the way in which suspended sentence orders have operated. If we examine particular offences, we see that such orders are gaining ground at the expense of non-custodial outcomes.

In the context of people who may face a prison sentence as a result of the Bill, we should consider, in

broad terms, whether a community-based non-custodial sentence is more effective than a custodial sentence in helping to prevent reoffending in the long term. We must inevitably conclude that whatever the original motivation for the introduction of suspended sentence orders in April 2005, they are leading to greater use of custody at the expense of non-custodial outcomes. That is clear from a comparison between the figures for 2004, before the new suspended sentences were available, and the 2006 data.

Let me give two examples of summary offences that have given rise to a substantial number of suspended sentences. The first is common assault. Suspended sentence orders accounted for 7 per cent. of all sentences in 2006, compared to fewer than 2 per cent. in 2005. Over that period, community sentences and immediate custody remained stable. Fine, we may say; I very much encourage greater use of community sentences where appropriate. However—this is a key issue for us today—fines also fell by two percentage points, as did conditional discharges. That is for the offence of common assault.

3.45 pm

An equally serious offence that I know causes hon. Members a great deal of concern is drink-driving, a summary motoring offence. When I look at the 2006 figures in detail, I see that suspended sentence orders accounted for 3 per cent. of all sentences, compared with 1 per cent. in 2005; the difference, of two percentage points, is a considerable number of cases. Over this period, community sentences fell by two percentage points and immediate custody fell by one percentage point. Fines and conditional discharges on both issues remained stable.

If those involved at the time recall the debates on the Criminal Justice Act 2003, they will know that the Act, quite rightly, treats the suspended sentence order as a custodial sentence. The courts must believe that there is an offence that justifies a custodial sentence before they can give a suspended sentence. Indeed, I recall having a discussion about that issue in Committee prior to Christmas. On any reading of the situation, it is clear that something has changed, or the figures would not show that movement from community disposals to suspended sentence orders.

There have been arguments that offences coming before the courts are now more serious, thereby lifting substantial numbers of offences into the custody bracket. I do not believe that changes to the seriousness of offences have caused that. I am not aware of any evidence that would show that that has occurred and it seems very unlikely that such a change would coincide exactly with the availability of the new suspended sentence. More tellingly, the use of immediate custody for summary-only offences in the magistrates courts has been stable at around 2 per cent. for the past 10 years up to and including 2006. That argues against a change in seriousness. It seems implausible that a change in seriousness would result in offences moving from community disposals to suspended sentence orders, but not in offences moving to immediate custody. It is much more likely that, faced with a new range of sentencing options, courts have not maintained the previous custody threshold.

There may well be training issues that are important in this sphere. I know that the Magistrates Association, including in submissions in our initial hearings—they now seem like 1,000 light years ago, but they were actually in October—spoke about the need for examination of further training and support for magistrates. We should be able to look at that. Training will be important, but it boils down to the fact that courts have not maintained the previous custody threshold. It is easy to say that courts should go through a simple process where they label an offence as being on one side or the other of the custodial threshold in complete isolation from consideration of sentencing options. In practice, as every hon. Member will know, this is a grey area where a prison sentence might or might not be appropriate for an offender. With such offenders, it is hard for the courts to consider the question in isolation from the available options.

It is important that we have pre-sentence reports, which can influence a sentencing decision by suggesting whether particularly suitable community punishments are available in a particular case. I have been keen to look at strengthening that area, including through the announcement recently of an additional £40 million for probation services to look at how they can support pre-sentence reports for sentencing decisions. I hope hon. Members will recall that the £40 million was money that we were able to secure from the Treasury to help to give strength to probation areas to look at how we can influence the greater use of community penalties in our communities and our courts. Even with that extra resource, however, and taking into account the issues mentioned and the discussions we will shortly have on the strengthening of the community sentence, it is still important that the pre-sentence report can influence a sentencing decision.

Handing down a suspended sentence must, intuitively, differ from handing down an immediate custodial sentence, where the offender has no chance to avoid prison. I consider that introducing a freely available suspended sentence, which was intended to be a useful tool to the courts as an alternative to custody, has had the effect of blurring the level of the custodial threshold. We had that debate in Committee, and it was also discussed in another place. Let me be honest about this: perhaps I and my colleagues in Government could and should have foreseen that, and maybe we should have considered it when the measures were previously before the House.

I have looked at the statistics over the past two years—I have given them to the House this afternoon, and the 2005-06 figures show that the immediate custody rate has remained stable at 4 per cent. but the use of suspended sentence orders has increased by 7,000 to 23,274 over the same period—and they tell me that there is a difficulty that we need to address. I hope that the proposed legislation before us addresses it, which is why I am arguing against the suggestion from another place to remove the measures altogether.

In any event, we believe that if suspended sentences are no longer available for summary offences, courts will impose immediate custodial sentences in those cases where they are clear that they have no alternative, and in other cases they will use community disposals. I believe that if they do not have the option of passing a suspended sentence, but instead have to choose between sending somebody to prison—with all the difficulties there will be for their family, their employment, their housing and their potential drug or alcohol behaviour—or finding a suitable alternative community sentence,

magistrates and sentencers will look to use community disposals in a more productive manner. Under those circumstances, I believe that the custodial threshold is likely to revert to somewhere close to its previous level. Again, let me be honest: I might be wrong, and we might need to reflect upon this. That is why we have considered an amendment of our own to assist another place in the examination of these issues, in the event that what I have said proves not to be the case.

However, I simply put myself in the position of a magistrate or sentencer who is faced with the possibility of sending an individual to jail, rather than giving them the suspended sentence order. At a time when, admittedly, we have crowded prisons with difficult conditions, sentencers will be faced with a choice of putting somebody in prison—for, perhaps, a short period—when deep down they will know that a custodial sentence will potentially be more detrimental than a community sentence.

We plan to increase discussion on these matters shortly, and to promote the use of community sentences. There are a number of available options to help support the greater use of community sentencing. With proper support from probation, greater help with pre-sentence reports and effective focus on what works for the individual to help prevent reoffending, a sentencer choosing between a marginal custody threshold and a community sentence would rather give the individual concerned the benefit of the doubt by giving them a strong community sentence aimed at dealing with their offending behaviour.

There is unanimity between the major parties on this; the hon. and learned Member for Harborough has shared my views on the matter. We need to look at what works in preventing reoffending. In the circumstances under discussion, the sentencer examining the options is not going to be able to use the suspended sentence order, and the choice between custodial sentence and community sentence has very real consequences for the future reoffending rate of the individual before the court, because short custodial sentences ultimately lead to a greater reoffending rate than short community sentences. There is a clear correlation. I know the hon. and learned Gentleman supports that view, as we have debated this matter on many occasions.

The fears that have been expressed in another place about raising the custody threshold will not be met with the stark reality of individuals facing a court decision and the difference between prison and a community sentence. That is my firm belief, and I am of the view that if I do not restore clause 10 to the Bill as proposed, the courts will continue to impose suspended sentence orders where they would previously have used community orders.

The challenge for the official Opposition—I know that there is a debate on this issue with my colleagues in the Liberal Democrats—is to make the judgment, which is a very fine one, as to whether we follow the use of suspended sentence orders, as previously planned, or whether we make the change today. I hope and believe that colleagues in the Liberal Democrats will reflect carefully on this issue. I came to know the hon. Members for Somerton and Frome and for Cambridge during consideration of the Bill in Committee—I am sure that the hon. Member for Eastleigh, who is also on the Liberal Democrat Front Bench today, will reflect on these matters, too—and they have discussed this issue and pressed me, the Under-Secretary of State for Justice, my hon. Friend the Member for Liverpool, Garston (Maria Eagle), and my right hon. Friend the Secretary of State for Justice, the Lord Chancellor, to look at greater use of community sentences for short sentences.

I am of the firm view that if we delete clause 10 today, it will lead to greater use of custody sentences, rather than community sentences. Again, there is a fine judgment to be made, and we are willing to reflect on it; as the later amendments will show. However, and without wishing to pre-empt what the hon. and learned Member for Harborough and the hon. Member for Cambridge, who leads for the Liberal Democrats, will say, I believe that they have some sympathy with this point; they know that the community sentence is a positive and a difficult sentence—one that will still be difficult for the offender.

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): More difficult.

Mr. Hanson: My hon. Friend makes a very valid point. In some cases, it is more difficult for the offender, because they have to come to terms not just with their behaviour but with some of the demons that may well have driven them to it, whether they be drugs or alcohol. They may have to come to terms with doing pay-back work in the communities that they live in or perhaps with providing reparations to people whom they have worked with. There could also be a range of other options that constitute difficult sentences for them to undertake, but which may well—this is the key point, which I ask Members to bear in mind when they vote on the motion—mean that they keep their job or may keep their family together, in due course; help them get off the drugs or alcohol that caused them that difficulty in the first place; or help them to come to terms with their offending behaviour in a much more enlightened way than a short custodial prison sentence would. I say that with all due respect to my colleagues in the Prison Service, for which I am also responsible.

That is a debate that we must have across the board. Today's proposed change regarding suspended sentence orders is about whether we look at the facts—the facts are that custody remains stable and the use of community sentences and fines has dropped—and whether or not we support another place in removing this provision from the legislation.

Let me be open and honest—I always try to be honest in these matters, as you know, Mr. Deputy Speaker—and say that the proposals before the House today will, in the longer term, save 400 prison places. There are two key related issues. It is no secret in this House that the prison population has been under pressure for some weeks and months, or that we are undertaking a massive £2.5 billion building programme over the next five to six years. It is no secret that we are going to increase the number of prison places to 96,000 by 2012-13, or that we are looking at trying to support community sentences in a much more effective way. However, it is also no secret that the next few months will be challenging, and that we have predicated our projected figures for the use of prison places on the fact that clause 10 will be in the Bill, and that those 400 prison places will be saved over the next couple of years by the actions taken through clause 10.

I know that the hon. and learned Member for Harborough may well say that we should have built earlier, and that we should have done this and done that, and I know that there will be lots of arguments about those issues—

Mr. Edward Garnier (Harborough) (Con): You will probably agree with me.

4 pm

Mr. Hanson: That is for another day, dare I say it. The key point is that however we have reached where we are—this week marks the first anniversary of the Ministry of Justice—throughout the planning that we have undertaken since June last year, from the publication of this legislation, through its Commons Committee stage and its passage through another place and back into the House of Commons, there has been discussion about those 400 people who would not go to prison if this clause is in place.

May I welcome you to the Chair, Mr. Deputy Speaker? You will know that if we were to remove clause 10, 400 people who are not in prison could be in prison over the next couple of years. I believe that we will have to face that problem. We would have to build a whole prison for those additional places. We would be talking about an additional 400 places, additional costs, prison officers, support staff and a prison-building programme if we were to remove clause 10.

Irrespective of the case that I am making, the facts show that, to date, the suspended sentence order has not worked in the way in which we intended it to do, the use of custodial sentences as opposed to community sentences is more detrimental in short-term cases and an additional 400 people will be in prison as a result of the removal of this measure from the Bill. All that drives me to believe that it should be kept in the Bill, as proposed.

Let it not be said that I am somebody who will not listen on behalf of the Government, because some very valid points have been made in the debate to date—*[Interruption.]* I missed that.

Mr. David Burrowes (Enfield, Southgate) (Con): Empathy.

Mr. Hanson: I shall not say that I do not intend to listen.

I began my introduction to this group of amendments by saying that I believe that a strong case has been made and that it can be proved by the facts, the general direction of Government policy and the impact on prison places. However, I recognise that discussion has taken place in another place about the clause's impact and that both there and in Committee there was debate as to whether what I say will happen will happen. I do not base that only on what has been said in another place; I have to listen to the evidence brought forward by the magistrates courts and the Magistrates Association, which have again said that they believe that they may well up-tariff rather than down-tariff if this measure goes ahead.

I believe that I am on strong ground and that we have a good case to make, but I am also aware that doubts have been expressed as to the precise impact of the clause and I want, as far I am able, to acknowledge those concerns in a real and positive way. If hon. Members were to look at the Order Paper, they would see that in the light of those concerns, I have proposed amendments that provide for a power to suspend the amendments to section 189 of the Criminal Justice Act 2003 made by the clause; that is to say, it would restore the power to impose a suspended sentence order in summary-only cases if it should appear necessary to do so. Again, I hope that that is helpful.

If I did decide to bring forward an order in circumstances that allowed me to impose suspended sentence orders in summary-only cases again, such an order would be made by an affirmative procedure and would also allow the clause to be reactivated in due course. I hope that the power in the Government amendments will give us the opportunity to take forward what will be a useful measure; it will test whether my contentions work and it will give the Government the power to put down an affirmative procedure and allow the clause to be reactivated in due course if that were not to prove the case. Again, I cannot envisage such a situation, but I need to reflect upon whether or not the clause would have unanticipated consequences.

The amendments that I have tabled would provide a swift response, should those unanticipated consequences arise, and would introduce the affirmative procedure, so it would not simply be a question of the Minister making a decision and hon. Members having to pray against the clause. The affirmative order-making power would allow both the removal of the suspended sentence order policy, which we have already debated, and reactivation in due course, if that were required.

The amendments are not a concession but a clarification, and I hope that they will give sufficient comfort to the hon. and learned Member for Harborough and to the hon. Members for Cambridge and for Eastleigh. In the event of the consequences predicted in Committee, we could take swift action to rectify the situation. The Government's second amendment has the same purpose and is aimed at enabling service courts to keep in step with the policy applicable in magistrates courts.

I have spoken for more than half an hour to ensure that I make the case for the original change in clause 10. I have backed my case up with figures that show that sentencing over the past three years has been as I have described. We need to examine in detail the possible consequences of removing the clause, not just for prison places—a key factor—but the impact on the 400 individuals who might be sent to prison instead of receiving a community sentence, or on reoffending.

I hope that I have also shown that we recognise the concerns expressed in the other place. We have empathised with those concerns and tabled amendments accordingly. If the action that I have outlined does not turn out to be satisfactory, the amendments will allow us to make changes. I look forward to hearing from the hon. and learned Gentleman. I hope that he reflects on what I have said and I hope that his party and the Liberal Democrats will support the amendments that I have tabled.

Mr. Garnier: The Minister is nothing if not disarming. During the course of his 36-minute speech, he told us on three occasions that he was honest—even that he was open and honest. I have never suggested—or even thought—that he was anything other than honest. It

[Mr. Garnier]

may be that the instructions he receives from his masters cause him to say things that he would prefer not to say, but I salute him for the way he performs sometimes disagreeable duties. This must be one of those difficult occasions.

It is necessary to deal with the substantive issues before us and to respond to the Government's invitation to disagree with the other place. We wish to sustain the objection to clause 10 and to retain the power of magistrates courts in summary cases to impose a suspended sentence if appropriate. It is not always appropriate to order that a defendant be given a suspended sentence. Sometimes it is more appropriate to impose an immediate custodial sentence although, on most occasions for summary offences, it is most appropriate to impose a community sentence or an even lighter sentence. I am afraid that the Government are in something of a muddle, not least because they are seeking to undo something that they put into law only with the Criminal Justice Act 2003.

If you had plenty of spare time, Mr. Deputy Speaker—and I do not think that you have—you would be able to look at the 2003 Act and see how little has remained on the statute book in the way promised by the then Home Secretary, the right hon. Member for Sheffield, Brightside (Mr. Blunkett). My memory may be defective, but I suspect that about half that legislation is either not in force any more or has never been implemented. Other parts have been amended, so the Government's approach to the 2003 Act, which was said to be the best thing since sliced bread for the courts service and the criminal justice system, has been somewhat chaotic.

Right at the end of 2005, the Government implemented the power in the 2003 Act enabling magistrates to give suspended sentences in summary-only cases. The criminal courts could not use the power until 2006, and the fact that this Bill was introduced into the House in the autumn of 2007 means that the system had been in operation for barely a year before the Minister wanted to change it.

I am not sure that I am convinced by the evidence that the Minister produced. Even if his figures are correct, I am not sure that they help his argument. It may be true that common assault cases have led to more suspended sentences in the magistrates courts, and that the numbers of fines and conditional discharges for such cases have fallen. It may also be true that the proportion of suspended sentences handed down in drink-driving cases may have risen from 1 per cent. in 2005 to 3 per cent. in 2006, but I am not at all sure that any of that helps the Minister's case.

Suspended sentences are either a useful weapon in the sentencer's armoury, or they are not. I plead guilty to being a sentencer. I have been a Crown Court recorder for the past 10 years or so, and in appropriate cases I frequently make use of suspended sentence orders. They are an especially useful weapon: the sword of Damocles hangs over the defendant, keeping him out of prison in the immediate term and allowing him to continue to support family and dependants—and, with any luck, to keep his job. One benefit of the 2003 Act was that it allowed a court to attach to the suspended sentence order requirements that are akin to those attached to community sentences. That combination is very useful, as it can act as both spur and deterrent to the defendant.

Andrew Miller (Ellesmere Port and Neston) (Lab): I have been listening carefully to the hon. and learned Gentleman. He spoke of weapons in the armoury, but does he accept that magistrates courts would benefit from having that armoury broadened?

4.15 pm

Mr. Garnier: Yes, I think I do. I am not sure which part of my remarks that intervention touches on. No doubt the hon. Gentleman will help us further later. There is a confusion in the Government's case, and I am not entirely sure whether the hon. Gentleman shares that confusion.

The suspended sentence will still be available to magistrates in either-way cases. Let us say that someone is charged with aggravated vehicle-taking—that is to say, with taking a vehicle without consent and causing criminal damage. If the value of the damage is more than £5,000—if the car is damaged to the tune of £5,001—that is an either-way matter. In that case, the magistrates can give a suspended sentence. However, if by some chance the defendant causes less than £5,000 of damage, the magistrates cannot give him a suspended sentence, although to all intents and purposes the nature of the offences and the effect of the damage on the victim are pretty much the same. An arbitrary number decides whether or not the magistrates have the power that the Government wish to take away from them.

We need to be pretty clear on that point. Suspended sentences are to be removed simply for summary-only offences; as I understand it, they are being left in place for either-way offences and for the Crown courts. Why are suspended sentences being taken away only for summary-only offences? The Government's argument was set out fairly concisely in the letter from the Minister, which I received by e-mail this afternoon—I am grateful to him for that. I would be the first to admit that the letter does not contain a single factual inaccuracy, but it does not quite deal with the whole story. The whole story began to be revealed, at least in part, towards the end of the Minister's remarks today—in about the 28th, 29th or 30th minute of his speech—when he mentioned prison figures. Of course, the basis of the Government's argument has nothing whatever to do with wanting to improve the justice system and everything to do with wanting to prevent further chaos within the prison estate.

It is very nearly a year since the Department was set up and since the new Lord Chancellor took office. Since then, there have been any number of quick fixes designed to reduce the prison population, including early release from custody under the ECL, or end of custody licence, scheme. At some stage—I cannot remember whether it was before or after the Department was set up—there was the introduction of home detention curfew, and the Criminal Justice Act 2003 introduced automatic release at the halfway point in a custodial sentence. Despite all those measures, panic or otherwise, the prison population has gone up and up. It now stands at a record. When the Government came to office, the prison population was about 61,000; it is now 82,500.

You will remember, Mr. Deputy Speaker, that when ECL was introduced at the end of June last year the Government promised that they would release 25,500 prisoners early in order to reduce the overall prison

population. I do not know how they managed it, but as a consequence of what they have done, the prison population has gone up.

We are now considering another measure, introduced in the Bill last year in spite of all the evidence from practitioners, sentencers and others who take an interest in and have knowledge of the subject, that the Government think will free 400 prison places. I am willing to make a small wager that even if the measure passes into law and magistrates are denied the power to give suspended sentences for summary-only offences the prison population will not decrease, and those 400 prison places will soon be filled by other people. I advise the House not to put much faith in the Minister's suggestion that the measure is a good idea because it will free up 400 prison places.

Mr. Hanson: The point that I am making is that whatever the rights and wrongs of the decision and whether or not it is linked to prison places, the consequence of removing clause 10, as proposed in another place and supported, I understand, by the hon. and learned Gentleman, is that those extra 400 prison places will be required in the next 12 to 18 months. That will add pressures to the prison population rather than alleviate them, whether as a deliberate policy or simply as a consequence.

Mr. Garnier: I am grateful for the Minister's intervention. It cannot be gainsaid that whatever the Government do in relation to sentencing and in attempting to relieve the overcrowding in prisons, which is at an all-time high, nothing seems to relieve the problem, and the measure will not do so, either. The Government have been hoist by their own petard. They wish to look tough in the eyes of the British public and to look capable of dealing in a hard way with those who commit crimes, but they are not. All they have done is fill the prisons, and the offending and reoffending percentage rates continue to be in the high 70s and 80s, whether those are custodial or community sentences.

In order to convince us, the Government—at the same time as removing the power of magistrates in summary cases to award suspended sentences—would have had to propose a much more robust and respectable community sentence system. They have not done so. There is no point in their dismantling one part of the system if they do not replace it with something better in the community sentence system.

It is a mistake to confuse a suspended sentence and a community sentence. The two are entirely different, although they may have certain elements in common. As the Minister has candidly, openly and honestly accepted, the suspended sentence is part of the custodial regime. It is not the equivalent of a community sentence and one should not be given a suspended sentence unless one has crossed the custody threshold.

If the Minister says that magistrates are passing sentences of suspended custody for offences which in the past would have attracted a community sentence, the answer, as he half-admitted in his remarks, is not to throw away the suspended sentence power but to improve the training of magistrates. The Government should pass fewer Bills and devote their time and energy to making existing legislation work, not least because the thing that they now seek to destroy has been in force only since 2006.

If we are not careful, we shall be able to describe the Bill as a piece of order, counter-order and disorder. In the light of the Bill, the poor old Criminal Justice Act 2003 will look even more ridiculous and abused than it is already. The Government need to be more confident in the ability of magistrates to use their discretion properly and to deliver the appropriate sentence in relation to the facts of the case, in relation to the offender, in relation to the victim and in relation to the wider needs of the public to see justice done.

Simply getting rid of the power of magistrates to award a suspended sentence in summary-only cases is not the answer; it is the result of a panic decision. Having made a bad decision, the Government do not have the self-confidence to realise that they have made a mistake and to stop. They should not reinforce failure but move on, in their new, post-Thursday listening mode. I know the Minister enjoys everything that I say, although he does not always remember it the following day. Even if the Government do not listen to what I say, I suggest with the greatest diffidence that they listen carefully to what the other place has said. They should have a think about it, rather than box themselves into a corner. At this early stage of the implementation of the 2003 Act, they should permit magistrates to continue to give, in the appropriate cases, suspended sentences of imprisonment for summary-only offences. I make that suggestion candidly, with honesty and openly. I hope that the Minister's mind is sufficiently open to listen to my helpful suggestion, which I present to him with much respect but little hope—

Maria Eagle: You are spoiling the consensus!

Mr. Garnier: If the Under-Secretary demonstrated her point by leaping to the Dispatch Box and saying, "Goodness me! I wish that I'd thought of that before. If only I had not wasted parliamentary time by trying to get clause 10 in the Bill and keep it there," we would all be much happier. However, I suspect that whether I have spoiled the consensus or not, the Minister and the Under-Secretary will be nailed to this particularly feeble tree. I rather wish that they were not.

Andrew Miller: I start by referring to the issue on which the hon. and learned Member for Harborough (Mr. Garnier) touched. Let us all be open and honest: I should say that I agree with him. He was absolutely right to say that we need greater resources for the training of magistrates. One of the things I have detected from the regular reports I get from the bench on which my wife has served for many years is the huge variability of the training and the inconsistent messages coming from the trainers. I certainly agree with the hon. and learned Gentleman that one tool at the Government's disposal is to improve the training of magistrates. It is critical that we create an environment in which the appropriate community sentences, with the proper pre-sentencing reports, can be applied. I am thinking especially of the type of cases about which many of us hear regularly in our constituencies.

Only last week, I saw a photograph of the new Mayor of London watching two young men scrubbing walls as part of a community sentence, although I cannot remember the details. If a magistrates bench determines that such a punishment is appropriate—not to humiliate, but to

[Andrew Miller]

deal with the issue of reparation, which has an influence on young people in respect of how they respond to society's penalties—then there is merit in that.

I want greater examination of the results of any studies by the House of the changes, to ensure—if the theory is correct—that we see some positive results. The issue is not simply the number of prison places, although I understand why the hon. and learned Gentleman might perceive that to be in the Government's mind. At the end of the day, our task here is to create an environment that helps in the overall campaign to reduce crime in our society. All the evidence that I have seen suggests that the extended use of community sentences has its place. It is not an appropriate tool to apply universally, but where it is applied, particularly in the case of some young people, it can have the desired effect.

4.30 pm

If I may go off at a slight tangent, the other day I came across a case involving an attempt to apply universally a community penalty by a chief constable through a response to a fixed penalty notice. I have to tell my right hon. Friend the Minister that it happened to be the chief constable in his area, who has a notorious view of some motoring offences. He was dealing with a mature gentleman who was deeply offended by the fact that for going a couple of miles an hour over the speed limit he was being treated in the same way as some young people who had been committing offences that could have had far more serious consequences. In all cases, whoever is issuing the penalty needs carefully to consider the particular circumstances around the case. As my right hon. Friend knows, I have always taken a much tougher line than the Government on drink-driving issues, and I would caution against taking what might be perceived as a more lenient approach. In some areas of the country, there has been a steady move towards winning the battle of hearts and minds over drink-driving, and we need to ensure that we are not perceived to be taking a softer line in that respect.

I have discussed reparation with a number of young people in my constituency from different parts of society, in organised youth groups and in informal environments. We can undoubtedly learn a lot more by engaging with young people about how they respond to community sentences involving a degree of reparation, and I commend that to the Government.

As for the removal of clause 10, I recognise that this debate is being conducted, on all sides, in an honest and open manner that is helpful in this area of law-making, where nobody can claim to have 100 per cent. of the answers. As my right hon. Friend explained, the sentencing statistics show an unexpectedly heavy use of the suspended sentence but no commensurate drop in the use of the immediate custodial sentence, which implies that the courts are regarding the new suspended sentence as a heavy community sentence and therefore as an attractive sentencing option. It should not be seen in those simplistic terms. We should ensure, by improving the training of our magistracy and broadening the range of tools in their armoury, that the downward pressure on crime is continued. I would urge that, with the constraints that my right hon. Friend has described, we seek to move the Bill forward with clause 10 intact.

David Howarth: This is one of those debates where nearly everyone agrees about the objectives but disagrees about how to get there. As I understand it, the objective is to ensure that magistrates use community sentences to the maximum degree appropriate and that people are not sent to prison as the consequence of breaching a suspended sentence. First, the question is whether the Government are right in their prediction of what would happen were clause 10 to be implemented. Secondly, even if they are right in predicting the direction in which the prison population goes as a result of clause 10, have they chosen the best possible way of achieving that end?

The sentencing guidelines for magistrates courts included in the Judicial Studies Board publication on this matter are very clear. Perhaps I should declare an interest; my wife is a magistrate, so I get to read such books more often than hon. Members may think. Suspending a sentence is done after a decision has been taken to impose a custodial sentence, and the process has to work in that order. If the guidelines are followed, it would not be possible for a court to do what the Minister said that it would eventually do, which is to compare the effects of a custodial sentence and a community one. According to the guidelines, courts should not do that. First, they have to decide whether the offence is so serious that only imprisonment is appropriate. Only after that can they decide whether to suspend the sentence or not.

To the extent that courts are following the guidelines, it follows that clause 10 and the abolition of the right to suspend sentences on summary conviction will have the effect of raising the rate of imprisonment. If a decision has been made to imprison and a suspension of sentence is not available, the sentence will be immediate imprisonment. The Government's case is that magistrates are not following the guidelines, or that they are changing the threshold at which they decide that people should be imprisoned as a result of the Criminal Justice Act 2003. The Government assert that if the position established by the 2003 Act, which came into force in 2005, is changed back, the situation will reverse. The question is whether that is right, and I am not entirely convinced that it is.

Consistency is an important matter for legal decision makers; they do not like doing inconsistent things. Sentences are influenced not just by the case in question, but by a sense of fairness with regard to the run of cases that have been considered. Magistrates sit for a day a fortnight and they do not consider dozens of cases per week. They look back over a large chunk of time when comparing their current decisions with previous ones. When trying to be fair about in-out decisions, and in maintaining consistency over the previous year, there is a severe risk that removal of the power to suspend prison sentences for summary cases will mean an increase in immediate imprisonment. It will not result in the change in the other direction that the Minister predicted. That is a matter of judgment and no one can be sure about the effects—the Minister is right about that—but I fear that the risk exists.

The Government have issued the Opposition with the challenge, today and in the House of Lords, to explain the figures that the Minister presented. How is it that, on summary conviction in the magistrates court, the introduction of the new suspended sentence

order has not resulted in a commensurate drop in immediate imprisonment? There are many possible explanations, and not all are excluded by the evidence before us. We are making the decision quickly, on the basis of one year's figures.

What other possible explanations exist? We have heard one, which is that the seriousness of offences has increased. That is unlikely and not the only possible explanation. Another explanation is that prosecutors are raising the level at which they charge—"up-charging" in the ugly jargon of the profession. That is possible in driving cases—for example, moving up from careless driving to more serious offences. However, we do not know whether that is the case.

Mr. Garnier: What the hon. Gentleman suggests is unlikely to be the case. Prosecutors often reduce the charge to be more sure of a guilty plea rather than go to the expense, time and trouble of a contested trial on a more serious charge.

David Howarth: As the hon. and learned Gentleman says, that happens most of the time, but we do not know whether that effect has been reversed or whether the normal pressure to do what he outlines has been lessened.

It is also possible that general public concern about violent crime has caused a change in sentencing behaviour. Recorded crime is falling—and has been falling for the past 15 years—but violent crime has not reduced commensurately. Indeed, sometimes violent crime increases—certainly anxiety about violent crime is growing.

Let me propose a third explanation, which the Government should consider. The use of the suspended sentence is concentrated on re-sentencing for community orders. What happens when an offender is given a community order, a programme to attend, unpaid work to complete and supervision to undergo but fails to fulfil the conditions? The offender returns to the magistrates court to be re-sentenced. In the past, magistrates have had little choice; they have re-sentenced with a different community order and sometimes a fine, which is difficult, but now they have the option of a suspended sentence.

If that explanation is correct, the problem is concentrated in one area and does not apply across the range in all summary cases. Magistrates may not be concentrating sufficiently closely on the tariff argument in that specific matter. When re-sentencing, a court does not pay as much attention as it does when originally sentencing on the structured approach that the Judicial Studies Board recommends. I would like the Government to consider whether that is the explanation, and if so, to examine whether their approach is right.

My other point follows from something that the hon. Member for Ellesmere Port and Neston (Andrew Miller) said about what is happening in the Crown court and the magistrates courts when sentencing for indictable offences, rather than summary-only offences. The same figures that the Minister cited on summary offences show an ever bigger increase—indeed, an enormous increase—in the use of suspended sentences in magistrates courts for indictable offences from 2005-06. Such cases are not ones for which suspended sentences were previously unavailable. The explanation is not that courts are using a sentence that they could not use before—they could—but there has been an enormous increase, of three to four times. There has been an even bigger proportional increase—indeed, a massive increase—in the use of suspended sentences on indictment in the Crown court. In the Crown court, that increase has come at the expense of community orders, whereas in the magistrates courts, it has come at the expense of fines.

4.45 pm

The explanation for what is happening cannot have anything to do with the availability of suspension, so it must be about something else. One possibility is to do with the new form of the suspended sentence order that was introduced under the Criminal Justice Act 2003. The 2003 Act allowed far more flexibility to order something else in addition to a suspended sentence, which was agreed on all sides to be a good thing. The whole panoply of sentencing options that a court has under a community order—the supervision, work, curfews, restrictions and so on—are, under the 2003 Act, also available to a court on a suspended sentence.

The Government might have created too attractive a sentencing option. Courts say to themselves, "This is a good thing that we haven't been able to do in the past on a suspended sentence"—it used to be a bare suspended sentence, with little additional action. However, under the 2003 Act, the suspended sentence, with all the other things happening, has become more attractive. In addition, a suspended sentence looks like a good way of getting an offender to do what they are supposed to do. Instead of just saying, "You've got a community order—you've got to turn up for this and that," there is also the threat of imprisonment hanging over the offender's head. That makes a suspended sentence more attractive.

That is more likely to be what is happening than simply something to do with summary offences. If that is the case, the remedy cannot just be the abolition of the power on summary offences, nor can it be to remove the power of suspension or all the other attractive options that go with it under the 2003 Act, which would be a retrograde step. The only option that covers all the ground is training and the reiteration of guidance, to ensure that judges are aware of the problem caused if they ignore the structured approach to sentencing that has been agreed by the Judicial Studies Board, under which they should use the suspended sentence order, attractive though it is, only in cases where they have decided to imprison.

There is also a strange psychological problem, in that all the other, community order-type options do not seem to go naturally with a suspended sentence, which is a sentence that says, "Go to jail." When people are in jail, they do not normally get all the other options. There is a problem with how courts are thinking about suspended sentence orders as a whole.

Another reason why the better option is guidance and training is related to the Government's policy towards the moving of the tariff. It is possible to say that the tariff has moved in the wrong direction on summary convictions and that we want to move it back—I am not too sure that it will, however—by removing the option. However, by maintaining the current position for magistrates courts sentencing on indictable offences and for Crown courts sentencing on indictment, the Government appear to be saying that it is fine in those circumstances for the change in the tariff to continue in the wrong direction. I

do not think that can be right. Magistrates courts are being sent two conflicting messages: that in summary cases the tariff has moved the wrong way, but that in indictable cases it has not. That does not make sense. For that reason, and in order to have a coherent approach to the whole problem, which has arisen because of the success of the new suspended sentence order, the only way to deal with the issue is through training and guidance.

Mr. Garnier: Is there not another way of looking at the matter? The hon. Gentleman and I have both mentioned the sensible aspect of the 2003 Act that allowed requirements to be added to the suspended sentence as though it were a community sentence, although it is not. The reason why those on suspended sentences end up going to prison is, as often as not, because they breach or fail to comply with the requirements of the probation aspect of the suspended sentence, not because they commit a further offence. However, that is also a problem with community sentences. We need to see from the Government a real earnest to ensure that those who are subject to requirements will be properly supervised and monitored. That is where the breakdown comes; it is not in the sentencing process, but in the monitoring of requirements.

David Howarth: There are always challenges in that area. One difficulty with the new suspended sentence order is that when a case comes back, when someone has not fulfilled their requirements, they are already seen as being over the threshold for imprisonment. There is then a kind of automatic idea that the next step should be imprisonment rather than a repeat order or other sentence. For all those reasons, the Government might not be right in their prediction of what will happen if clause 10 is reinstated. Even if they are right, to some extent, they are not dealing with the problem in the best possible way. Given the risk that things might go into reverse in the wrong conditions, I prefer the Lords' approach to the Minister's.

Mr. Hanson: I am grateful for our short debate, and I must respond to the point that the hon. Member for Cambridge (David Howarth) has just made. I am genuinely disappointed that he takes that view, because his colleague, the hon. Member for Somerton and Frome (Mr. Heath), said on Second Reading:

> "I welcome clause 10 on the abolition of suspended sentences for summary crimes. I understand that I differ from Conservative Front Benchers in that respect, but it seems quite wrong that suspended sentences are used in the magistrates courts as a substitute for immediate sentences of a different kind, which was certainly not the Government's intention."—[*Official Report*, 8 October 2007; Vol. 464, c. 88.]

David Howarth: I thank the Minister for giving way. This is an instance in which the new procedure, in Committee, of having a kind of Select Committee investigation before going into the Bill, has proven valuable, because it was only at that stage, when we listened to the concerns of the Magistrates Association, that we started to wonder whether the measure was wise. This is about judgment and prediction. The difference is not one of values, between the parties, but one of prediction.

Mr. Hanson: I am grateful for the hon. Gentleman's intervention. I simply felt that a wider audience was needed for the initial comments, from the Front Bench, of the hon. Member for Somerton and Frome.

Mr. Garnier: They are all listening to us now.

Mr. Hanson: Absolutely.

I remind the House that clause 10 amends section 189 of the 2003 Act so as to abolish the power of the court to suspend a custodial sentence when it is passing a sentence of imprisonment for a summary-only offence. Our contention is that since the introduction of suspended sentence orders, in 2003, the courts have been using the new suspended sentence in substantial numbers of cases in which non-custodial sentences would previously have been given. Once the option of passing such sentences for summary offences has been abolished, the courts will, by and large, revert to giving community penalties.

I accept that the other place will disagree with our view—indeed, it voted to remove the clause from the Bill on Report—but I still believe that the Government are correct in their contention. But, as I have mentioned, it is important that we create an opportunity to test the water on this matter, which is why I have tabled an amendment that will allow Ministers to reflect on what happens and to assess the contention of the Opposition, and of the hon. Member for Cambridge, that the trend in the use of suspended sentence orders will continue. If that happens, we need to have the power to make amendments accordingly.

Mr. Garnier: I can see what the Minister is trying to do, in having one more shot in relation to the lifting of the order, but why will he not accept the logic of his own suggestion and simply listen to the evidence that has gone before? Why will he not allow the suspended sentence on summary-only cases to continue for a while? That practice has only been in place since 2006, which hardly gives it enough time to be properly assessed. I would suggest that, rather than trying his reverse procedure, he should leave things as they are and let us all assess the position in a couple of years' time.

Mr. Hanson: As I said to the hon. and learned Gentleman in my opening remarks, we have had some time to assess the situation to date. That assessment shows that the immediate custody rate remains stable at 4 per cent., whereas the usage of suspended sentences increased from 0.5 per cent. in 2005 to 1.7 per cent. in 2006—an increase in actual sentences from 7,081 to 23,274. That big rise has coloured the Government's opinion on the operation of those sentences.

My contention all along has been that the evidence base is there for us to consider and that we need to take action on it. I have said to the hon. and learned Gentleman openly, honestly and candidly that the impact of the Bill not being amended in the way that I am seeking to do today would involve an additional 400 places. I remind him, if I need to do so, that that is the equivalent of a small prison and would involve considerable expenditure and staffing costs, at a time when there are prison pressures that are being considered and examined.

The hon. and learned Gentleman mentioned the 2003 Act, and I should like to point out that 92 per cent. of the 329 substantive sections of the Act are now either wholly or partly enforced. So, while I am amending the 2003 Act through clause 10 of the Bill, this is not the widespread massacre that he initially suggested. We are doing this having considered the number of suspended sentence orders passed and the impact of the original

proposals from 2003 on prison population issues, yes, and on the individuals concerned, who might well face prison rather than an alternative sentence. The honest debate that we have had today relates to up-tariffing.

The Earl of Onslow has said that there could be an explanation of the use of suspended sentences, in that there was an increase in the seriousness of the mix of cases before magistrates courts. I am not aware of that, and I do not believe it to be the case. It seems implausible to me that any such increase in seriousness would coincide solely with the availability of the new order. In my consideration, the new order is the key to this deliberation. As I have said, however, I am willing to consider reviewing this matter if the pressures prove to be wrong.

In support of clause 10, I pray in aid not only the original Second Reading speech by the hon. Member for Somerton and Frome but the chief executive of the National Association for the Care and Resettlement of Offenders, Paul Cavadino, who has said that

"restricting suspended sentences to more serious offences should help to avoid the 'boomerang' effect of these sentences which is boosting the prison population."

There are, without a shadow of a doubt, challenges with the prison population, but our prime focus today is to make more effective use of the sentencing options by removing this measure from magistrates courts.

My hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller), whom I thank for his contribution, spoke on a range of issues in support of the community sentence. He also mentioned the question of training, and of support for magistrates to help them understand the sentences more fully. There is merit in that suggestion, but I am sure my hon. Friend will recognise that the Sentencing Guidelines Council already sets out clear guidelines on custodial thresholds, and it would be a vast job to train a large number of men and women from the magistracy to take that matter forward. I am happy to look further into that, but our clear objective is to get this legislation through, monitor its progress and allow the Government to have the mechanisms they wish. If the case put by the hon. Member for Cambridge, the hon. and learned Member for Harborough and the other place comes to pass, the Government can review the matter in due course.

With that, I commend the Government's position to the House.

Question put, That this House disagrees with the Lords in the said amendment:—

The House proceeded to a Division.

Mr. Deputy Speaker (Sir Alan Haselhurst): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 282, Noes 216.

Division No. 166] **[5 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lazarowicz, Mark
Lepper, David
Levitt, Tom

Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morari, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Siobhain McDonagh and Ms Diana R. Johnson

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark

Öpik, Lembit
Osborne, Mr. George
Paice, Mr. James
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Nick Hurd and James Duddridge

Question accordingly agreed to.

It being more than one and a half hours after the commencement of proceedings on consideration of Lords amendments, MR. DEPUTY SPEAKER *put forthwith the Questions necessary for the disposal of the business to be concluded at that hour, pursuant to Order [this day].*

Government amendment (a) to the words so restored to the Bill agreed to.

Lords amendment No. 301 disagreed to.

Government amendment (a) to the words so restored to the Bill agreed to.

Lords amendment No. 327 disagreed to.

Government amendment (a) to the words so restored to the Bill agreed to.

Clause 105

EXTENSION OF POWERS OF NON-LEGAL STAFF

Lords amendment: No. 86

Motion made, and Question put, That this House disagrees with the Lords in the said amendment.—*[Mr. Hanson.]*

The House divided: Ayes 288, Noes 217.

Division No. 167] **[5.18 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Kevan
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane

Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Siobhain McDonagh and Ms Diana R. Johnson

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick

Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Matthew
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Viggers, Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Amendment (a) in lieu of Lords amendment No. 86 agreed to.

Amendment (a) to Lords amendment No. 88 agreed to.

Lords amendment No. 88, as amended, agreed to.

Amendment (a) to Lords amendment No. 89 agreed to.

Lords amendment No. 89, as amended, agreed to.

Lords amendments Nos. 87, 90 and 91 agreed to.

Schedule 26

HATRED ON THE GROUNDS OF SEXUAL ORIENTATION

Lords amendment: No. 285.

5.30 pm

Maria Eagle: I beg to move, That this House disagrees with the Lords in the said amendment.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to take amendments (a) to (c) in lieu thereof.

Maria Eagle: The question before us is an important one. The purpose of the offence that we are considering is to protect a group that is targeted for hatred, abuse and even worse, merely on grounds of sexuality. But we also need to protect freedom of speech—as we have made clear from the beginning of the passage of this Bill—where that does not threaten safety and public order. That balance was much in our minds as the Bill was drafted. Before the offence was drafted, I consulted representatives of a wide range of interests on all sides of the argument, and encountered many passionately held views.

The balance between protection from the incitement to hatred for a particular group of people and the protection of freedom of speech was in our minds as we drafted the offence, and has been a constant theme in our consideration of the Bill over these long months. Those who have participated in debates or read *Hansard* will be able to confirm that.

We debated thoroughly the question of freedom of expression before we sent these offences to the other place for consideration. Across the Chamber, we agreed that we should seek to limit freedom of expression only where this was necessary and proportionate to the aim of public safety and public order. The House concluded that there were substantial safeguards in the system to ensure that the offence as drafted did not overstep the mark and that we had got the balance about right. Not every hon. Member agrees, and those who do not will get their say, but votes of the House have indicated that that was the collective view.

Since then, the Joint Committee on Human Rights and the Equality and Human Rights Commission have both given a view, and they agree that we have got the balance about right.

Andrew Selous (South-West Bedfordshire) (Con): We all agree that no one should be abused for their lifestyle, but the Minister keeps mentioning balance. An elderly pensioner couple, a bishop of the Church of England, a Roman Catholic archbishop, a leading Muslim figure and a leading author have been investigated by the police, and when that happens people worry about the nature of our society. We must maintain that essential freedom of speech while avoiding the harm and upset that neither she nor I wants to see.

Maria Eagle: I agree about the need to strike an appropriate balance. I began my remarks by saying that there was general agreement across the House about the need to get the balance between these difficult issues right. The hon. Gentleman refers to incidents involving public order offences with a threshold much lower than what we are considering today. I shall deal with the differences between those thresholds later in my remarks, so I hope that he will bear with me. I shall keep his comments in mind, and I want to reassure Members of this and the other place that the Government want to get the balance right.

I believe that we are more or less there. I shall deal specifically with the question of thresholds, as the threshold for the offence proposed in the Bill is higher than the thresholds for the public order offences that have been examined by investigating officers. It is important to note that the thresholds for the latter are much lower, but I shall set out the Government's position in a bid to be as helpful as possible in reassuring those who have concerns.

[Maria Eagle]

The Government have said repeatedly that we believe that no additional wording is necessary to safeguard free speech. We have listened to other opinions, and I have consulted. We have tried to take all that into account in the drafting of the provision. We do not want to include in the offence anything that is unnecessary, as that would not make the offence any clearer. Instead, the proposed wording would introduce confusion, which we should avoid in respect of an offence of this sort.

Amendments (a) to (c) are likely to generate confusion. As a public authority, the Attorney-General is already bound by the Human Rights Act 1998 to have regard to the convention on human rights when considering whether to give her consent to a prosecution, so to put on the face of the Bill another requirement that she should do so would be to repeat something that she has to do already. It could also give rise to difficulties with statutory interpretation: when the courts or others look at the legislation, they will ask why Parliament inserted a provision that was already implicit in it. For those reasons, I have concerns about accepting amendments (a) to (c); they do not add anything substantive to the Bill.

I know, however, that those who tabled the amendments are looking to reassure people. My hope is that we can do the same in a slightly different way that does not cause the legal issues or problems with statutory interpretation that the formulations chosen for amendments (a) to (c) do.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): The cases cited by my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) did not reach the Attorney-General. They did not come under her discretion, and the convention on human rights did not apply, as they were dealt with at a much lower level, by the police. One reason to put something explicit on the face of the Bill is to ensure that the need to have regard for religious freedom and freedom of conscience is taken into account at all levels.

Maria Eagle: I understand what the right hon. Lady says, but I am not one who thinks that putting things that are otiose on to the face of a Bill necessarily adds to its clarity. There are better ways of achieving the same end, and I hope that she will agree that what I am about to suggest in that regard will do the job. We all want people to be reassured, and the offence must be as clear as it can be. In addition, we all want the people obliged to investigate incidents and to decide whether they should be prosecuted to be absolutely clear about where the threshold is and what behaviour is caught by the offence.

In other words, I do not believe that the safeguards proposed in the amendments would help the police and those others at the lower levels to whom the right hon. Member for Maidstone and The Weald (Miss Widdecombe) referred to interpret and use the offence appropriately. In fact, they add cause for confusion about an offence that we have from the beginning tried to make as clear as possible, and that is, as currently drafted, very clear.

We have looked carefully at some of the examples cited in which the police have allegedly been over-zealous in investigating incidents; the hon. Member for South-West Bedfordshire (Andrew Selous) and the right hon. Member for Maidstone and The Weald (Miss Widdecombe) referred to some of them. I think that we would all agree that those cases involve a delicate balance, and the police need to act sensitively and proportionately. That is a matter for training, guidance and awareness, rather than a matter of putting words in the Bill that do not make the offence clearer.

Sir Patrick Cormack (South Staffordshire) (Con): The hon. Lady is trying to deal with the issue moderately and reasonably, and we are grateful for that, but would it not give a little extra reassurance and confidence if people lower down the food chain, if I might put it that way, were prohibited from taking the initiative and taking the sort of actions that can destroy a life? The people cited by my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) experienced great distress. It is not impossible to envisage people being driven to the end of their tether by that sort of thing. All that we ask is that we try to prevent by anticipating.

Maria Eagle: I understand the hon. Gentleman's point, and I understand the concerns that those who are investigated by the police for any offence may have, and the impact that such investigation can have on their day-to-day lives and reputations. I do not believe that we will solve the problem by putting in the Bill a requirement, in terms, that the Attorney-General consider particular issues, when it is implicit that she has to consider them anyway. That does not go directly to the heart of the issue, which is the understanding or otherwise of those who are responsible for investigating offences. However, I believe that we can take actions that would address the issue.

Mr. Garnier: I fully accept the Minister's point that the Attorney-General is, by implication, required to take into account the matters that I set out in my amendment (c), but the Bill will be read not only by the Attorney-General, but by chief officers of police, who will instruct subordinate officers on how to approach the issue. I accept that the issue is very delicate, but the greater the clarity in the Bill, the greater the clarity of the guidance that senior officers will give to inspectors, sergeants and police constables.

Maria Eagle: I agree that clarity is tremendously important, but I do not agree that the hon. and learned Gentleman's amendment, or the Liberal Democrat amendment (a) for that matter, would provide that clarity; I think that they would do the opposite. Let me suggest how we might move forward with what ought to be a more targeted way of dealing with the concerns that hon. Members raise. First, some of the incidents mentioned by the hon. Member for South-West Bedfordshire and the right hon. Member for Maidstone and The Weald were investigated under current public order legislation, which deals with

"threatening, abusive or insulting words or behaviour".

That is a much lower threshold than the one we suggest for the offence that we are considering. The wording of our proposed offence follows that of the religious hatred offence, which is committed when someone uses

words or behaviour that are threatening and intended to stir up hatred. That is a much higher threshold, and that is an important difference to bear in mind when considering the issues. That threshold allows much less room for subjective judgment than, say, the phrase, "abusive or insulting words".

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I agree that the threshold for the offence that we are considering is much higher, and appropriately so, but I hope that the Minister will say how she will deal with the fact that clearly there is either too low a threshold, or prosecution is too readily used, in cases that come under sections 4A and 5 of the Public Order Act 1986. I share the concerns that Conservative Members have raised, although I have a different perspective on the matter. Will there be new guidance?

Maria Eagle: I am doing my best to come on to what I propose, but I keep giving way to Opposition Members—and I will continue to do so, if they wish me to. The hon. Gentleman has to give me a little more leeway, so that I can get on to the safeguard that I am proposing. I just wanted to make the point that we are not talking about an equality of threshold; there is a much higher threshold for the proposed offence than there is in respect of the public order offences that gave rise to some of the examples that caused concern. It is important that we bear that in mind.

It is a high threshold that we have adopted because we understand the concerns that we have heard about freedom of expression. We recognise the importance of defending freedom of expression and we want, therefore, to be as clear as possible about what the offence will cover and what it will not cover. I cannot think of words or behaviour that are threatening and intended to stir up hatred that should be regarded as acceptable for freedom of expression reasons. Some in the Chamber may be able to think of examples, but the threshold is very high.

5.45 pm

Amendment (b) deals with guidance. I said in the House on Report that we intend to issue guidance about the offence, which we hope will be useful for all criminal justice agencies and for all those who seek to implement and use the legislation. The guidance will also be available to the public.

We understand from the Crown Prosecution Service that it intends to issue guidance to prosecutors on commencement of the new offences by way of a policy bulletin and legal guidance. Legal guidance provides prosecutors with an online source of information on legislation and policy on a range of legal issues, and is accessible to the public on the CPS website. That ought to be available to anybody who might feel concerned about the way in which the offence would work and the way in which the CPS would enforce the provisions once they are on the statute book, should they get there.

In addition, the CPS published its refreshed policy statement and guidance for prosecuting cases of homophobic or transphobic hate crime on 27 November. The policy statement explains the way in which the CPS deals with cases with a homophobic element. That covers crimes with a homophobic motivation, rather than incitement to hatred, but it is useful guidance in this context.

We have also spoken to the police, who intend to issue guidance as part of the updating and revision of the Association of Chief Police Officers hate crime manual. Currently, that deals only with crime that has a hate motivation, but it is intended to expand that to deal with crimes of incitement to hatred. I believe, and the right hon. Member for Maidstone and The Weald may agree or she may not—she will have her chance to do one or the other later—that that is much more likely to be read by the typical bobby on the beat who might be investigating such complaints, and it is probably a much better level at which to pitch the promotion of understanding of the offence, what it means, what the threshold is, what is allowed and what is not allowed.

Neither we nor the Attorney-General will give operational guidance to the police. It would be inappropriate for us to do so, but our guidance will cover the purpose and need for the offence as we have described them during the Bill's passage through the House. On the important issue of freedom of speech, the guidance will also cover the need to ensure the balance between the convention rights and protecting targeted groups from hatred. We expect to issue such guidance to coincide with the coming into force of the new legislation.

It will be for the police to offer operational guidance on the matters that they will face in dealing with the offence. The CPS gives operational advice to prosecutors, and the police and other criminal justice agencies will take this into account when they are investigating crimes. Any advice must take into account the European convention on human rights, because both the CPS and the police are bound by the Human Rights Act to act compatibly with those rights.

I know the House is keen to find a way through on the issue across all parties, and I am keen to do so, too. The Government are, therefore, ready to table an amendment when the Bill returns to the other place tomorrow afternoon that places on a statutory footing a duty on the Secretary of State to issue the guidance to which I referred. As I said, the guidance will cover the purpose and construction of the offence, what it covers and what it does not cover. We will ensure that the guidance is properly publicised to all interested parties.

In conclusion, we have a clearly defined offence that would bite only on words or behaviour that is both threatening and intended to incite hatred against gay and lesbian people because of their sexuality. We do not believe that it needs further embellishment to protect freedom of speech. The real protection in the offence is the very high threshold required to make it out, in conjunction with clear guidance and understandable—

Dr. Evan Harris: I am not concerned about the need to issue guidance on the legislation because it is narrow and the threshold is high. Before she concludes, however, can the Minister give reassurance about whether there would be new guidance, with or without a duty to do so, on the conduct of potential prosecutions or investigations relating to sections 4A and 5? With respect to unnecessary arrests or investigations by the police, the mischief is in that area. The hon. Lady has not said whether she can do anything to prevent that from happening again.

Maria Eagle: I can give the hon. Gentleman the assurance that I will be happy to talk to the law officers about that. Today I am concerned with giving assurances about the offence that we are discussing. When hon. Members raise concerns about any offence not working properly or not being investigated according to how it is generally believed it should be, an issue is raised about whether existing guidance should be changed. I will be happy to get back to the hon. Gentleman about that point.

To conclude, I should say that we are ready to provide for statutory guidance to try to provide reassurance, and to introduce a Government amendment to that end. On that basis, I invite the House to disagree with the Lords amendments and reject amendments (a) to (c), because of the additional problems that accepting them would cause in respect of statutory interpretation of the role of the Attorney-General's office.

Nick Herbert (Arundel and South Downs) (Con): I am grateful to the Minister for how she has explained the Government's position on the Lords amendment. However, I am afraid that I cannot agree with her approach. Let me try to explain why.

Although this is a free-vote matter for my party, we on the Conservative Front Bench support the principle of this legislation. I strongly support it; we all agree that gay people can live in fear and are subject to violent attacks, and that hateful lyrics broadcast against them, for example, have no place in a civilised society. We all agree that there is a legitimate case for making sure that gay people are protected from such activities. Our difficulty has been to make sure that, in framing a criminal law, a proper balance is achieved between the desirability of outlawing such acts and ensuring that what Stonewall, whose work on promoting this legislation I commend, has described as "temperate comment" is not outlawed.

Although it is true that the clause is rightly limited to intentional acts and threatening words and that merely abusive or insulting words are excluded, the real concern is that there have been many examples of clumsy policing and of arrests in relation to other, similar legislation. That gives rise to greater concern in this House that this legislation may be abused. A related concern is that there may be a chilling effect and that people may feel constrained about what they say.

Maria Eagle: Does the hon. Gentleman accept that what he has described relates to offences that have a much lower threshold and that the high threshold in respect of this offence is the main protection?

Nick Herbert: The concern is to ensure that the police and prosecutors have a clear understanding of the intention of the House in framing this law. One of the problems has been that in our debates until now it has not always been clear exactly what kinds of words would be outlawed. It is important that we establish such clarity in this House and that we make sure that the proper guidance goes to the police and others, so that the law is properly enforced.

If the law is not properly enforced, and if we pass a law that is abused and even results in arrests—even if no charges are brought—that law will be brought into disrepute. That would not help anybody, least of all the gay community. We all agree that we need to strike the right balance and that the right guidance needs to go to police officers to ensure that temperate comment is not caught by the legislation. In that sense, there is not an enormous amount between my party and the Government. However, we have to discuss the right way to achieve that clarity.

We tabled two amendments in lieu of the Lords amendments. They set out an approach slightly different from that taken in the House of Lords. As the Minister said, the first is to require the Attorney-General, in consenting to a prosecution, to have particular regard to freedom of expression and other articles drawn from the European convention on human rights. The second, related requirement is that guidance must be issued to chiefs of police and Crown prosecutors, drawing their attention to that requirement.

Those are hardly onerous requirements; they are perfectly reasonable safeguards to ensure that those fundamental principles of freedom of expression are considered by the relevant authorities. I did not understand the precise objection to the inclusion of the wording of those articles in the amendment. I see no legal difficulty in repeating them and in requiring the Attorney-General, in considering prosecutions, to have particular regard to them. The advantage would be that the House made plain its intention to hold free speech highly and to stipulate that free speech be properly considered before any prosecution. The Minister herself talked about issuing guidance. Why, then, does she not accept our amendment, which would require such guidance? Our difficulty is that the Minister is now talking about tabling another amendment, which we have not seen. However, our amendment is perfectly reasonable and could be considered.

In the absence of Government support for our approach, we have the approach taken by the Lords in their amendment No. 285, which is similar to that taken in a cross-party amendment tabled in this House at an earlier stage. I should say that the amendment is in no sense a wrecking amendment. The protection for free speech that it seeks would not undermine the fundamental protections to be given to gay people.

Lynne Featherstone (Hornsey and Wood Green) (LD): Does the hon. Gentleman not see that if we agreed to the Lords amendment, we would have to explain to gay people why they seem to deserve less protection than religious groups?

Nick Herbert: We need to remind ourselves that the purpose of the amendment is to say what will and will not be subject to the criminal law. The amendment does not weaken the protection for gay people, but it makes clear that the kind of temperate comment to which Stonewall referred will not be caught by the legislation.

I would rather that people did not make such comment. I do not wish to indicate to people any kind of licence to make such comment, whether it falls within the criminal law or not. However, we are not here to legislate for matters of taste; we are deciding whether comment should fall within the scope of the criminal law. All the amendment seeks to do is say that for the avoidance of doubt, criticism of sexual conduct and urging people to refrain from certain sexual conduct should not of itself be taken as threatening or intended to stir up hatred. That is a perfectly reasonable safeguard.

Maria Eagle: Does not the hon. Gentleman believe that the terms of the threshold that we have set in the proposed legislation provide that clarity? Temperate language cannot be caught by the offence; it is pretty clear that only words and behaviour that are threatening and intended to stir up hatred are caught.

6 pm

Nick Herbert: I do not see the harm in ensuring that that is clear in framing the legislation. When certain forms of abuse were discussed at the pre-legislative scrutiny stage, in Committee and in the other place, it was not clear, and in some cases Ministers would not answer, as to whether particular hateful lyrics fell within the scope of the Bill. Therefore, Parliament's intention was not clear, and that is why it is necessary for us to be absolutely clear now. The Minister did not say anything about amendment No. 285 and why it would in any way upset the protection that is being afforded.

Dr. Evan Harris: The amendment introduces confusion. It says that

"the urging of persons to refrain from"

certain sexual conduct

"shall not be taken of itself to be threatening",

but if a group of skinheads says, "Gays had better stop that activity", that is urging them to refrain, but it is also rather threatening; the implication being, stated or unstated, "Or else." The exemption would apply to urging people to refrain from certain activity rather than to being directly threatening, but in context the former can be threatening. The amendment would merely introduce confusion where there was less confusion to start with.

Nick Herbert: The hon. Gentleman is right about context, and the courts will have to have regard to that. What we are trying to establish, and to find some way of writing into the Bill, is what happens when, for instance, religious groups express in a temperate and reasonable way their hostility to the conduct of gay people, as opposed to gay people themselves. I would rather that those groups did not do so. I object to such hostility, and I wish to debate with people the grounds for such criticism. However, we should all agree that merely temperate criticism should not fall within the scope of the Bill, and the amendment seeks to clarify that it will not. Unless the Government accept a similar amendment—whether our own proposals to have regard to the importance of free speech, or this amendment or some variant of it—religious groups and others will continue to worry that they will be unable to express sincerely held views.

Miss Widdecombe: Does my hon. Friend agree that the amendment that has been sent to us from another place addresses the concerns expressed by the hon. Member for Oxford, West and Abingdon (Dr. Harris)? It clearly states that

"urging persons to refrain from...such conduct...shall not be taken of itself to be threatening".

In other words, it makes it explicit that context is what matters, and that urging somebody to refrain—as, say, a cleric might—would not "of itself" be an offence. The hon. Gentleman's point is well covered by the amendment.

Nick Herbert: My right hon. Friend is exactly right. That is why the amendment is helpful, not unhelpful, and would offer the reassurance that is sought.

We should remind ourselves that the Bill by no means commands universal support in the country or, indeed, among gay people. Some object to it in its entirety, believing that it amounts to an unnecessary restraint on free speech. I do not agree. There is a place for properly drafted legislation to extend this protection, but it is important that it is clear.

David Howarth: I agree with the hon. Gentleman about temperate and moderate language, but the problem is that that phrase does not appear anywhere in the amendment sent to us by the Lords. It would allow any sort of language to be used in such circumstances. All the work is being done by the phrase, "of itself". Can he explain in what walk of life or in what circumstances words are used without a context?

Nick Herbert: Surely the point is that "of itself" is exactly the safeguard that my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) suggested. It would not allow any words to be used—it simply says that those words alone could not amount to the commission of a criminal offence. Yes, indeed, they would have to be considered in context. That is why I cannot understand what the objections to the amendment are. I repeat that it is not a wrecking amendment—it proposes a perfectly sensible approach. The alternative approach is contained in the amendments tabled by us and by the hon. Member for Cambridge (David Howarth), which would have a similar effect. I suspect that there is less disagreement between us on this matter than it might appear.

I hope that the Government will say more about the guidance that they intend to bring forward. Should the House disagree to the Lords amendment, this matter will go back to the other place tomorrow, so there is very little time for it to hear more about that guidance. The more that the Government can say about the precise scope of the legislation and the kinds of words that they intend to be outlawed, the more they will be able to reassure people about its scope. That is what they need to do.

Mr. David Drew (Stroud) (Lab/Co-op): I am genuinely confused. I can see that the hon. Gentleman is opposing the Lords amendment as it stands and has tabled his own amendments, but is he saying that he is willing to negotiate via what the House of Lords does if and when the Government put their amendment back to it tomorrow? Is not that the best way forward? It would of course be useful if we saw what the Government intend to say, but I wonder if that is the best strategy to take forward instead of outright opposition.

Nick Herbert: It will be a matter for the other place as to what it does, and it will have to decide on that tomorrow. We have not seen what the Government intend to bring forward. My name and that of my hon. Friends has been added to that of the Justice Secretary in relation to disagreeing to the Lords amendment because we wish to table our own amendments. If the Government will not accept our amendments, my view is that we should agree to the Lords amendment, and it

[Nick Herbert]

will then be for the Government to persuade the Lords that it is wrong and to say more about the guidance that they have pledged to bring forward.

We must strike the right balance. I am persuaded that this protection is necessary, and I believe that we are now very close to securing it. However, I want the Government to take on board the fact that concern remains about the inadequacy of guidance and uncertainty in the law. I think that the Minister accepts that, because otherwise she would not have suggested that she was going to come forward with guidance. Until we have seen that, it is necessary to support the Lords amendment and, while it will be a free vote, that is what I personally will do.

David Howarth: I agree with the hon. Member for Arundel and South Downs (Nick Herbert) that this is a vital measure, not only for symbolic reasons but for reasons to do with individual people's lives. Homophobic hatred creates an atmosphere in which far too frequently the result is terrible violence against people simply because of their sexuality—and sometimes because of their apparent sexuality. We are therefore dealing with an immensely important matter.

I agree with the Minister, however, that the starting point for the discussion is the narrowness of the offence itself. The way in which the offence has been defined means that the only words that count are those that threaten or which are intended to stir up hatred, so there is already substantial protection in the drafting. That is not the case for racial hatred, where those conditions do not apply. However, there is still the problem of absurd police investigations, and some people may feel that their right to express a view in a moderate and temperate way has been interfered with by existing law. Let us not forget that the examples we have considered occurred not under the Bill but under existing public order legislation.

The question is how to deal with the problem. It is apparent from the debate so far that there are three different ways of doing so. We need to consider which of those ways, or which combination, to adopt. One is the Lords amendment, the second is guidance and the third is the procedural safeguards of the sort put forward by us and the Conservatives.

Andrew Selous: Is there not a slight flaw in the hon. Gentleman's argument? Does it not come down to the issue of in whose mind there is an intention to cause threatening behaviour—the person who feels offended or the person speaking? That has been dealt with in different ways in the past.

David Howarth: For this criminal offence, the intention has to be in the mind of the offender because that is where intentions in criminal law generally have to be. That has been an issue in previous debates on other matters, but not with regard to this particular offence in the Bill. There is a serious problem with the drafting of the first way proposed to deal with the problem: the Lords amendment.

Mr. Alan Beith (Berwick-upon-Tweed) (LD): Before my hon. Friend leaves that point, I want to explore with him the issue of immoderate or intemperate language. There is scope for some division of view on, for example, someone who from a religious standpoint argues strongly, using emotive language, that he believes homosexuality to be sinful and likely to result in some form of divine punishment, which might be seen as threatening. I think my hon. Friend and I are at one in what we want to achieve, but is he satisfied that references to moderate or intemperate language—given that he suggested a moment ago that it might have been better to include them in the Bill—will not exclude strongly felt views expressed with no kind of intention to pose a definite threat, still less to instil hatred?

David Howarth: If my right hon. Friend waits for a minute, he will see that I do not think that dealing with the problem by talking about what language is acceptable will ever work. Substantive control, as opposed to procedural control, has fundamental flaws, which is why the Conservatives are in a contradictory position. They are putting forward two contradictory ways of dealing with the problem.

To return to the point made by the hon. Member for Arundel and South Downs (Nick Herbert), one of the problems with the Lords amendment is the statement "for the avoidance of doubt".

I do not think there is much doubt about what the provisions mean. Including a provision with the words "for the avoidance of doubt" automatically suggests that there is something to be doubtful about. In the past, such provisions have been inserted in legislation when the courts have said things that are contradictory or unclear. Parliament then says, "For the avoidance of doubt, this interpretation is the correct one." There is not yet any court interpretation of the legislation for there to be any doubt about because it has not been passed yet.

The second problem with the Lords amendment are the words "of itself"—as if words can ever float free of context. Words are always used in context, and it is the context that tells us what is going on. Among the Conservatives, there seems to be a naive belief in an abstract notion of language, whereby words have their own existence outside of human beings, human minds or human forms of life. There is no such thing as a context-free sentence—it makes no sense. Every time the Conservatives try to explain how their provision would work, they run into that problem.

6.15 pm

The third problem with the Lords amendment relates to context and how people use words. Urging someone to refrain from particular sexual conduct sounds okay, but it can easily become a code or euphemism for something that, in context, really is threatening. We have seen that in, for example, the way the British National party used religion as an indirect way of attacking people on the basis of race. Society never stands still, and the meanings of words never stand still. Contexts change and words that might appear at one stage to be innocent will not be so at a later stage. The provisions are dangerous, and the problem lies in attempting to solve the problem by saying that there are some permitted words and some unpermitted ones. Such an approach will always run into the problem that words do not have abstract meanings; they have meanings only in social contexts.

The second way we have been offered to solve the problem is through guidance. The Minister offers us, through the Crown Prosecution Service, guidance to prosecutors on how the provisions should be used. That is not an inconsiderable offer, but it would be even better if the duty to provide guidance were included in the Bill.

Maria Eagle: The CPS will provide guidance in any event. What I am offering the House—I apologise for not having the wording—is statutory guidance from the Secretary of State for everyone in addition to the other guidance that has been produced.

David Howarth: I thank the Minister for that. In a different context, I remember a long debate—about half a day—during consideration of the Companies Bill of what the meaning of "statutory guidance" was. There are two sorts of statutory guidance: when the power to issue guidance comes from a statute, and when there is a duty to issue guidance and it has some sort of legal force. I am interested in the Minister's offer, and I think that it is a way forward, but I need to see the detail. If the guidance lacks legal force, that is a problem.

The third method of dealing with the problem is procedural. Our amendment (a) and the subsequent Conservative amendments (b) and (c) propose to deal with the problem in that way. Ours would require the prosecution authorities—at the moment, the Attorney-General, but I hope that under the constitutional renewal Bill many Attorney-General powers will be transferred to the Director of Public Prosecutions because these should not be political matters—to

"have particular regard to the importance of the right to freedom of expression provided by the European Convention on Human Rights"

in deciding whether a prosecution should proceed. That is in addition to the guidance, and it is an attempt to create a trickle-down effect. It says that the prosecuting authorities must take a firm view on freedom of expression, which should eventually reach down to the level of the police.

The Under-Secretary said that that sort of thing has no effect, but it does. First, it has a possible administrative effect by diverting the authorities' attention in a specific direction. Secondly, it has a legal effect because it provides a hook—perhaps not a strong hook, but stronger now, given what happened in the BAE case—for some form of judicial review. If there is no effect, the Government should explain why the Human Rights Act 1998 includes a similar provision on the balance between freedom of expression and privacy. That provision was included on behalf of the press, but it is a suitable model for protecting people who are not the press. I therefore believe that the procedural way forward provides a better balance. If the opportunity arises for a vote on the amendment, I request that one be held.

Amendment (c) would work in a similar way, although I do not believe it is as good. It lists many human rights—

Mr. Garnier: As does the convention.

David Howarth: Absolutely. However, the problem is that the amendment mysteriously misses out some rights. We want to concentrate on the right to free expression. If one lists many rights, the question arises why they are not all listed. The one that is missing is the right to life. Dealing with homophobic hatred means protecting some people's lives. If rights are to be listed, one may as well include those that are important from the victim's point of view.

It is odd that, although the amendment lists the rights in exactly the same terms as they appear in the Human Rights Act and the European convention on human rights, it cannot bring itself to specify their source. Perhaps I am making more of a political point than a serious point for today, but it is peculiar and perhaps emblematic that the Conservatives can use in an amendment the terms of several human rights, but cannot bring themselves to mention the words "Europe" or "human" in doing that. Nevertheless, that amendment's approach is correct—the procedural approach is the best.

Mr. Garnier: I was muttering because I was dismayed at the poverty of the hon. Gentleman's argument, which surprises me. His amendment (a) and my amendment (c) try to achieve the same outcome. I would not have thought that he needed to waste much time making offensive remarks when our amendments are designed to achieve the same purpose. We need to be concerned about why the Government find neither our nor his approach appropriate.

David Howarth: I accept that point. Amendments (a) and (c) try to deal with the problem seriously and they require a serious response from the Government. I do not believe that the Government's answer—on the one hand, the approach is unnecessary; on the other, it would have no effect—is convincing.

The necessity derives from the need to tackle the problem of the absurd investigations. There is also an effect—it may not be as great as some people wish, but it is a definite effect. The choice for the House in tackling the problem of balance is the substantive words approach, but I do not believe that that works; or the guidance alone approach, which is not yet sufficient, although it has a certain promise, especially when the detail is produced; or the procedural approach. I am a little confused by the Conservative party's stance, which appears to favour the substantive approach on the one hand and the procedural route on the other. The Conservatives must decide between the two. Nevertheless, I hope that hon. Members will find an acceptable way forward that is also acceptable to the House of Lords.

Sir Patrick Cormack: I always find such debates difficult because whenever the House of Commons tries to quantify or qualify free speech, it moves in a dangerous direction.

I yield to no one in my abhorrence of acts of hatred and crimes committed against individuals for their beliefs or practices—whatever those beliefs or practices, so long as they are legal. Homosexual conduct is rightly not stigmatised as criminal any more. Nevertheless, some people, particularly in the Christian Churches but also in other faiths, strongly believe that that conduct—not the people—is wrong and sinful. Whatever one's personal view of those beliefs, they are sincerely held. When they are articulated, sometimes with force, vehemence and clarity, they can have the effect of inciting undesirable,

[Sir Patrick Cormack]

nasty people to do thoroughly nasty things, yet it is important that the law should not be brought to bear on those who utter the words, and do not do so because they wish to incite.

Maria Eagle: I assure the hon. Gentleman that the offence would not apply in those circumstances because the potential offender—the person who uses threatening words or behaviour—has to intend to incite hatred. The circumstances that he describes would not, therefore, be caught by the offence.

Sir Patrick Cormack: I do not for a moment impugn the Under-Secretary's good intentions and I would like to see the guidance to which she has referred. It is a pity that she could not produce it this afternoon—I do not criticise her—but if it is to be produced tomorrow in the other place, why could it not be produced this afternoon in this place?

There is the difficult matter of who is to decide what constitutes the intentions. We had a similar discussion on the low-level cases, to which my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) referred. Some people have heard rather simplistic preachers and decided that they were speaking from hatred when they were preaching from what I would call over-simplistic philosophies.

Maria Eagle: Such preachers and bishops have been investigated for offences with a much lower threshold. The public order threshold is threatening, abusive or insulting words, which is much lower than threatening words or behaviour intended to incite hatred. Does the hon. Gentleman not understand and accept that?

Sir Patrick Cormack: Yes, I understand the Under-Secretary's point, but I believe that we are considering an imperfect way of dealing with the problem. I was brought up on Voltaire's maxim:

> "I disapprove of what you say, but I will defend to the death your right to say it",

and that of Dean Swift:

> "He lash'd the vice, but spared the name".

We have moved a long way from those propositions in the Bill and in much other legislation that we have passed in recent years. I am worried lest people who do not intend to do anything other than proclaim their heartfelt beliefs fall foul of the measure. I repeat that I do not doubt the Under-Secretary's good intentions, integrity or belief that she has found a solution, but I beg leave to remain unconvinced by it.

Sammy Wilson (East Antrim) (DUP): Given the zealousness with which some police officers have pursued those who do exactly as the hon. Gentleman describes, does he not accept that, despite the guidance and the high threshold, both of which the Minister has talked about, there is a danger that prosecutions will be started? The impact of those prosecutions will be to silence people who, according to the Minister, should not be silenced and whom the law is not intended to silence.

6.30 pm

Sir Patrick Cormack: Exactly so. I completely understand and agree with the hon. Gentleman's point. I therefore remain worried. I would like to see, at the earliest possible date, the notes for guidance and to know their precise statutory effect, how they will be distributed and what seminars and other means of communication will be employed to ensure that police chiefs and those who serve under them fully understand them.

This House will be moving in an unfortunate direction if it passes legislation that can in any way inhibit a sincere individual from proclaiming his or her religious beliefs and convictions. I remain convinced that we are in danger of moving in that direction with this Bill.

Dr. Evan Harris: Can the hon. Gentleman explain why religious conviction should have a special place and why political convictions should not enjoy the same legal favours? Some really abstruse religions might look to anyone else like simple political prejudice, so if he can make that case, as I am sure he will attempt to, how would he define religion?

Sir Patrick Cormack: I accept that entirely. I am talking about mainstream religions, in particular Christianity. Of course the hon. Gentleman should have the right to articulate whatever beliefs he holds without the fear of the law, and so should I. If anybody listening to us subsequently performs a violent, nasty act, the law is adequate to deal with it. There I rest my case.

Miss Widdecombe: In addressing the issue, we need to consider the context in which provisions in the Bill for the avoidance of doubt are now perceived as necessary. If the Bill, with its high threshold, to which the Minister rightly referred, had been the only similar piece of legislation in the past five years, the concern would have been nothing like as great. However, the Bill is another measure in a raft of legislation that either has already been used or has the potential to be used to curb freedom of speech.

That is why there is concern about the additional measure and why, despite whatever the threshold in the Bill may be, we believe it necessary to include something specific. That is why I support the amendment that Lord Waddington moved in the other place, and which has been sent to us, and why I co-sponsored a similar amendment in an earlier stage of the Bill in this House.

I should like to refer briefly—you will not allow me to refer to it in any depth, Madam Deputy Speaker—to some of that previous legislation. That includes the interpretation of the Public Order Act 1986 that led to a series of incidents, which my hon. Friend the Member for South-West Bedfordshire (Andrew Selous) enumerated, that have given rise to considerable concerns about the value that we in Britain now put on free speech.

In the case of the Lancashire couple who had asked to distribute Christian literature in registry offices alongside the registry office's own literature on civil partnerships, the police visited their home and spent an hour and 20 minutes questioning them. That is the first time in this country—or at least the first such incident that has been publicised—that the police have knocked on someone's door not for something that they have done, but for an opinion that they have expressed.

The same thing happened to the children's author Lynette Burrows, who in the course of a radio interview expressed the view—in response to questioning, not gratuitously—that she did not believe that homosexual couples should be allowed to adopt. She had the police on the phone within a short time of arriving home, for an opinion that she had expressed. I shall not go into all the others, such as Iqbal Sacranie, who have also been scrutinised. However, although we are not talking about the KGB knocking on the door at dawn or people being shanghaied off to the Lubyanka, it is now an established fact that, under public order legislation, people have been visited by the police for expressing an opinion. That has raised a lot of concern in the country.

That legislation was followed in fairly short order by the sexual orientation regulations, in which, for the first time, people have been obliged to participate in activity that they do not agree with. For example, a Christian printer was obliged to print homosexual literature—he was not obliged to print abortion, hunting or any other sort of literature, but he was obliged to print that.

The concern has grown. Now that we have the current Bill, it has crescendoed. I accept what the Minister said about the threshold. If the Bill had appeared in isolation, we would not be so worried, but we cannot take it in isolation from how other legislation has been interpreted and implemented. There is now a serious concern—principally, but by no means exclusively, on the part of religious faiths—that our ability to express what we believe and to refuse to participate in activity in which we do not believe is being severely curtailed.

My hon. Friend the Member for South Staffordshire (Sir Patrick Cormack) referred to his upbringing, in which Voltaire apparently played a significant part. I grew up in a less philosophical household. Nevertheless, it was in the immediate post-war period, when people had lost life and limb, and shed blood—husbands had not come back; sons had not come back—to fight the Nazis. Yet in that very same society, Colin Jordan and Oswald Mosley were allowed to hold their rallies, because we believed in free speech.

At the height of the cold war, when we had a whole raft of weapons pointing straight at us from the Warsaw pact countries—we tend to forget that now—people were allowed to stand for Parliament as communists. They would not be elected, but they were allowed to stand. People were allowed to distribute communist literature on street corners. *[Interruption.]* For all I know, the Justice Secretary may have done so in his youth. I certainly did not do that, but we were allowed to do so if we wanted to. There was no restriction on such activity, despite the huge level of social disapproval, because of free speech.

In the days when homosexuality and abortion were unlawful, there were campaigners who wanted to change those laws, in the face of huge social disapproval. Nobody prevented them from exercising their right of free speech. Our society was different then and had a completely different set of values, but nobody prevented those people from exercising their right to campaign for a change to those laws. However, now that the laws have changed, the rights of people to object to some of those changes are being curtailed.

That is, if I may put it this way, a libertarian dictatorship. That is our concern on the Conservative Benches. We are not trying to undo the legislation or say that people should be able to be cruel or discriminatory towards somebody on the grounds of sexual orientation. We are merely saying that, in the context of recent legislation and the social way in which free speech is now being curtailed, we want the Bill to make it explicit that if someone disapproves of something or believes something to be wrong, that should not, of itself, be an offence.

The hon. Member for Cambridge (David Howarth) poured scorn on the term "of itself".

David Howarth: But what does it mean?

Miss Widdecombe: I shall tell the hon. Gentleman exactly what it means. When the police rang up Lynette Burrows, she had threatened nobody, and had caused no public disorder that I am aware of. Her opinion, of itself, was a reason for them to contact her. That is what we seek to avoid happening with this legislation. I very much hope that the House will agree with the Lords amendment and will disagree with the Government's motion, not because I dispute the importance of the threshold, but because of the context in which legislation is now being interpreted and because of the desperate need out there for reassurance.

Dr. Evan Harris: It is a privilege to listen to and follow the right hon. Member for Maidstone and The Weald (Miss Widdecombe), who speaks so clearly. I do not necessarily agree with everything that she said, but as I shall go on to say, there are some real issues of freedom of expression that we need to deal with.

I declare an interest as the president of the Liberal Democrat campaign for lesbian and gay rights, but I have to balance that role against my well-established stance on seeking freedom of expression. The balance of this legislation is important to someone such as me and to those whom I seek to represent.

I am glad that there is an increasing stirring on the Conservative Benches from Members who are concerned about freedom of expression. May I suggest that it would be more consistent and coherent if that concern extended to the issue of consenting adults viewing films and reading literature that those Members might consider to be offensive, and which others might consider to be pornographic? Conservative concerns about freedom of expression often do not extend to all free expression, and are sometimes quite censorious.

Provisions on incitement to hatred need a rational framework, and we are slowly but surely getting there. Our laws on incitement to racial hatred have a very low threshold, in that there is no requirement to intend to stir up hatred and the language can be threatening, abusive or insulting. That is a long-standing provision, and I do not propose that it should be changed. However, it is a low threshold.

At the other end of the spectrum, we need a high threshold to capture cases involving the criticism of people's opinions, whether they be political or aesthetic; I include in that religious opinions, even though they are often felt more strongly. That is why the House got things absolutely right with the narrow offence for incitement to religious hatred, which required an intention to incite hatred and was restricted to threatening language. Given that opinion is not innate and given that the Government were not offering any concessions on the matter, it was appropriate to have a freedom of speech

[Dr. Evan Harris]

saver clause, which hon. Members will remember debating and which is now on the statute book. I am pleased that there has been no plan to repeal that clause.

Sexual orientation falls somewhere in between those two ends of the spectrum. It is towards the racial hatred end, in terms of requiring protection, because it is innate and part of a shared or common humanity; it is not something that one can alter or choose. However, it perhaps requires less protection because there is a great deal of sincerely held, often religious, opinion that extends to sexual orientation that does not—generally speaking, in this country, thank goodness—extend to race. I find homophobia just as offensive as racism, but there are people who sincerely hold such views but do not intend to stir up hatred against individuals. The threshold for offences in relation to sexual orientation therefore needs to be middle-ranking.

When, on Second Reading—a long time and many clauses, new clauses and extra parts and schedules ago—I invited the Secretary of State to place the threshold close to that for incitement to religious hatred, but without the freedom of speech saver, he got it absolutely right. The Government have since then, broadly, got it right in choosing to stick with that, because the provisions in the Bill, without the Lords amendments, would exempt most religious language. That is a fact.

6.45 pm

As has been said, even the most ardent pastor who is strongly against homosexual behaviour does not intend to stir up hatred against people. That is obvious, and now that the Minister has offered guidance, it will be obvious from the guidance. On many occasions, such language will not be threatening, but fire and brimstone language can be threatening. That is why the word "threatening" alone is not sufficient to ensure that the threshold is high enough. I hope that the Government will succeed in persuading others, as they have persuaded me—or I persuaded them; whichever way around it was—that the combination I mentioned is exactly right.

I have two concerns about scope of the Bill, the first of which concerns the Government's failure to cover in the Bill what is known as transphobic hatred, because the bigots out there who do intend to stir up hatred using threatening language against gay people do not make a distinction between people with transgender or homosexual tendencies, so the mischief could exist in both those regards. The same protection should be given in both such cases, and I regret the fact the Government have not taken the opportunity to do that.

Secondly, I regret the fact that the Government's formulation does not seem to cover what I believe to be the real mischief—the liability of organisations such as the British National party to seek to equate all homosexuals, or particular homosexuals or a particular gay club, with paedophilia. I can think of nothing more inciting to, or more designed to incite, racial hatred than making that analogy, but it may not be done in threatening terms. Stonewall told me that the Government would argue in another place that that issue was covered by the existing provisions, but the Minister in the House of Lords specified that it was not. It is therefore an omission. That is a matter for regret. I do not want us to have restrictive measures, but if anything is going to cause problems, it will be in that area. That will not necessarily come from religious voices; indeed, it is far more likely to come from the odious religious right.

I do not share the concerns of the right hon. Member for Maidstone and The Weald regarding the sexual orientation regulations, as a series of measures. They are a series of progressive measures that give rights to people to escape discrimination. There is clearly an implication that people who run commercial businesses are not allowed to discriminate. I do not want to go too far into this area, and I urge the right hon. Lady not to either, but I do not accept that either those measures, or the measure that we are debating, are anything other than progressive measures that should be welcomed.

Miss Widdecombe: The hon. Gentleman calls this a progressive measure, but that is a matter of opinion. We have had a series of measures that impinge more and more on people's rights to speak and to act in accordance with their conscience.

Dr. Harris: I accept that, and that issue must be strictly controlled. If one acts as a public authority, or is in the commercial sector—we have debated this—that is a reasonable balance. I accept what the right hon. Lady says about controlling the right to object to behaviour. That might be the case; however, it is being controlled not by this measure, but by sections 4A and 5 of the Public Order Act 1986.

I am sure that my hon. Friend the Member for Cambridge (David Howarth) would accept that none of his solutions would cover the problem of the ludicrous police investigations that have been mentioned. In my constituency, we had a case in which a student—who was, I think, the worse for drink—who asked a police officer if his horse was gay, was arrested under the Public Order Act. That is preposterous. I also found it preposterous that, in Trafalgar square, at a free speech rally—which had been cleared by the police—in support of the Danish cartoonists, someone who was wearing a T-shirt with the cartoon on should be arrested under the Public Order Act because there had been a complaint that someone had been caused distress and alarm. I do not think that the police were acting in the right way. I am grateful to the Minister for offering to meet to discuss the matter, because the guidance that she is promising will not cover that area, and there is an urgent need to ensure that free speech is covered much more widely than the issues that are dealt with by this measure are covered.

We are lucky to be having this debate. It was only because of the abysmal turnout by some peers on the Government side that this amendment got through in the Lords. I cannot understand why the Government are able to get lots of their Members to turn out to vote down reasonable measures but cannot persuade them to vote on this sort of thing. It was the Government's decision to go to 11.30 pm in the House of Lords, yet they were surprised when the amendment was passed.

I do not believe that the Lords amendment should exist; I agree with the Minister entirely on that. There should not be a free speech rider; it is unnecessary and it does not give the victims of incitement to sexual orientation hatred the status that they deserve. As has been pointed out, it is unnecessary because the threshold

is high and the offence is narrow. The proposal will cause confusion, as I pointed out to the hon. Member for Arundel and South Downs (Nick Herbert). Urging persons to refrain from certain conduct might, in itself, be threatening, yet the amendment states that

"for the avoidance of doubt"

such behaviour

"shall not be taken of itself to be threatening".

That simply confuses the issue, and brings a lack of clarity. If someone were to say, "Gays had better stop doing that, or else", those words would of themselves be threatening, even without the context that my hon. Friend the Member for Cambridge thinks is so important.

Mr. Beith: The words "or else" are threatening.

Dr. Harris: But under this amendment, those words by themselves should not be taken to be threatening.

Mr. Beith: My hon. Friend has rather weakened his argument by adding the words "or else" to the words in the amendment. He thus made it into a threat, whereas the original words did not.

Dr. Harris: I know, but the amendment refers to urging persons to refrain. Certainly, when I am urged by people in authority not to do something, a consequence is often implied; that situation would be covered by the amendment and would not be considered threatening in and of itself. However, the words that I have just used are threatening, as my right hon. Friend admits. It is therefore right that we should reject the Lords amendment.

When we come to choose between amendments (a) and (c)—amendment (b) acts as a stem towards either amendment (a) or amendment (c), so I do not feel strongly about amendment (b)—it seems right that we should use the words that the Government themselves used in the Human Rights Act 1998 to provide extra cover, which some people argued was unnecessary, for the press. The Act states that the courts, when considering issues of privacy,

"must have particular regard to the Convention right to freedom of expression"

provided by the European convention on human rights. Those words are rooted in existing statute, and this issue should therefore unite those on the Opposition Benches. I hope that we will have a vote on amendment (a) and that the House will support it.

Mr. Gerald Howarth (Aldershot) (Con): I rise strongly to support my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) and my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), both of whom have made strong cases. I also want to apologise to the Minister and to my hon. Friend the Member for Arundel and South Downs (Nick Herbert) for not having been here for the bulk of my hon. Friend's speech or for that of the Minister. However, I hope that I have picked up much of the thread of the debate as we have gone along. I must also declare an interest as the churchwarden of the Royal Garrison church in Aldershot.

These are difficult issues, as my hon. Friend the Member for South Staffordshire explained. One pitfall of debating these matters is that we are always at risk of treading on sensitivities. Fortunately, the tenor of the debate this evening has done the House proud, but deeply held convictions are involved. As my right hon. Friend the Member for Maidstone and The Weald said, it is extraordinary how we have moved in a short space of time from observing centuries of established Church of England teaching to questioning that teaching. Those who previously questioned that teaching were given every right to argue their case, but those of us who now seek to defend that original teaching are regarded almost as pariahs. The House therefore needs to be extremely careful about the possibly unintended consequences of this legislation.

My right hon. Friend and my hon. Friend have both given examples of past practice. I would add to the catalogue set out by my right hon. Friend the case of the Bishop of Chester. That was a dreadful case in which the bishop had his collar felt by P.C. Plod in the form of no less than the chief constable of Cheshire. That was absolutely extraordinary and outrageous. I wrote to the bishop to support him, but I also wrote to the chief constable to tell him that he had absolutely no business interfering with the freedom of expression of a bishop.

The Minister has said that a protection is available in the legislation because the authorities will have to prove intent to stir up hatred. That will probably be okay for the bishop, and it might be just enough to spare Lynette Burrows and Sir Iqbal Sacranie. However, I fear that lesser mortals will not enjoy the sort of protection that the bishop and certain others will undoubtedly enjoy as a result of the measure that the Minister is seeking to present to the House this evening. I fear that, if a complaint were lodged against an ordinary mortal, who was perhaps slightly less careful in the way that he had phrased his remarks—and which might not have been uttered in a religious building such as a church or a church hall—the police and the authorities would have no compunction about looking over their shoulder and saying, "I'd better not feel the collar of the bishop, because I might get into trouble, but this is only a mortal soul. We will be able to deal with him with impunity."

I am afraid that the Minister has not persuaded my right hon. and hon. Friends and me that the protection that she has sought to present to the House as being sufficient will turn out to be so. It is also unfortunate that the guidance notes are not here tonight. This Government have frequently produced legislation that needs to be interpreted or supported either by statutory instruments or by some form of guidance, and it is a discourtesy to the House not to produce such guidance, especially when the Minister is partly relying on it.

It is right that we should adopt the amendment that has been proposed in the other place. I can see nothing wrong with saying "for the avoidance of doubt". After all, under our constitutional arrangements, when there is an element of doubt in the minds of the judiciary—rather than in this place—it is the duty of the courts to interpret the will of this House. That is why a procedure now exists whereby the courts can take into account remarks made from the Dispatch Box. When we are dealing with a matter as sensitive and as essential to the culture of these islands as the freedom of expression of our people, it is our duty to leave the courts in no doubt

[Mr. Gerald Howarth]

as to our intentions. The hon. Member for Cambridge (David Howarth) suggested that one of his reasons for opposing the amendment was that the courts had no need of guidance. If that were the case, there would be no harm in accepting the Lords amendment and incorporating it into the Bill, because we would then all be clear as to the position. Furthermore, the judges would be clear about it as well, because the House would have given its express view and made its intention crystal clear.

These are extremely important issues. The fact that there is not a large number of right hon. and hon. Members in the House tonight should not leave the public with the feeling that we do not care about these matters. Free speech is extremely important. I myself have taken advantage of the Bill of Rights of 1688 in the last few days, and it is extremely important that we should be able to afford the protection of free speech that we enjoy here to our fellow citizens.

7 pm

It is significant that both Matthew Parris and Iain Dale have spoken against this legislation, and the House would do well to take advantage of the offer from the other place. It may have been late at night and the Government may have sent their people home to bed early, but the result there was a sensible compromise that will assist the promotion of freedom of expression as well as protecting those whom the House wishes to protect. It is also important to send a clear message to the judges that they must err on the side of allowing freedom of speech in our country.

Mr. William Cash (Stone) (Con): I had not intended to speak in the debate until I heard the extremely powerful arguments put by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) and my hon. Friends the Members for South Staffordshire (Sir Patrick Cormack) and for Aldershot (Mr. Howarth).

A huge question about freedom of speech is at stake, and it deserves a fuller House and more careful deliberation. I listened to the hon. Member for Oxford, West and Abingdon (Dr. Harris). I have to say—I hope that he will understand my saying it—that he engaged in a degree of sophistry. He does not want anything to impinge on his crusade, but his letting slip a reference to the "odious religious right" prompted me to get to my feet. I would say that that demonstrates a degree of—

Sir Patrick Cormack: Bigotry.

Mr. Cash: Yes, I think that is fair. I see that the hon. Member for Oxford, West and Abingdon is about to rise and is probably going to deny that he said that. It seems not now, but never mind. The fact remains that he was seeking to weave his way through an extremely important Lords amendment to demonstrate that, for him, it was not just objectionable but not necessary, which is where I part company with him.

I need not say much more. I profoundly believe that where people have religious convictions and feel that they have to express views based on their belief and their assessment of the moral purpose that lies behind so many issues, they should have absolutely no inhibition whatever in expressing those views as a matter of their opinion.

Dr. Evan Harris: I have just checked the recollections of my colleagues. What I meant to say in context was the "odious extreme political right"; in fairness, however, I believe that the religious right can also be odious at times.

Mr. Cash: I rather sensed that that was the case. No doubt the hon. Gentleman, coming from Oxford, will share the same opinions as those of Richard Dawkins on religious matters. The fact remains that some people have profound beliefs, and they should be entitled to express them. Equally, freedom of speech is intrinsic to our liberties—far more so than the concatenations of the Human Rights Act 1998, which presents vast amounts of legalese to support principles that most people understand in normal parlance and by way of common sense. We have a reputation for tolerance and fair-mindedness as a country, so we do not need the Human Rights Act in order to improve something that is natural to the people of this country.

That is all I need to say. I believe profoundly in free speech and I thoroughly endorse the views expressed by Conservative Members.

Maria Eagle: We have had a wide-ranging debate in which all the relevant issues have had an airing. That is a good thing, which I certainly welcome. I am sorry that the hon. Members for Aldershot (Mr. Howarth) and for Stone (Mr. Cash) were not in their places to hear the earlier speeches, as I do not want to repeat everything I said in my opening remarks, which would bore hon. Members who were present. I hope that those two hon. Members will forgive my not going through it all again on account of their not being present to hear the earlier arguments. I do want to respond to one or two points, however.

It is quite clear from this and earlier debates that some views on this matter are irreconcilable, but it is important to note that we have tried to listen to each other's views and deal with the various points, issues and concerns raised in the debate. I welcome the general recognition across the House that gay and lesbian people should be protected from being attacked on the basis of their sexuality and from incitement to hatred. From Second Reading through the evidence-taking in Committee, the important issues about this matter were raised and generally accepted.

Mr. Gerald Howarth: I wish to raise a very important issue. Anybody who is attacked in this country requires protection. It is absolutely essential to be clear that anyone attacked—not just particular categories of people—should be protected. The Minister is in danger of suggesting that one form of attack is worse than another, whereas any attack on anybody for whatever reason is bad news.

Maria Eagle: I agree with the hon. Gentleman. I never said any such thing—that any particular group deserves more defence from attack than any other particular group. What I was trying to say is that during the passage of this Bill the House has dealt

seriously with these issues. There are, and always will be, rights that clash. We have never had total freedom of speech with absolutely no restraint on it. That has never been true.

I hear what the right hon. Member for Maidstone and The Weald (Miss Widdecombe) said and I am grateful to her for not arguing with me about the high threshold. She made some points about context. Similarly, the hon. Member for Arundel and South Downs (Nick Herbert) talked about reassurance. He argued—the hon. Member for South Staffordshire (Sir Patrick Cormack) made the same point—that those who express their views and beliefs in a temperate way should not be constrained from so doing by legislation, and I agree. It would not be possible to make out this offence with the very high threshold it has if temperate language were being used to express a view. The offence quite clearly requires words or behaviour that are "threatening or intended to stir up hatred".

Many examples of some of the ludicrous investigations referred to around the Chamber have not been brought under Bill, as it is not on the statute book yet. They were brought under various parts of public order legislation, which has much lower thresholds, such as words or behaviour "threatening, abusive or insulting", which are "intended" or "likely" to stir up hatred. All around, that threshold is much lower.

I understand the concern of many Conservative Members. I do not denigrate it. I am not as concerned about it as they are, but I nevertheless understand it because we all believe that freedom of speech is important in this country. I believe that focusing on ensuring that those who investigate crime—the police and those responsible for deciding whether charges should be brought in individual cases, namely the Crown Prosecution Service prosecutors—are those who need to be clear about what this Bill means. That also applies to the other raft of legislation that, rather than thresholds, the right hon. Member for Maidstone and The Weald said provided the context of her concerns and motivated her support for the Lords amendment.

The CPS published its refreshed policy in "Guidance on prosecuting cases of homophobic and transphobic crime" on 27 November last year, which post-dated some of the issues and cases cited by Opposition Members. It is a cautious policy that rightly encourages the police to take very early advice from the CPS in considering individual cases. Some of the examples cited were when individual police officers over-interpreted current legislation, partly perhaps because the thresholds are lower, but also perhaps because the police do not come across these cases every day. They are trying to do their job in good faith, but they have gone a bit too far.

I think it will help if the CPS tells the police that they should ask it about such matters at an early stage, and that the revising and updating of the ACPO hate crime manual will make it easier to make it clear to investigating officers at a lower level what kind of behaviour should be caught by the Public Order Act and what kind should not. However, the threshold for this offence under the Bill is very high, and in those circumstances I am not persuaded that we need the caveat sent down to us from another place.

Miss Widdecombe: According to the picture that the Minister is painting, a reasonable law exists, and a few over-zealous policemen who do not fully understand it and do not deal with it very often get into a bit of a muddle. In the Lancashire case, however, senior police officers defended those who had gone into a couple's home and questioned them for an hour and 20 minutes, and stood by that defence until the moment they were sued, at which point they gave way. That does not inspire confidence that senior police will govern the actions of junior police.

Maria Eagle: Every police force is different, and each has its pros and cons. We all know that from our constituencies in various parts of the country. I think the fact that the ACPO hate crime manual is being revised provides an opportunity to focus, laser-like, on issues of this kind, and to deal with the problem raised by Opposition Members at the point at which it will bite most.

I do not believe that most police officers are aware of what is in a particular statute, or of when the Attorney-General must consider whether a prosecution should take place. I think that they are much more likely to take note of ACPO guidance and the local CPS prosecutor if they are telephoned early enough to find out how they ought to deal with a particular set of circumstances in a particular context. I believe that we can respond to many of the concerns that have been expressed by ensuring that those who enforce the law across the criminal justice system are fully aware of what needs to be done and what the law says.

Sir Patrick Cormack: Did not the Minister's reply to my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) demonstrate that we need to make assurance doubly sure? What damage will be done to the Bill, and what violation will be done to the Minister's perfectly reasonable principles, if the amendment passed in the other place is incorporated in the Bill?

Maria Eagle: I said in my opening remarks that the amendment sowed confusion over what is actually a very clear offence, and that is my belief. I think that some of the points made by the hon. Member for Cambridge (David Howarth) about the precise implications of the wording had some merit. I do not believe that the amendment deals with the mischief that was the main focus of the points made by the Members who supported it.

7.15 pm

I do not suppose that we shall secure full agreement throughout the House before the vote, but I hope Opposition Members accept that, in other legislation, I have tried to meet the concerns raised across the House about over-zealous investigations. I should also emphasise that, while we believe in the importance of freedom of speech, we also believe—I hope that this, too, is accepted throughout the House; it has certainly been endorsed by the Liberal Democrats and by the hon. Member for Arundel and South Downs (Nick Herbert)—that gay and lesbian people ought to be defended and protected from threatening words and behaviour intended to incite hatred against them purely on the grounds of their sexuality. That is the balance that we need to strike, and I think that the high threshold of the offence as currently drafted strikes it, although I recognise that some Members do not agree.

I have tried to make it clear that we will issue guidance from the Secretary of State, in addition to other improved guidance, and I believe that it will focus on the real mischief that has been highlighted by those who have spoken this evening much more than the Lords amendment. There is little point in my saying any more. We have had a good debate, in which all Members have expressed their views.

Question put, That this House disagrees with the Lords in the said amendment:—

The House divided: Ayes 338, Noes 136.

Division No. 168] **[7.15 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Bercow, John
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Goldsworthy, Julia
Goodman, Helen
Gove, Michael
Greenway, Mr. John
Griffith, Nia
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James

Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rogerson, Dan
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Younger-Ross, Richard

Tellers for the Ayes:
Liz Blackman and Alison Seabeck

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Brokenshire, James
Burns, Mr. Simon
Burrowes, Mr. David
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dobbin, Jim
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hayes, Mr. John
Heald, Mr. Oliver
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kilfoyle, Mr. Peter
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
MacNeil, Mr. Angus
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Ottaway, Richard
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Ruffley, Mr. David
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Soames, Mr. Nicholas
Spink, Bob
Spring, Mr. Richard
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, David
Taylor, Dr. Richard
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Widdecombe, rh Miss Ann
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Wright, Jeremy

Tellers for the Noes:
James Duddridge and Mr. Nick Hurd

Question accordingly agreed to.

New clause

Lords amendment: No. 115.

7.30 pm

Maria Eagle: I beg to move, That this House disagrees with the Lords in the said amendment.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to take Government amendment (a) in lieu thereof.

Maria Eagle: The House will be aware that on Report— *[Interruption.]*

Madam Deputy Speaker: Order. Please will Members who do not wish to participate in the debate leave the Chamber as quickly and quietly as possible?

Maria Eagle: Thank you, Madam Deputy Speaker.

The House will be aware that on Report in another place their lordships proposed an amendment to provide for a new criminal offence for data controllers who intentionally or recklessly disclose personal information, repeatedly and negligently allow information to be disclosed, or intentionally or recklessly fail to comply with the data protection principles. During the debate, the Government argued that it would be premature to propose an amendment of such a nature and that a considered view should be taken on what measures are necessary to strengthen the protection of personal data once the recommendations of the various ongoing data protection reviews are published.

We believe that the Lords amendment is drafted extremely broadly and is therefore capable of penalising relatively minor infringements, just as it seeks to penalise very serious infringements, as it does not discriminate between them. For example, a person writing letters and including someone's details in them repeatedly, possibly as a result of being ill-advised or ill-trained or of not looking anew at the letters they are sending out, could fall foul of the offence, but that is a lower level of infringement than some of the examples of data going missing that we have all become aware of over the past few months. That is a concern. In addition, criminal proceedings require a significant call on the public purse in terms of court and judicial resources and legal aid, and a criminal conviction is a disproportionate means of achieving the kind of behavioural change the Information Commissioner is trying to influence in information management. We therefore propose the amendment in lieu as a suitable alternative, and I want to take the House briefly through its components.

The amendment inserts new sections into the Data Protection Act 1998. Proposed new section 55A will confer on the Information Commissioner a power to impose a monetary penalty notice on a data controller. The power will be exercisable in circumstances where the Information Commissioner is satisfied that a data controller has committed a serious contravention of the data protection principles. However, the commissioner must also be satisfied that the contravention was either deliberate or that the data controller knew, or ought to have known, of the contravention risk, and that the contravention would be likely to cause substantial damage or substantial distress, but he failed to take reasonable steps to prevent that contravention. The commissioner will determine the amount of the monetary penalty.

James Brokenshire (Hornchurch) (Con): The Minister talks about substantial distress or damage. Can she explain what she means by that? She will appreciate that the provision was introduced because of concerns about identity fraud and the illegal or inappropriate use of personal data, and it is intended to send out a strong message that that kind of activity must not be condoned. Does she therefore accept that there is a risk in what she proposes, and will she explain where she is coming from, particularly in terms of what would be regarded as serious?

Maria Eagle: That is an important point. The Lords amendments in respect of this matter do not discriminate between relatively minor and quite serious breaches of the data protection principles. That is one of our concerns. There is probably agreement across the House on some of the issues to do with data getting out that have arisen over the past few months. We would certainly want to focus on those kinds of instances, where people's personal data have ended up in rubbish tips or in the public domain through lack of care on the part of a data controller. We would not want to focus on, for example, a new executive officer in the Department for Work and Pensions who has not finished all his courses on how best to send out letters to people on social security benefits in certain circumstances, and who has got things wrong.

This is a matter that the Information Commissioner will be well placed to have a view on, because he is the custodian of the data protection principles and he has a lot of experience in dealing with these issues. My amendments in lieu of the Lords amendments are about giving him the discretion to deal with these matters.

James Brokenshire: I hear what the Minister is saying about giving the Information Commissioner discretion, but her proposal reserves rights for the Secretary of State effectively to override a decision by the Information Commissioner to set down a penalty. Why?

Maria Eagle: Let me finish my comments; I will be perfectly happy to deal with the hon. Gentleman's point once I have set out our proposals.

The commissioner will be able to determine the amount of the monetary penalty in accordance with guidelines that he will make, albeit the maximum penalty will be set out in regulations. The power will not apply retrospectively. Sums recovered by the Information Commissioner by monetary penalties will be payable into the Consolidated Fund, so he will not have any budgetary incentive to chase after those who might have breached the data protection principles. Proposed new section 55B will make provision for procedural rights.

David Howarth: Before the Minister moves on to the procedural section, I would like her to confirm that the duties under proposed new section 55A will, with the one exception of the Crown Estate Commissioners, apply to Government Departments, because one of the problems in the previous law, which the Lords amendment attempts to deal with, was the special treatment it gave to Departments.

Maria Eagle: That is certainly the intention.

Proposed new section 55B will make provision for procedural rights, including a duty on the commissioner to give the data controller notice of his intention to issue a monetary penalty notice, which will inform the data controller of his right to make representations before the penalty is imposed. It also includes a right of appeal to the information tribunal against the monetary penalty notice.

New section 55C will make provision requiring the commissioner to prepare and issue guidance about how he proposes to exercise his power to impose monetary penalties. New section 55D makes provision for the enforcement of the monetary penalty. New section 55E confers a power on the Secretary of State by order to make further provision in connection with monetary penalty notices and notices of intent.

In considering what would be an appropriate penalty, we have taken into account many factors, in particular that criminal liability is generally reserved for unlawful behaviour that is sufficiently serious to merit the most stringent liability that the law can impose. A criminal offence would be a disproportionately heavy-handed penalty where there has been no intent or wilfulness in the data controller's non-compliance. Criminal proceedings could result in a costly and time-consuming process for data controllers and the commissioner. Penalties imposed by criminal courts, which may not have the necessary technical expertise to deal with data issues—which the Information Commissioner has—are often regarded as an inadequate deterrent to regulatory non-compliance.

For those reasons, we consider a criminal penalty inappropriate. We believe, however, that a civil monetary penalty would offer a proportionate and fair sanction for serious breaches of the data protection principles. The commissioner, with his expertise, would be best placed to determine an appropriate monetary penalty for a data controller, having regard to the particular circumstances.

In issuing the monetary penalty, the commissioner would take into account factors such as the seriousness of the breach, the behaviour of the data controller, the nature of the personal data and the extent of the harm likely to be caused. Issuing a civil monetary penalty is a comparatively efficient and quick process and keeps any additional burden on the courts to a minimum, while of course protecting the right to make representations of the person—the data controller—if he is about to have a monetary penalty imposed on him, and the right of appeal against either the notice of intent or the monetary penalty. For these reasons, the Government are firmly of the view that a civil monetary penalty will be more effective and appropriate for serious breaches of the data protection principles than a criminal offence.

On the Secretary of State's power, to which the hon. Member for Hornchurch (James Brokenshire) referred, the Secretary of State will not have any power to override a monetary penalty set by the commissioner. There are provisions on making sure that appeals can be dealt with properly, and that is the power that the Secretary of State has.

We do not intend through this new amendment to widen the scope of the legal obligations imposed on data controllers. Data controllers are already under an obligation to comply with the data protection principles and are subject to enforcement procedures. Our aim is to focus this new monetary penalty on the most serious breaches of the data protection principles. In cases where a data controller is continuing to breach those principles, we would expect the commissioner to issue both an enforcement notice and a monetary penalty notice. The enforcement notice would require the data controller to cease his unlawful activity and to comply with the legislation in future. The monetary penalty notice would punish the data controller for his past behaviour and send a strong deterrent signal to other data controllers. We believe that this is better than the arrangements put into the Bill in the other place, and I hope that, on that basis, the House agrees that we should disagree with the Lords amendment.

Mr. Garnier: We have eight minutes before the guillotine comes clattering down, which will leave police and prison service pay and violent offender orders largely, if not wholly, undiscussed; this is not a good way to make legislation. This new provision has come to the Bill at this late stage, and it really does not do the Government much credit that they have—

Madam Deputy Speaker: Order. I hope that the hon. and learned Gentleman is going to address his remarks to this amendment.

Mr. Garnier: In the second half of the second sentence of my speech, Madam Deputy Speaker, I was going to deal with the alleged merits of this new set of provisions, but I think it fair to make the points I have just made, because doing so puts those provisions into context.

These provisions bear all the hallmarks of a civil procedure, but with criminal consequences. Once again, we see the Government taking a civil route to a criminal law end, and although there is an appeal to the tribunal at first instance, it is the commissioner who is the policeman, the prosecutor, the jury and the judge. It would be interesting—if we had time—to hear from the Minister to what standard of proof the commissioner has to be satisfied that there has been a contravention. What level, or levels, of penalty are we not being told about? Although the Minister has briefly given us some idea and has referred to the commissioner's expertise, if we look at proposed new section 55C(1), we have absolutely no idea what the levels of fines—let us not beat about the bush—will be and in what circumstances they will be enforceable under the county court jurisdiction, and under the High Court jurisdiction. Why are the regulations referred to in proposed new section 55B(6) not necessarily published, even if only in draft form, so that Parliament can see what is proposed? I know that the commissioner must lay guidance; why is the Secretary of State not required to lay guidance? He is the person accountable to Parliament, not the commissioner.

This is a hopeless way to deal with such legislation. There is not time, I am afraid, to fillet this new proposal in a way that Parliament deserves, and although I am not going to advise my hon. and right hon. Friends to disagree with the Government's disagreement with the Lords, I must most trenchantly register my utter dissatisfaction at the procedure that we are having to deal with in respect of the making of the criminal law.

7.45 pm

David Howarth: Lords amendment No. 115 goes back to a proposal from my hon. Friend the Member for Somerton and Frome (Mr. Heath), whom Ministers praised for his views on earlier parts of the Bill. I just want to add my tribute to his work on this part of it, because it was he, along with members of the Justice Committee, who spotted this gap in the law. When this provision was first proposed it was very apt, because it was at a time when the Government were in various ways losing vast amounts of data—data from Swansea, child benefit data, and so on—and it was clear that there was a pretty lackadaisical attitude within Government to holding the public's personal and private information.

I accept the Minister's point that the crime created by Lords amendment No. 115 is a pretty general one. It covers intentional and reckless behaviour, and repeated negligent activity—a controversial aspect of the crime that she did not refer to. Nevertheless, when penalties

[David Howarth]

are imposed on people, it is important that they be put within the context of the criminal law, and the procedural protections of the criminal law are there to help them through any difficulties that the substance of the law creates.

In addition, the new crime itself did allow a number of defences, which were in the Lords' proposed new section 55A(2); unfortunately, I do not have time to explain the merits of those. Nevertheless, like the hon. and learned Member for Harborough (Mr. Garnier), I am not going to advise my hon. Friends to vote against the Government's replacement provisions, which do go a long way toward our goal. They do have certain difficulties, however. Using civil penalties never strikes me as anything short of a contradiction: if something is a penalty, I do not see how it is "civil"; nevertheless, the intention is there. Because it is a new procedure, a procedural clause has to be included, and it is very difficult to see at this stage precisely how that would work. However, I do welcome the Government's willingness to move on this issue and I hope that these provisions have the desired effect.

Maria Eagle: I understand the concerns that both the hon. and learned Member for Harborough (Mr. Garnier) and the hon. Member for Cambridge (David Howarth) have expressed about the time limit that we have, but of course, nobody opposed the programme motion earlier, and we did take up that time discussing matters of great concern to the House. So although I understand the points that have been made, this has been agreed between the usual channels.

Let me deal with one or two of the points that have been made. The standard of proof, about which the hon. and learned Member for Harborough asked, will be a civil standard. The question of the appropriate level at which to set the monetary penalty will be subject to consultation with the Information Commissioner and on a wider basis. However, thinking back to some of the concerns that have given rise to this issue, it has to be commensurate with the seriousness of the data loss and the distress or damage caused by it. So, there will doubtless be a range of levels, but we intend to consult further in respect of precisely what that range ought to be.

I can tell the House that the Information Commissioner is pleased at this extension of his powers. It will enable him to deal more flexibly than he currently can with data loss and with breaches of the data protection principles. Such work is, of course, his basic raison d'être, so we appreciate—

It being four and a quarter hours after the commencement of proceedings on the consideration of Lords amendments, MADAM DEPUTY SPEAKER *put forthwith the Question already proposed from the Chair.*

Question agreed to.

MADAM DEPUTY SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour, pursuant to Order [this day].*

Government amendment (a) in lieu of Lords amendment No. 115 agreed to.

New Clause

Lords amendment: No. 173

Motion made, and Question put, That this House disagrees with the Lords in the said amendment.—*[Mr. Straw.]*

The House divided: Ayes 271, Noes 215.

Division No. 169] **[7.51 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John

Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Ptaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Riordan, Mrs. Linda
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Ayes:
Alison Seabeck and Liz Blackman

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Bercow, John
Beresford, Sir Paul
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dorries, Mrs. Nadine
Drew, Mr. David
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Herbert, Nick
Hoban, Mr. Mark
Hoey, Kate
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian

Liddell-Grainger, Mr. Ian
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Oaten, Mr. Mark
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Robinson, rh Mr. Peter
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Alan
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Walker, Mr. Charles
Wallace, Mr. Ben
Wareing, Mr. Robert N.
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.

Nick Herbert: On a point of order, Mr. Deputy Speaker. We have just had a vote on an important matter relating to police and prison officer pay, which has not been debated in the Chamber because the knife came down. Ironically, the issue is being debated by the Prison Officers Association in Portsmouth, but not here. We had a debate of about 15 minutes on data protection, and we have had no debate on violent offender orders—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am sorry to cut the hon. Gentleman off, but I see the point that he seeks to make. It has already been made this evening. I understand the point, but to repeat it at this stage is only to take time from the next debate. These matters have already been decided—

Mr. Hanson *rose—*

Mr. Deputy Speaker: With respect to the Minister, I can deal with this point myself, and I suggest that we move on.

Lords amendment No. 117 disagreed to.

Lords amendment No. 127 disagreed to, and Government amendments (a) to (e) in lieu thereof agreed to.

Lords amendments Nos. 118 to 126 and 128 to 149 agreed to.

New clause

Lords amendment: No. 116.

Maria Eagle: I beg to move, That this House agrees with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendments Nos. 196 and 344.

Maria Eagle: These amendments abolish the common law criminal offences of blasphemy and blasphemous libel. Following my announcement on Report on 9 January, and after a short period of consultation, the Government tabled these amendments at the Committee stage in the other place. These offences have now largely fallen into disuse and therefore run the risk of bringing the law into disrepute. The issue of what to do about them has been around for many years and has attracted considerable debate. As long ago as 1985, the Law Commission recommended that they be abolished.

The Lords Select Committee Report on religious offences, published in 2003, devotes a whole chapter to the issue. As I said on Report, it is high time that Parliament reached a settled conclusion on the matter. Today gives us an opportunity to do so. The last prosecution under these laws was in 1977, in the case of Whitehouse *v.* Gay News Ltd, and there has been no public prosecution under them since the 1920s. There have therefore been no cases since the introduction of the Human Rights Act in 1998. Given that these laws protect only the tenets of the Christian Churches, they would appear to be plainly discriminatory.

Mr. Cash: The Minister may be aware of a case that she did not mention—Wingrove *v.* the United Kingdom—in which the European Court, not a body for which I hold a great brief, ruled that people should be able to say what they liked in matters relating to blasphemy, under article 10 of the convention. It is peculiar that when we come up against political correctness, sometimes the Government use the European convention on human rights to support their position, but neither do they deny that the convention also gives rise to rights on our side of the equation.

Maria Eagle: I did not quite follow the hon. Gentleman's argument, and he may intervene again if he wishes to do so. I do not believe that abolishing the common law offences of blasphemy and blasphemous libel is anything to do with political correctness.

Mr. Edward Leigh (Gainsborough) (Con): If this law is not being used, one might wonder whether it is doing any harm. One might make the point that its abolition could appear to be an erosion of the position of the established Church. There is a mismatch: people indulge

in self-censorship of any criticism of the Mohammedan religion—rightly, because we should not criticise it—but they feel free to pour abuse and vitriol on, and make comedies about, Christianity. Getting rid of the blasphemy law sends a message that that is okay, but it is insulting to many Christians.

Maria Eagle: I do not believe that to be the case, and I do not share the hon. Gentleman's analysis.

In its report on this Bill in January, the Joint Committee on Human Rights said:

"the continued existence of the offences of blasphemy and blasphemous libel can no longer be justified, and we are confident that this would also, in today's conditions, be the view of the English courts under the Human Rights Act and the Strasbourg Court under the ECHR".

The High Court's decision on 5 December last year that the Theatres Act 1968 and the Broadcasting Act 1990 prevent the prosecution of a theatre, the BBC or another broadcaster for blasphemous libel would appear to have given further weight to the notion that the offences are, to all intents and purposes, moribund. That was the result of a case brought by the organisation Christian Voice in response to the broadcast of the play "Jerry Springer: The Opera".

We are well aware of concerns—expressed particularly by members of the Christian community, but by no means exclusively by them—that abolition of these laws could be seen to represent further evidence of our society's drift towards secularisation, and that that would be an attack on the Christian values that underpin so many of our institutions. The hon. Member for Stone (Mr. Cash) has just made it clear that that is his view, but the Government have been at pains to emphasise that the proposal is not in any sense an attack on those values, on the Christian Church or on Christians themselves.

The House will be aware that in 2001 the Government introduced legislation that specifically affords protection, in the form of religiously aggravated offences, to religious as well as racial groups. We have also brought in legislation to protect people from discrimination on the grounds of religion or belief. Perhaps most importantly, we introduced a new offence of incitement to religious hatred in the Racial and Religious Hatred Act 2006. I know that there was controversy about some if not all of those provisions, but they show that we have introduced protection for people expressing their religious views that we believe is fair.

Dr. Julian Lewis (New Forest, East) (Con): I am a member of a minority religious group, and I have no doubt that if something insulting were to be said about the religious community to which I belong—however indifferently—I could appeal to the new laws to which the Minister has referred. However, if I were a member of the majority Christian religion, I am not clear that I would get anywhere by appealing to those new laws once the law of blasphemy was abolished.

Maria Eagle: A person in that position would of course gain as much as a member of any other religion. The legislation to which I referred does not exclude members of the Jewish faith, the Church of England or the Catholic Church—or members of any other faith or religion—from the equal protection that it offers.

I was making the point that the common law offences that we are seeking to abolish have fallen into disuse. If anything, they cause more harm than they do good. Although I accept that not everyone in the House or in society believes that the offences should be abolished, I think that there is a broad consensus that at long last they should go.

The UK is a signatory to a number of international conventions that commit us to tackling discrimination in all its forms, and we are regularly criticised by international bodies for having these laws. The UN special rapporteur on freedom of religion recently voiced concern about the continuing existence of the blasphemy offences in this country. Moribund and discriminatory as those laws are, their presence can be seen as a blot on our otherwise extremely good record on combating discrimination and promoting human rights. We believe that it is time to abolish those laws, and on that basis I hope the House will accept the Lords amendments.

Mr. Garnier: I am speaking in a purely personal capacity, as this is a matter entirely for the consciences of my hon. Friends. On this side of the Chamber—at least, for hon. Members in the bit directly behind this Dispatch Box—this is a matter for a free vote. What happens in other parts of the Chamber I cannot say.

It might be thought strange for someone who has spent the past 35 years practising at the libel Bar to support the abolition of the common law offence of blasphemy and blasphemous libel, but that is what I intend to do.

Mr. Richard Bacon (South Norfolk) (Con): It is not strange in the slightest. Surely, as a libel lawyer, my hon. and learned Friend would be interested only in those laws that he could make money out of, and not in those that simply form part of the historical and cultural threads that make this country what it is.

Mr. Garnier: There is always room for levity.

Dr. Lewis: Levity all the way to the bank.

Mr. Garnier: I will not allow myself to be disturbed by the outrageous allegation that my hon. Friend the Member for South Norfolk (Mr. Bacon) has made. It may be that the standards in the City are different from those that we apply in the Temple—but let us leave it there.

8.15 pm

As I think the Minister mentioned, in its verdict on "Jerry Springer: The Opera" the High Court underlined the very high threshold that has to be passed for a prosecution to be brought under the common law of blasphemy. Essentially, the Court said, that means that

"there must be contemptuous, reviling, scurrilous and/or ludicrous material relating to God, Christ, the Bible or formularies of the Church of England."

Miss Widdecombe: There was.

Mr. Garnier: I think that my right hon. Friend is no longer a member of the Church of England.

Mr. Deputy Speaker: Order. We will not have a very satisfactory debate if we keep getting interventions from a sedentary position. Perhaps hon. Members who wish to intervene will do so in the usual way.

Miss Widdecombe: Will my hon. and learned Friend allow me?

Mr. Garnier: If that is the usual way, I will.

Miss Widdecombe: I am most grateful. In response to my admittedly sedentary intervention that all those offences were present in "Jerry Springer: The Opera", my hon. and learned Friend retorted that I was no longer a member of the Church of England. Is he suggesting that God, Christ and the Bible are the exclusive preserve of the Church of England?

Mr. Garnier: No, I was suggesting that my right hon. Friend was no longer a member of the Church of England.

The High Court also held that

"the publication must be such as tends to endanger society as a whole, by endangering the peace, depraving public morality, shaking the fabric of society or tending to cause civil strife...This element will not be shown merely because some people of particular sensibility are, because deeply offended, moved to protest. It will be established if but only if what is done or said is such as to induce a reasonable reaction involving civil strife, damage to the fabric of society or the equivalent."

That was the reasoning of the High Court just before Christmas.

The Archbishops of Canterbury and of York wrote a letter to the Secretary of State for Communities and Local Government on 29 February, setting out the Church of England's view of the proposal to abolish these common law offences. Broadly, they said that the decision on "Jerry Springer: The Opera" appeared

"to make it even clearer than before that the real purpose of the offences is the preservation of society from strife rather than the protection of the Divine or any particular religious beliefs; and in so far as achieving that end indirectly protects religious beliefs, they are the beliefs of Christians generally, not just those of the Church of England."

Against that background, the two archbishops suggested that the Church of England had

"serious reservations about the wisdom of legislating at this moment, and especially as part of a Bill introduced to deal with quite different matters."

I could not agree with them more in that: this is the most shambolic piece of legislation that has ever had the misfortune to come before this House. I think that many hon. Members on the Treasury Bench would agree with me.

Mr. Hanson *indicated dissent.*

Mr. Garnier: If the Minister is saying that the whole lot of them do, he is quite right. The whole lot is dreadful.

The two archbishops were speaking on behalf of the Church, and it appeared to them that the verdict in the "Jerry Springer: The Opera" case would make it much harder to bring prosecutions

"in all but the most compelling circumstances".

Although they said that

"it is not clear that there is a pressing need for repeal until there has been more time to assess the impact of the offence of incitement to religious hatred",

they did not advise that the change in the law should be resisted.

Dr. Evan Harris: I am curious about the letter from the archbishops, and I would be grateful if the hon. and learned Gentleman let me know what he understood them to mean. Does he think they were saying that if blasphemy still was a useful offence that could be used to suppress insulting language directed against Christian beliefs, it should be kept, and that they do not oppose the abolition of the offence only because the recent judgment showed that it would be quite difficult to use it? Or are they saying they think it wrong to give special protection to religious belief, or to one particular class of religious belief, however wide a class Christianity may be considered to be? What is the hon. and learned Gentleman's view of what they meant?

Mr. Garnier: My view is that the archbishops were taking a pragmatic approach on the effect of the High Court decision on common law.

Mr. Bacon: May I help my hon. and learned Friend and the hon. Member for Oxford, West and Abingdon (Dr. Harris)? The description that my hon. and learned Friend gave of the letter from the archbishops seems to set out a classic Church of England position—neither for nor against, and not willing to resist.

Mr. Garnier: That remark would have been more suitably made in an independent speech than in an intervention, but of course my hon. Friend is entirely free to make what remarks he wishes, and to make them in the manner in which he wishes. It is not for me to comment further on that.

Having read the archbishops' letter to the Secretary of State, and having understood their attitude to the repeal of the set of common law offences in question, it is not for me to take a different view. The blasphemy law is very rarely used, if at all. We are witnessing the end of a Government who have introduced 3,000 or more new criminal offences, so it is to some extent refreshing to see the Government removing one or two of those offences from the criminal law. I will not pursue the matter further, because I know that there are a lot of very keen Conservative Members behind me who wish to say quite a lot. For my part, I will support the removal of this set of offences from the statute book.

David Howarth: The hon. and learned Member for Harborough (Mr. Garnier) has already set out what was said in the case of the application of Green against the Westminster justices, but it is worth emphasising what Lord Justice Hughes said in that case. In his view, the essence of blasphemy and blasphemous libel turned out to be not the protection of religion or religious views, but the prevention of civil strife. That civil strife might come about through the insulting of the Christian religion, but the offence is only the method; the object of the exercise is to prevent civil strife.

It should be said that the issue of whether the Church of England in particular was protected by the blasphemy

offence comes about through the connection, in the minds of lawyers and politicians over the centuries, between the Church of England and social order. That is why the idea spread that the offence protects only the Church of England. Of course, that is not so; it protects Christianity in general. It is also worth saying that the relationship between blasphemy and human rights is influenced by the idea of the blasphemy offence being about the prevention of civil strife, and not about—

Mr. Cash: Will the hon. Gentleman give way?

David Howarth: In a second; I knew that the hon. Gentleman would intervene at that point. I will just finish what I was saying. The relationship between blasphemy and human rights is influenced by the idea of the blasphemy offence being about the prevention of civil strife, and not about questions of free expression alone. That is because the human rights aspect of blasphemy is entirely influenced by the fact that it is a public order offence. It is perfectly justifiable to say that the blasphemy offence does not violate the Human Rights Act 1998 as long as it is seen as a public order offence, and not as being purely to do with speech.

Mr. Cash: I am afraid that I really do not buy the argument that it is necessary to include the civil strife issue, for the simple reason that in the House of Lords case of R *v.* Lemon it is said unequivocally that

"it is not an element of the offence that the publication must tend to lead to a breach of the peace."

David Howarth: I think that that was in Lord Scarman's judgment. There is a difference between tending towards an immediate breach of the peace and tending towards the dissolution of the social order. The point worth making is that it might be an effect of the Human Rights Act that common law, like statute law, has to be interpreted so that it is compatible, as far as possible, with the Human Rights Act. Given that there is ambiguity, the interpretation of blasphemy as a public order matter is the interpretation that is most clearly compatible with the Act. That is how we got to the current situation.

One of the arguments against the further existence of the blasphemy offence is that there are other ways of dealing with civil strife—other criminal offences that are aimed at preventing widespread violence. They include riot, provoking violence, and all the public order offences that we discussed earlier, including the threatening, abusive or insulting language crimes, of which there are three, all of which can be aggravated religiously and racially. There is also incitement to racial hatred and incitement to religious hatred. Then, of course, there are all the terrorism offences. The definition of terrorism is using violence to influence the Government in the interests of an ideology or a political or religious cause. Again, that is aimed at the idea that it should be clearly criminal to act in a way that tends towards the dissolution of society.

In the background is the other common law offence that the House might at some point consider: the offence of sedition. It is sedition intentionally to excite attempts to change the law or constitution by unlawful means, or intentionally to promote feelings of ill-will and hostility between different groups in society. There are already other ways, either on the statute book or in common law, of dealing with what is now rightly seen as the fundamental point of the blasphemy and blasphemous libel offences, which is to prevent civil strife. The question whether to keep the offences comes down to the issue of the protection of a single religion. That is about discrimination, as the Minister said. The offence singles out a particular religious view for protection. It violates the idea that the state should not show favouritism towards any particular religious view, or to religious views rather than non-religious-model views.

Miss Widdecombe: The hon. Gentleman's argument sounds like one for the disestablishment of the Church of England. Is that what he believes should happen?

David Howarth: I should say that it is the policy of my party to work towards the disestablishment of the Church, and the separation of Church and state. I am fairly comfortable with that position. I will come back to the issue in a moment, because it is relevant to another point that I will make.

The principle of the separation of Church and state is not about the separation of religion and politics, which I think is impossible. We cannot separate people's moral, religious views from their political views. We are talking about the state, not about society, and about the religious commitments of the state, not about whether people in society are religious or not. In the course of debate we have heard three separate arguments against the idea of state neutrality in religion. The right hon. Lady just alluded to one of them; it might be called the "this is a Christian country" argument.

We do indeed have an established Church, we have Acts of Parliament such as the School Standards and Framework Act 1998, which mandates an act of broadly Christian collective worship in schools, and we have Prayers in this place. The trouble with that point is that what is, is not necessarily what ought to be. It ignores the new circumstances in which we find ourselves, which make it important now more than ever to reject the idea of the mixture of Church and state, any notion of theocracy or any hint that the state should be built on a particular religious view.

8.30 pm

Sir Patrick Cormack: I had not intended to vote, but the hon. Gentleman has convinced me that I must vote against him. Is he not aware that the Government, in the person of the Prime Minister, no less, have proclaimed their support for the established Church, and therefore the maintenance of the status quo?

David Howarth: The battles in the House historically between the Conservatives and the Liberals have always been about issues such as this, but when I see the House now, I see the massed ranks of the Conservative party on both sides. I am therefore not surprised that that is the Government's position.

There has always been a theoretical case for the separation of Church and state. It is in the US constitution, in the first amendment to it, and in the French statute of 1905 that separates Church and state. What I am talking about is a new factor. We are faced—not just internationally—with people who also have a theocratic view, which we find it difficult to argue against because

[David Howarth]

of the vestiges of the admixture of Church and state in our own arrangements. If we are arguing against the use of blasphemy laws, for example, in Pakistan or in Iran, it is difficult for us to do that while we maintain in vestigial form, a form that is not used very often, the same sort of law in this country.

Dr. Julian Lewis: Is the hon. Gentleman seriously suggesting that for the sort of people who run Pakistan or Iran, it would make the slightest difference to the way they run their countries if we sent such a signal in the way that we run our democratic country?

David Howarth: Not at all, but the signals are to young people in our own cities. One of the things that the former Prime Minister often talked about, on which people did not take him seriously—perhaps they should not have taken him seriously on other matters, but on this they should have taken him seriously—is the idea that we are in an ideological battle with certain ideas for the hearts and minds of young people in our own cities.

If there are people who are arguing for a new caliphate, for the idea of a religiously based state, who argue for a complete mixture of politics and religion in Church and state, it does us harm in arguing for our position in that ideological battle that we still vestigially maintain that sort of arrangement in our own constitution. It is not about what happens in other countries; it is about what happens here, in our own cities.

That is the first argument—the "Britain is a Christian country" argument, which I as a Liberal have always believed does not lead to the idea of establishing particular Church views in our constitution.

Mr. Peter Bone (Wellingborough) (Con): The hon. Gentleman is making a well argued case, with which I totally disagree. On the point of this country being a Christian country, is it not right that in the last census about three quarters of the population said they were Christians?

David Howarth: Yes, indeed, and 10 per cent. of people go to church, and as the Bishops pointed out in the equivalent debate in another place, about four in 10 people go to carol services.

The argument comes down to the difference between society and state, which if one is a Liberal, one understands, and if one is a Tory, one probably does not. If one is a socialist, one does not understand it at all. The fact that our society is, in majority terms, still Christian is not in itself any sort of argument that the state should adopt a discriminatory stance towards that religion.

The second argument that I have heard might be called the affirmation of identity argument. It is an argument put forward by Christians who feel themselves to be threatened—not people in the position of hon. Members in the House today, who are very confident in their social position and their religious views, but people who feel that their Christianity is somehow threatened by changes in society that they have observed in their own lives.

Mr. Cash: The hon. Gentleman places great emphasis on the question whether the issue is a Christian one. Does he accept that one of the ten commandments, which is not an exclusively Christian set of beliefs, is:

"Thou shalt not take the name of the Lord thy God in vain"?

David Howarth: I am fascinated that the hon. Gentleman appears to be proposing a new criminal offence based on the Decalogue. I do not think that that is a route that he wants to go down. I was trying to make a more serious point, which is reflected in the letters that we receive from our constituents, who feel that their identity as Christians needs to be affirmed by the state.

I understand that feeling, but I think it ought to be resisted. As a Liberal, it seems to me to be objectionable, as well as sad, that people should look to the state for their sense of identity. They should not look to the Government or the law for their own sense of worth. They should look to themselves, their families and their other social relations. It is a deeply sinister idea that the state should help to create people's identity. I realise that the Government frequently get close to that view in their debates about Britishness. That is a dangerous route to go down.

Mr. Leigh: So the hon. Gentleman believes that the state has no right to impose Acts of Parliament dealing with matters such as incitement to religious or racial hatred. He seems to be suggesting an ultra-Liberal point of view that the state has no role in that respect. Is that right?

David Howarth: Not at all. The state's role is to prevent harm, but it must do so in a way that does not show favouritism to particular religious views.

The third argument that comes up in such debates and which is a serious argument, although I disagree with it, is the argument that the state needs to play some role in creating or maintaining a difference between the sacred and the profane, and that it is harmful for society if a category of the sacred is diminished. That is the view of the Archbishop of Canterbury. If one reads his lectures—not the ones that caused all the trouble, but lectures in the previous week about this issue—that was the central point that he was making. I shall read out part of what he said in that lecture, because it was an important contribution to the debate:

"but the uncomfortable truth is that a desacralised world is not, as some fondly believe, a world without violence, but a world in which there can be no ultimate agreement about the worth of human or other beings. There may be a strong, even practically unbreakable consensus about the wrongness of torturing prisoners or raping children; but there will be no very clear sense of what, if anything, beyond the dignity of an individual is being 'violated' in such cases."

I respect that argument. I have known the archbishop for 25 years; we were fellows of the same Cambridge college for a while. However, I think that he is wrong. It does not matter that we have different reasons for agreeing on basic values, such as torture being wrong. What matters is that we agree. For the state to operate on the basis of consent—another important Liberal principle—it does not need the population to have uniform ideas or exactly the same religious practices; all it needs is an overlapping consensus about basic structures and values.

In our society, there are fundamental differences about religion—not only between different religions, but between those who believe and those who do not. In such a society, an overlapping consensus is the best that we can hope for. If we do not work for that, we will end up with something worse. The problem with laws such as those against blasphemy, which favour particular religions, is that they make more difficult that overlapping consensus, in which people come from different directions to the same conclusions about value. Such laws imply that more virtue lies with the favoured religion than with others.

Dr. Lewis: I come back to the point that I made in my first intervention. Does the hon. Gentleman accept that there is an "overlapping consensus"—to use his phrase—that it is wrong deliberately to insult people's most cherished religious beliefs? However, does he also believe that insults to the beliefs of the Jewish or Muslim faiths would be treated the same as insults to the beliefs of the Christian majority faith? I do not believe that there would be equality of treatment under the secular laws. I was originally going to abstain, but I am now inclined to support my Christian colleagues on this issue. I feel that they need extra protection, because their faith is particularly vulnerable in the current political environment.

David Howarth: That is a version of one of the arguments that I have mentioned. I respect it, but I do not think that it is right. Given the fundamental differences about religion—not just between religions, but between those who are religious and those who are not—we have to find a framework with which we can all live, if we are to get along. The one that says that the criminal law will deal with people who make remarks about religion that offend but do not harm people will send us in the wrong direction and make maintaining a cohesive society more difficult.

There are disagreements on the issue, but the question is the correct one. In the end, it is about whether the existence of the law of blasphemy makes this society more or less cohesive. I am afraid that it is the latter.

Mr. Bacon: That is the right question. However, by extension, the same question becomes one about whether the presence of one religion that is favoured in law by being a state religion makes cohesiveness more or less likely. The odd fact, which counters the hon. Gentleman's argument, is that the leaders of pretty much all the other major faith communities are in favour of the continuation of the established Church of England.

David Howarth: It is true that there is more support for establishment among religious leaders than we would expect. However, they do not all believe in establishment, and they certainly do not all believe in the maintenance of the law of blasphemy.

The central point is about tolerance and cohesiveness. It is not plausible to say that maintaining a single state Church with privileges in law helps cohesiveness. In fact, there are religious scholars and sociologists of religion who say that it does not help religion either. Religious life flourishes far more in the United States, and some say that it is no accident that that country has no state Church. The Church there has to live by its own beliefs, attractiveness and words, not by being supported by the state itself. In the end, even if one is thinking solely of religious believers, there is a strong case for taking the Church out of the state.

Miss Widdecombe: I believe that we should disagree with their lordships' amendment. I have not been persuaded by anything that I have listened to for the past 22 minutes or, indeed, by the brief remarks of the Minister.

8.45 pm

I should like to give what I think is a good illustration of the dangers of getting rid of our blasphemy laws, which apply very specifically to the Christian religion. We all remember the outbreak of outrage among the Muslim community when the Danish cartoons were published. If ever one wanted an example of a propensity for civil strife, one had it there. However, the point that I consider more relevant is that it served to demonstrate that Christianity does not receive equal treatment in our country. I was one of the worshippers who arrived at Westminster cathedral shortly after some of the Pope's remarks had been rather badly misinterpreted, and I was confronted with banners being held by members of the Muslim community proclaiming, "Jesus is the slave of Allah—Islam will conquer Rome": not one or two banners from one or two lunatics but a very large number. The police were there, but they did nothing. I do not, in fact, advocate that they should do something, because I am, as I have said before, a big believer in free speech. However, let us suppose the reverse and that I was stood outside a mosque with a big sign saying, "Allah is the slave of Jesus—Rome will conquer Islam". I would be up before the bench before one could say "Jack Robinson", or "Danish cartoon". I could not do that—I do not think that the Minister would deny that—but they could. That, to me, is a clear demonstration that Christianity would not, as my hon. Friend the Member for New Forest, East (Dr. Lewis) said, receive equal treatment.

Dr. Evan Harris *rose—*

Miss Widdecombe: I will give way to the hon. Gentleman in due course—if I do not, I am sure he will remind me.

As I said in an earlier debate in this House, I am entirely in favour of free speech. My hon. Friend the Member for New Forest, East would say to me that Christ was not God. That is not blasphemy, but an expression of religious opinion. However, if he were to do something completely different—to mock, to ridicule and to use, in the most horrible fashion, the person of Jesus Christ—that would be a direct assault on me as a Christian. What a lot of people fail to understand about blasphemy is that it hurts deeply and is deeply offensive. The reason the Muslim community got so worked up about those cartoons was that they did not mock Muslims—they mocked the Prophet. None of us would get worried about Christians being mocked, but when Christ is mocked, that is different. Most of us feel that with the way society is going, it is very unlikely that, out of good manners alone, if there were no final legal hurdle, Christians would be protected from that type of insult.

Dr. Harris *rose—*

Miss Widdecombe: I give way to the hon. Gentleman, because he is dying to intervene.

Dr. Harris: When I tried to intervene earlier, the right hon. Lady was making a good point about the inequality of perception of what an insult is and her feeling that she would run the risk of being had up under our friends, the public order offences that we mentioned in an earlier debate. The answer is surely to get guarantees that her freedom of speech will be protected and that she is able to make that religious point instead of levelling down all the freedoms of speech to the lowest common denominator, which is what she seeks to do in preserving the blasphemy laws.

Miss Widdecombe: No—I think that the abolition of the blasphemy laws is a levelling down.

I rather take exception to the Minister's comment, much expanded on in 22 minutes of waffle from the Liberal Front Bench, that the unique protection of Christianity is somehow—I use her own word—discriminatory. We have an established Church, and when I asked whether the Government wanted to abolish it, the Minister shook her head. If we call such protection discrimination, there is already discrimination built into our law. If we have an established Church, we need laws that reflect that. It is right that we keep that last legal hurdle and that people know that it is there. I am not suggesting, and no one with any common sense would do so, that it is an absolute protection against blasphemy—the Springer case proved that it is not. Nevertheless, it is there and it acts as some sort of small brake. I fear that if it is taken away, the inevitable result will be a huge outpouring of what we consider blasphemy, directed particularly against the Christian faith.

Maria Eagle: Does the right hon. Lady consider the current common law offences to be useable? One of our main points is that they are not useable any more.

Miss Widdecombe: I believe that they would be useable if the will to use them existed. "Jerry Springer: The Opera" could and should have been prosecuted because it was so extreme. The will to use those laws needs to be there. We are led in a whole number of ways by the notion of what we believe we should prosecute. There was and is insufficient will to prosecute blasphemy—it is not a fault of the law—just as there is insufficient will to prosecute practitioners of late abortions, even when they clearly fall outside the law. Somehow it is felt that we should not pursue that matter. The Minister will know that there is an enormous lack of will to ensure that the Hunting Act 2004 is enforced—*[Interruption.]* I thought that that was going to get more of a reaction. We should distinguish between what is useable and what is used: they are different concepts. I advocate that we keep the blasphemy laws because they could be used, and they would be a final safeguard in the current situation where Christians are being unfairly picked on.

Mr. Leigh: In response to what the Minister said earlier, if Bagehot were here, he would argue that we should not keep something just because it is entirely rational. There is something symbolic about the law in question. It is to do with our culture and tradition, so it has value in that sense.

Miss Widdecombe: I agree with my hon. Friend and I look forward to hearing him make that case in his own contribution. That is the end of mine.

Mr. Cash: I agree very much with the sentiments expressed by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe). I have mentioned a couple of legal cases, and one of the problems is that the matter is a fundamental question of law. There is a constant draining away of our spiritual and moral foundations; nothing is certain or clear any more. Sooner or later, someone will say, "What's the point in the Queen having to take an oath? What is the point in Members of Parliament doing so?"

There were similar cases in the Liberal past. Mr. Bradlaugh, for example, took exception to taking an oath, but that was not because he wanted to attack the Christian religion; it was a matter of personal conviction. He was supported by many in the Liberal party, such as John Bright and others, who believed profoundly that a person should be entitled, as a matter of freedom of speech, to take such a position. An unlevel playing field is emerging, and I endorse what my right hon. Friend said about the situation outside Westminster cathedral. If the situation had been reversed, there is no doubt whatever that there would have been a serious onslaught on the person or persons taking part in the demonstration. I am glad to say that I do not believe—with slight reservations about some of the more extreme racist elements in our society—that those circumstances would arise in the first place. We are a tolerant and fair-minded people.

Even in the days of empire, we made a significant case for toleration of other religions in those parts of the world where we held governmental sway. We went out of our way to ensure that people were properly protected. Taking such a position is a judgment of wisdom and statesmanship. That is one of the reasons why, for example, even in Roman times, there was recognition of the other religions that existed within Rome's overarching jurisdiction. It is also a reason for the extent of the aversion to the Bulgarian atrocities when the Ottoman empire engaged in a process of genocide, which led the Government of this country to take such a strong position against events there.

At the heart of our debate is a question about what sort of society we are. I believe that we are a Christian society and that we should be tolerant of other religions, but that is not to say that we should back away from the fundamentals that underpin our Christian way of life. The law of blasphemy lies at the heart of that.

Mr. Desmond Swayne (New Forest, West) (Con): I agree with my hon. Friend, but is not there a danger that less tolerant minority faiths will perceive a blasphemy law as something to which they aspire to protect the less tolerant version of their faith?

Mr. Cash: I understand that case, and I believe that the point is well made. However, it is said time and again that our society is based on certain fundamental values—the Prime Minister speaks about the "values of our society" and our leader talks in a similar vein. If those words are to mean anything, they must ultimately depend on the spiritual foundations on which the values are based. If people on the other side of another

religious divide happen to take the position that they would like the law of blasphemy to apply to their religion and not to the Christian religion, and we followed that route, it would effectively be a form of appeasement. Indeed, in the case of Choudhury in 1991, the divisional court confirmed that the offence of blasphemy is limited to Christianity and does not extend to other religions. In that case, Islam was the religion in question.

Let me revert to the Liberal Democrat spokesman's remarks. As I said in an intervention, in the matter of civil strife, which appears largely to have developed in the Jerry Springer case, I understand that the offence requires contemptuous and revolting behaviour, which would endanger society as a whole. That does not sit easily with the House of Lords case, which I mentioned earlier, of R. *v.* Lemon, in which the

> "House of Lords held by three to two that it was sufficient for the prosecution to prove that blasphemous material had been published and not necessary to prove that the defendants intended to blaspheme... a blasphemous libel was material calculated to outrage and insult a Christian's religious feelings; it is not an element of the offence that the publication must lead to a breach of the peace."

In other words, in that House of Lords case, which as far I know still stands, precisely because it is a House of Lords case, the question of civil strife was not at the heart of the decision.

9 pm

There is an irony in the situation, as we move further downhill towards a secularised society, which is what this is all about. Make no mistake; I wait with interest, but without any trepidation, to hear the words of the hon. Member for Oxford, West and Abingdon (Dr. Harris). I have heard him on many occasions. He is like a mirror image of Richard Dawkins in his advocacy of the secular society. I have no doubt that he will put a powerful case by his standards, but unfortunately it will not convince me.

The case that the hon. Gentleman and others who wish to secularise our society put is based on something completely different. The idea of spiritual and moral values in respect of religious conviction is alien to them. The solution in their kind of society is to secularise—to dumb down and to be not merely politically correct, but to repudiate and to oppose. That is atheism and secularisation run together.

Mr. Bone: Is not the nub of the argument the signal that the decision that we make tonight will send to the country, rather than the practicality of the law? If we do not keep the blasphemy laws, we will be saying that we are moving towards a secular society.

Mr. Cash: I entirely agree. That is the reason I am speaking on this point. The secularisation of our society is the easy way out. That is not to say that we should not have full respect for other religions, that we should be intolerant of those who believe in Islam or that we should repudiate other religions or minimise the importance of other people's beliefs. However, the law in question is related to a Christian's notion of a belief in God, whereby God should be respected and no statements should be made that contradict the fundamental beliefs held by people who believe in God in a Christian society. We should stand by those provisions because, as my hon. Friend the Member for Peterborough said, they are an intrinsic part of the society in which we dwell.

Mr. Garnier: I shall probably regret this intervention, but the first point is that my hon. Friend meant our hon. Friend the Member for Wellingborough (Mr. Bone), not Peterborough.

Mr. Cash: That is a good point.

Mr. Garnier: The second point is that although my hon. Friend's point is about religiosity and reinforcing the need for respect for religion in this country, particularly Christianity, the structure of his argument is based on a misunderstanding of history. The common law of blasphemy emerged as a tool of secular power. When the divine right of kings was reinforced by the threat of damnation, there was a need for a law of blasphemy, because it protected the power of state, in the person of the Crown. Now that things have moved on and we do not have internecine disputes between the Jacobites and the Protestants, as we had in 18th century England, which flowed from the problems that we faced in the Reformation—

Sir Patrick Cormack: Will my hon. and learned Friend give way?

Mr. Deputy Speaker: Order. I think that the point has been made for me.

Mr. Cash: I am extremely grateful to you, Mr. Deputy Speaker, and to my hon. Friend and next door neighbour, the Member for South Staffordshire (Sir Patrick Cormack), for that. It is as well that we are keeping our sense of humour, even though we feel strongly and passionately about these matters.

I see that my hon. Friend the Member for Buckingham (John Bercow) has just come in. I do not know whether anyone mentioned to him that I was on my feet, or whether it is just a happy coincidence that he has come in now. I am more than happy to give way to him at any moment if he wishes to intervene, because I know that he, like the hon. Member for Oxford, West and Abingdon, feels strongly about these matters.

Mr. Garnier: My last intervention was far too long, but it contained a question that my hon. Friend might condescend to answer.

Mr. Cash: Yes; there is no doubt that the divine right of kings came to an end in 1649, when Charles I was executed. However, I point out that the basis of our modern constitution, which started in the period from the 1680s through to 1701 or 1702, and the Act of Settlement, firmly embedded the notion—irrespective of the Jacobites, who tended to be Catholic—that on the ultimate question of the relationship between religion and the state, they were to be regarded as intertwined. It has nothing to do with the divine right of kings. It is to do with the fact that there is an understanding of the fundamental values of society, and that they are reflected in the Glorious Revolution; they remain embedded in our constitutional arrangements.

Mr. Leigh: Is it not somewhat bizarre that pretty much everyone who has spoken in defence of the Church of England so far has been a Catholic? *[Interruption.]* Apart from one practising Jew.

Dr. Julian Lewis: Non-practising.

Mr. Leigh: Does not that say something about the competence of the established Church?

Mr. Cash: I was a little troubled by the intervention of the Archbishops of Canterbury and York on this issue. Fortunately, we can say things in this House that are sometimes fairly close to the bone. Their letter did not get anything like the publicity that was given to the Archbishop of Canterbury's alleged comments on sharia law, which veered in completely the opposite direction. When I heard about the letter, I was worried that the Archbishop of Canterbury had more or less, as far as I could understand it, come down in favour of abolishing the law of blasphemy. As a Roman Catholic, I find it inconceivable that our Pope would want the law of blasphemy to be removed in any shape or form, simply because it ultimately rests on whether one not only believes in God, but is prepared to stand up and defend one's religion, which believes in those values. One need not defend it in a hostile manner, as compared with other religions; one can be quite clear about what one believes, and be prepared to get up and say that and to defend one's religion.

I disagree with some of the interpretations of the origins of the law of blasphemy, which had nothing whatever to do with the divine right of kings—that was just a spurious argument put by the king to support a monarchical position that had become completely untenable. This position is not untenable; it is about religion and conviction. It is about moral values and whether we are prepared to stand up for them in our society. The law of blasphemy was brought into effect to defend those values.

Mr. Swayne: Is my hon. Friend suggesting, therefore, that this has less to do with the divine right of kings than with the inquisition?

Mr. Cash: I would not wish to go down the route of defending the inquisition, but let us leave that to one side.

The increasing secularisation of our society is diminishing our sense of values and our belief in the spiritual foundations of our western society. Some of us will continue to insist that that is the case.

Mr. John Hayes (South Holland and The Deepings) (Con): Is not this also about our sense of identity and a link to our history? Once we detach people from their origins, we diminish them in all kinds of complex ways. That is the price that we pay for the secularisation of society.

Mr. Cash: I agree with that very strongly. My hon. Friend the Member for Wellingborough (Mr. Bone) also put his finger on it when he referred to the fact that this matter was symbolic, that it was a reflection of the kind of society that we want, and that to get rid of the law of blasphemy would send out a very bad message. I would go even further, and say that it would be positively dangerous to get rid of the law, precisely for those reasons. Somehow, the argument is being inverted and it is being suggested that we who believe in the law of blasphemy represent a danger to society by saying that we want a provision on the statute book that reinforces the values to which I have referred.

Maria Eagle: I am listening to the hon. Gentleman. The right hon. Member for Maidstone and The Weald (Miss Widdecombe) made her views clear, but does the hon. Gentleman believe that the law is useable? Most of the courts do not seem to think that it is.

Mr. Cash: I am sorry to have to disabuse the Minister. I have here the most recent edition of the standard text on these matters, which states:

"Although the law continues to attract criticism, in 2002 there were no serious plans to abolish the offence, as the Law Commission proposed as long ago as 1985."

That quote emerges from a Law Commission working paper. I will not quote all the references, but the paper makes it quite clear that, about three years ago, despite the fact that the Law Commission decided in 1985, for whatever reason, that the law should be abolished, it was decided that it would not be abolished. That was a Government decision, or, at any rate, a decision made by official bodies; there were "no serious plans" to abolish the offence.

Furthermore, there have recently been a number of cases, and this brings us to the fundamental question. I have mentioned Wingrove *v.* United Kingdom, a 1996 case in which this issue was raised in the European Court of Human Rights. It was the European Court, for heaven's sake, that held, in rejecting a complaint that the censorship violated the right to freedom of expression, that it could be justified under article 10 of the convention, which permits a wide margin of appreciation to contracting states,

"when regulating freedom of expression in relation to matters liable to offend intimate personal convictions within the sphere of morals or, especially, religion".

That is a pretty recent judgment on the European convention on human rights. Despite the fact that I do not hold much brief for the European Court of Human Rights as a whole, it does not alter the fact that the reasoning is good. I hope that that helps to explain to the Minister why the issues we are debating today remain live, important and fundamental. That is why, for my part—and there are many others in the country at large—I believe that retaining the law of blasphemy is in the interests of the people of this country. To say so is by no means any criticism of other religions, in respect of which we should be tolerant, fair and understanding. We should acknowledge that other people have their right to their religion, but just as they must not abuse their rights, so we must not abuse ours. That is not a reason in itself for abolishing the fundamental basis on which the law of blasphemy rests.

Dr. Evan Harris: This evening is an historic occasion—one on which we abolish the blasphemy laws. When the Bill receives its Royal Assent, as I believe it will tomorrow, that will be another historic occasion. That will mean the ridding from our case law of a law that is chilling of freedom of expression and that provides an example of an unnecessary religious privilege.

9.15 pm

John Bercow (Buckingham) (Con): Otiose.

Dr. Harris: Indeed. I agree.

It was also historic when the Lords passed the amendment, but that evening was apparently also the evening of the EU referendum vote here, which was of interest to more than one party, so the occasion was drowned out in the media. Nevertheless, it was a major step forward—*[Interruption.]* It is interesting to see so many Conservative Members in their places—I applaud them for it—to witness the draining away of unnecessary religious privilege. It is right that they should be here to see it, but it is also interesting to note what is being drained away in the context of the previous debate. Then, we heard clear and what I thought at the time to be sincere assertions that freedom of expression was important. When it came to the issue of incitement to homophobic hatred, we heard a number of speeches and interventions from Conservative Members claiming that freedom of speech was critical and that freedom of expression was under threat. Yet when it comes to an issue—blasphemy, as opposed to incitement to hatred—that causes individuals themselves no damage, making the case for proscribing it much weaker, those very same people argue that freedom of expression has to go in order to maintain their version of no change. They want to maintain some symbolic law or the safety of the UK constitution, which they fear may be shaken to its foundations by the abolition of these unnecessary and discriminatory laws.

Mr. Cash: The hon. Gentleman may recall that I referred to the Wingrove case. In that case, the European convention on human rights, which he obviously believes in profoundly, quite clearly rejected the complaint that censorship violated the right to freedom of expression.

Dr. Harris: I was about to come on to that. This is the third intervention in which the hon. Gentleman has made that point; I heard him the first time and was ready to deal with it the first time. Let me commend to him the report of the Joint Committee on Human Rights. In an all-party report, and a significant number of Conservatives were members of the Committee, whose conclusions were made very clear:

> "In our view, for the reasons we have summarised above, the continued existence of the offences can no longer be justified, and we are confident that this would also, in today's conditions, be the view of the English courts under the Human Rights Act and",

indeed, nowadays,

> "the Strasbourg Court under the ECHR".

What the Wingrove case established was that the Strasbourg Court established a wide margin of appreciation for individual states in those days, but we can be confident that the Human Rights Act 1998 is such that the UK courts applying the European convention in this country would be very clear that this was unjustified discrimination. That is not just my view, but that of the legal advisers to the Joint Committee on Human Rights and many other authorities. In any event, even if there is doubt over whether the measure is either discriminatory or an unreasonable, unnecessary and unjustified chilling of free expression, we should be certain that we do not have that chilling effect, and that we do not suppress free expression.

Mr. Cash: The hon. Gentleman may be prepared to concede that the Wingrove case took place in 1996, which is not that long ago, and that the use of the word "nowadays", which he interpolated into the comments that he quoted, is only a reflection of the fact that the Joint Committee has an extreme tendency towards a number of decisions with which some of us do not agree. His remarks demonstrate that we are falling into a deeper pit than he is willing to recognise.

Dr. Harris: I do not want to be diverted to the merits of the judgments of the Joint Committee on Human Rights, but I think that its Chairman—the hon. Member for Hendon (Mr. Dismore), who is present—would recognise, and the Government would concede, that we have correctly forecast the judgments of both our own courts and the European Court on various matters related to terrorism offences.

The hon. Member for New Forest, East (Dr. Lewis) asked whether it was wrong to insult religious views. I have to say that I do not think it is wrong, although it may be inadvisable, impolite or offensive. The hon. Gentleman said that if his religion was insulted he would expect that to be covered by the religious hatred laws, and expressed concern about the possibility that Christianity would not be covered. However, the whole point of what we struggled for during the passage of the religious hatred laws—I think he was on my side in that instance—was that it did not cover offence, insult and abuse. The behaviour in question had to be threatening, and be intended to stir up religious hatred. I find it regrettable that Members who in the past have stood up for freedom of expression and freedom to insult, and against the creation of a right not to be offended, are sliding back into the lazy view that something ought to be illegal simply because it is offensive.

Dr. Julian Lewis: The hon. Gentleman is making an important point, but I do not think he has addressed the concern felt by many of us about the issue of double standards. The point made by my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) was that if people were to insult the minority religions as Christianity is insulted, they would be dragged before the courts. Is the hon. Gentleman saying that that will not happen, or simply that it is wrong when it does happen? How is Christianity to be given equivalent protection?

Dr. Harris: I ask for patience, because I can deal with only one point at a time. The right hon. Member for Maidstone and The Weald spoke of an unlevel playing field. In an intervention, I tried to suggest that we should ensure that our law and its policing enabled people, if they so chose, to make remarks opposing the religion of another group of people, while not inciting hatred or using threatening language against the people themselves.

I believe that the right hon. Lady—and I would be right behind her, figuratively—should be entitled to demonstrate opposite a mosque in the way that she described, and that the police should protect her right to do so. If there is an onslaught against her—a term used earlier, either by her or by someone else—that is the offence. The offence is not her expression of her view, but the fact that people are far too sensitive and

[Dr. Evan Harris]

willing to take to the streets. We saw the same situation with the Danish cartoons. The prosecutions, when they eventually came, were rightly for the unlawful overreaction of the people who had taken offence. I have no doubt that they were offended, but they have no right in that regard, and their reactions must be within the law of the land. I believe that we can achieve a level playing field with maximum freedom of expression.

Dr. Julian Lewis: Is the hon. Gentleman's case not the opposite to that made by the hon. Member for Cambridge (David Howarth) from his party's Front Bench? The hon. Member for Cambridge said that it would send a bad signal to society if we stood up for a continuing law of blasphemy, and that it would send a bad signal to certain members of society if we said that it was not a good idea to have extreme theocracies in countries such as Iran, whereas the hon. Gentleman is saying that it would somehow aid social cohesion for my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) to stand outside mosques carrying placards bearing insulting messages. I detect a certain tension between the Front and Back Benches of the Liberal Democrat party.

Dr. Harris: I do not accept the words that the hon. Gentleman ascribes to my hon. Friend the Member for Cambridge (David Howarth). I am not arguing that the right hon. Member for Maidstone and The Weald ever aids social cohesion, intends to do so or does so as a consequence of her actions; just that she should have the right to express a religious view against someone else's religious view and that people should have the same right to take issue with her religious view. That is free speech in a democracy. It has nothing to do with secularisation and I am astonished that the Conservatives are not four-square behind that.

David Howarth: I intervene only to say that if my hon. Friend ever hears me use the phrase "send a signal" he will be entitled to insult me as much as he likes.

Dr. Harris: I look forward to that, if it ever happens.

The hon. Member for Gainsborough (Mr. Leigh) and the hon. Member for Stone (Mr. Cash) argued that there was a symbolic value in the blasphemy law and that getting rid of it would, first, send the wrong signal and, secondly, undermine our traditions. But exactly the same arguments could be made against striking from the statute book or abolishing from common law an offence that would result in the burning of someone at the stake. It is part of our "proud tradition" in this country that people guilty of apostasy or heresy were burned at the stake. I am sure that there were people in the 17th, 18th or 19th century who said, "Of course, we would not use it anymore but it is sending out the wrong signal if we get rid of it from the statute book."

The hon. Member for New Forest, East asked whether our having a blasphemy law prevented us from making points to other countries that had far stricter laws on blasphemy and apostasy; he used the example of Pakistan. I think it does. It is more difficult for this country and our diplomats when we have a Christian-only blasphemy law to say to the now democratic Pakistan that their Islamic blasphemy laws or Islamic laws on apostasy are misplaced. That was accepted by the co-signatories to the letter that I organised to *The Daily Telegraph*—they included many religious people—to argue to the Sudan Government in relation to the "teddy bear" case that their having a law against blasphemy was misplaced. We have our own version. Whether or not it is used, that undermined our case.

Dr. Julian Lewis: The hon. Gentleman has been very generous in giving way. Surely the problem with countries such as Sudan or Iran is not that they have blasphemy laws, but that they attach such extreme penalties to them.

Dr. Harris: I understand that there are two parts to any law, unless I missed something in my limited legal education. The first is having someone go through a trial even if there is not much of a penalty at the end. We have already established in relation to the investigation of people such as the Lancashire couple who wanted to put literature in the registry office or, indeed, Lynette Burrows, that the hon. Gentleman's colleagues were saying that just having a police investigation—not even a prosecution—was traumatic enough and could destroy lives. It is not good enough to say that we can still prosecute even if there is not much of a penalty. It is not just about the penalty. I would expect us to have more proportionate and reasonable penalties for all our laws, whether homicide or burglary, than some of the states we seek to advise or criticise.

Finally, something needs to be said about the motivations behind the measure. In the House of Lords, something curious happened. The archbishops, in their joint letter to the Secretary of State for Communities and Local Government, said:

"Having signalled for more than 20 years that the blasphemy laws could, in the right context, be abolished, the Church is not going to oppose abolition now, provided—

this was the rider—

"we can be assured that provisions are in place to afford the necessary protection to individuals and to society".

We in the House worked hard to narrowly defeat the Government to ensure that the religious hatred laws did not protect opinion or religion, but only, in clear and narrow cases, individuals from incitement to hatred. I did not for one moment think that those laws would be cited by the Government as something to reassure the archbishops. I am very disappointed that the Minister in the Lords then stated:

"The church made it clear in 2002 that, if such an offence were enacted"—

that is a reference to the Racial and Religious Hatred Act 2006—

"and proved effective, it would provide the context in which the current offence of blasphemy could be safely repealed. This context of stronger legislation weakens any argument to keep the status quo."

I am disappointed that the Government say to our House when we are debating the religious hatred legislation, "Don't worry, this isn't about protecting religious belief," and then in the House of Lords they imply that blasphemy will be substituted by an effective use of the religious hatred Act. That is not the case; I am confident that the religious hatred legislation will

not be a substitute, and that the Government were just saying that in the House of Lords to placate the bishops.

Baroness O'Cathain claimed that I was arguing that this was a secularising move. She quoted a letter I wrote to Lords when they were debating this issue:

"Dr. Evan Harris said in response:

'It should be seen as a secularising move, and with pride'.

I rest my case."—[*Official Report, House of Lords*, 5 March 2008; Vol. 699, c. 1121, 1129.]

In fact, however, this is what my letter said in full:

"It should be seen as a secularising move, and with pride...by both religious and secular people because it removes a layer of religious privilege in, and religious censorship of, society which is no longer seen as appropriate."

That is an important point.

I do not see why we should have any qualms about trying to secularise the state. There is a difference between that and the view that Richard Dawkins expresses, which is that religious people are wrong. I have never said that in this House; Members can check the record. What people believe is their own business, so far as I am concerned, and religion is a matter for the individual and the home, and for family, church and social clubs. However, there is an argument that the state should be neutral in religious matters—that we should have a secular state.

That is not an argument against people having individual religious views. Many of my best friends—as the cliché goes—have strong religious views, and I respect them. I may or may not share them; I have never discussed my own religious views. I just passionately believe in a secular state.

Mark Pritchard (The Wrekin) (Con): Would the hon. Gentleman like to put on record his view? Does he believe that personal faith and religion—whatever religion—should be kept behind closed doors and completely private, or does he think that any part of a community's or person's religious beliefs can play a part not only in the work place, but in the public sphere?

Dr. Harris: I think that religion is a matter for the individual, the home, the church, the family and social clubs within the local community. I do not believe that there is a role for religious privilege with regard to the state. There is a big difference between a measure that criminalises someone for what they say against a religion and the establishment of the Church. I do not think the establishment of the Church is a good idea—I share my party's policy—but I also do not think that that is as damaging as threatening to criminalise someone for expressing their point of view even when there is no intention to cause offence, because this is a law of strict liability.

The Government were right finally to put the blasphemy law out of its misery. This is an historic occasion, because this country is in a small way a little more free with this law abolished from our case law.

Mr. Gerald Howarth: I am a simple sort of chap, and a member of the Church of England. I think I am the first member of the Church of England to speak in support of the maintenance of this law—a view I have come to on balance, not slavishly.

I start from the premise of my hon. Friend the Member for South Norfolk (Mr. Bacon) that this is a Christian country and that we owe everything to our Christian tradition. This nation has been forged and fashioned down the centuries by its Christian tradition. Every Act of Parliament is prefaced by reference to the support of the Lords temporal and spiritual and the Commons assembled. That indicates that our Christian faith has played a hugely important part. Therefore, while I have enjoyed the frivolities of this evening's proceedings, we should be under no illusions that a serious issue is at stake. I am afraid that I am not interested in the Joint Committee on Human Rights or the European Court of Human Rights; I am interested in my views and beliefs, which are profoundly held and shared by a lot of people in this country.

9.30 pm

There is a message coming through here, particularly from the hon. Member for Cambridge (David Howarth), who treated us to something that was more in the way of a Cambridge union debate than dealing with the practicalities of the concerns of the people of this country. Those of other religions who have come here down the centuries have done so in the full knowledge that this is a Christian country. One of the reasons why they come here is that our Christian faith is a tolerant faith—one that allows mosques to be built and that allows people to observe their traditions, to bring those traditions with them and to practise them. It is a mistake that some of them should now assert that, because they have come here in rather large numbers, they should be entitled to overturn centuries of tradition in this country. That is a mistake that we should resist.

Mr. Cash: Would my hon. Friend be kind enough to give way?

Mr. Howarth: If my hon. Friend is going to be brief, I will give way.

Mr. Cash: I am very grateful. Does my hon. Friend not agree that there was a time when we were intolerant on both sides of the equation, particularly during the Tudor period, but that it was precisely because of our constitutional settlement, which was developed in the 18th century and has led to our parliamentary democracy, that we have been able to combine the virtues that he has described with our parliamentary democracy as a whole?

Mr. Howarth: Yes, I do agree with that, but I am not going back to Tudor times, if my hon. Friend will forgive me; I want to deal with the here and now.

The hon. Member for Cambridge suggested that people less exalted than us are in fear that their Christianity is under threat. He is absolutely right—they do think that, and they are alarmed that the Government of the day appear to be completely preoccupied with minorities and take no account of their genuinely felt concerns. What they are looking for is somebody who is going to stand up for their concerns and articulate them in simple language, saying, "This is a Christian country—this is the way we do it here. My friend, if you don't like it, go and do it somewhere else." It is all perfectly straightforward.

[Mr. Gerald Howarth]

The Minister relied, as Ministers of course do, on the assertion of the Government's new religion, which is discrimination: anything that is discriminatory is to be resisted, if not completely rejected. Her case is completely destroyed. Of course the law of blasphemy is discriminatory—but then, as was pointed out to her, so is the fact that the Church of England is the established Church. That discriminates against everybody else. It is a discrimination that unless one is a member of the House of Hanover, now the House of Windsor, one cannot ascend to the throne. That discriminates against every Eagle, every Smith, every Howarth in the land. Discrimination is there; it is in our midst. We are discriminating every day of our lives; we discriminate when we go to the shops. The idea that the Government should somehow rest their case on discrimination is a mistake and indicates that they are going down the wrong track.

Furthermore and as has also been pointed out, we have Christian prayers in this place, which you, Mr. Speaker, of course preside over. I have been waiting for the day when there are calls to end this practice. I shall resist that for all the reasons I have just given; we should maintain these traditional prayers.

Mr. Hayes: Will my hon. Friend invite those who have spoken in the opposite cause to the one that he is articulating with such passion to say whether they want to strip this place of all references to Christian faith? I rather suspect that they do. This is a debate between the selfish individualism that lies at the dark heart of liberalism, personified by the hon. Member for Oxford, West and Abingdon (Dr. Harris), and those of us who understand that our shared identity is informed and shaped by our Christian heritage and the reality of our Christian faith.

Mr. Howarth: I wish that my hon. Friend would speak more clearly, so that the hon. Member for Oxford, West and Abingdon (Dr. Harris) could properly understand. Clearly, this is an undisguised attempt at promoting the case for the disestablishment of the Church of England.

One of the reasons why this is a serious issue is, as my hon. Friend the Member for New Forest, East (Dr. Lewis) expressed it—he did so articulately, as ever—that some Christians feel under threat. However, the promotion of the Church of England as the established Church in this country is important for other reasons. I can tell him that a Jewish headmistress, whom I was sitting next to at a lunch—I believe that it was for the Conservative Friends of Israel, so a huge number of people attended—said, "It is very important to our school that there continues to be an established Church, because it provides some protection to us in the practising of our religion." That message must not be forgotten.

Talking of messages, my hon. Friend the Member for Wellingborough (Mr. Bone) rightly pointed out that we are dealing not simply with a law that is perhaps anachronistic and perhaps has had difficulty being interpreted in the courts—I am at one with the view of my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) that a lack of will was the reason why "Jerry Springer: The Opera" escaped what should have been a proper prosecution that led to conviction—but with a law that is symbolic.

The act of abolition in which the hon. Member for Oxford, West and Abingdon wishes to rejoice will send out a signal to the entire nation. It is a dreadful time for this House to indicate that it no longer feels that religion is important and that the Church of England has a central role to play in our life in this country. It is a time when we desperately need to reassert moral values in this country. The fact that the archbishops have deserted the field is unfortunate, because that again sends out the wrong message, but my simple role in the Church is as a mere church warden. The Minister is wrong to suggest that no drift to secularisation is likely to flow from this proposal, because that is what will happen—indeed, it is happening—and it is an important time to reassert moral values.

Furthermore, this act of abolishing the law of blasphemy also carries with it a risk that nothing is sacred in our country and that nothing ought to be given some sort of special protection. Our children will not understand if this House says that it is not important, because why then should anything be sacred? That would send a dreadful message to the young people of our country.

John Bercow *rose—*

Mr. Howarth: I shall not give way—

John Bercow: I thought you believed in free speech.

Mr. Howarth: I do believe in free speech, but I think that my hon. Friend the Member for South Norfolk, who has been present throughout the entire debate, wishes to speak.

I shall merely add that I think that this is no time to be abolishing the law of blasphemy. I say that not necessarily because prosecutions of tomorrow will be denied, but because abolition would send a dangerous signal to this nation at a very difficult time for it.

Mr. Bacon: I was not originally going to speak in this debate, because I came along just to listen. I listened with interest to the hon. Member for Cambridge (David Howarth). I thought that my right hon. Friend the Member for Maidstone and The Weald (Miss Widdecombe) was a little unfair in describing his contribution as waffle, because I think he made out a liberal rationalist case quite well. Rather like my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), the more I listened to the hon. Gentleman, the more I became convinced that it was my job to vote against him and everything he stands for. He spelled out clearly, from his position, exactly what so many Conservative Members object to—that is why so many of us are present.

These are not all liberal positions, and I say, without hesitation, that they are not all purely rationalist positions, because things such as religion, love of country, and culture and heritage are not purely rational. When I listened to the hon. Members for Cambridge and for Oxford, West and Abingdon (Dr. Harris) I kept thinking that they started, as Liberals so often do, from a position of theory, they then tried to work out whether the practice fits it and if it did not, they scrubbed it and packed it all away.

I start from the opposite side of the argument, although I will use the framework used by the hon. Member for Cambridge. The first argument that he decried was the one that Britain is a Christian country. I agree with my hon. Friend the Member for Aldershot (Mr. Howarth) that it is. Britain is a Christian country. He made the point that we have discrimination in our law already, through the established Church, and that the leaders—and many members—of most other faith groups, not just the Jewish community, are glad that we have an established religion.

9.45 pm

Our established religion has evolved in such a way that it has become a tapestry on which all other religions can comfortably hang themselves within our culture. The very coronation of our monarch, who is the supreme governor of our Church, is organised by the senior Roman Catholic in this country—the Earl Marshal, the Duke of Norfolk. We have managed to avoid the turmoil that has afflicted many other countries precisely because we have started not from theory, but from what works. There is a famous Rembrandt painting—I saw it in an exhibition in Berlin, but it has also been on display in Amsterdam and here—of Dutch merchants in the 17th century. I will not try to name the painting, but what was interesting about it was that although the merchants all looked the same their religious backgrounds varied, but they had reached an accommodation that enabled them to rub along and live together in harmony.

It is an enormous tribute to our country that we can have you, Mr. Speaker, sitting in the Chair as a Roman Catholic without anyone commenting on that or its being a matter of great public debate, let alone concern. It is a huge tribute to the way in which our country has developed that that can be a matter of such little comment.

It remains the case that we are a Christian country, and more people go to church on a Sunday—even now in these times of diminished observance of the Christian faith—than go to football matches on a Saturday. I went to a Catholic church in the west midlands on Sunday morning because it was the first communion of my godson. I was allowed to become his godfather, even though I am not a Catholic. That might not happen in all countries, but it is not considered odd here.

I shall come on to the second argument outlined by the hon. Member for Cambridge—about the affirmation of identity—in a moment, but I wish first to address his third argument about the state needing to play some role in maintaining the distinction between the sacred and the profane. He thinks that that is wrong, and he is entitled to put that view. However, not only does the state have a role in distinguishing between the sacred and the profane, but it is normal for that to be the case in most countries.

Some years ago, I heard the right hon. Member for North Antrim (Rev. Ian Paisley), who recently retired after serving as First Minister in Northern Ireland, make an interesting speech, which I looked up afterwards. He referred to many European countries—I can remember only four—where similar arrangements obtain. It is the case in the Netherlands, Sweden and Denmark that the head of state has a specifically religious role. In Sweden and Denmark, the head of state must be a member in good standing of the Lutheran Church, and in the Netherlands of the Dutch Reformed Church. Even in Spain, which has an explicit division between the state and religious life, the Spanish constitution provides a special place for the Catholic Church.

The hon. Member for Cambridge referred to the United States—we are all familiar with arguments about the first amendment. In the past, many people from my own constituency went to the US to obtain more religious freedom. The hon. Gentleman said that it was not an accident that the churches in the US flourish as they do, given an environment in which there is complete separation between Church and state. He may be right, but it is also not an accident that people who wanted that went to the US, and that people who did not stayed here. Many people did not leave my constituency in Norfolk or anywhere else, and some of those who went to Massachusetts in the 1670s or before came back to this country. We have to remember our culture, tapestry and traditions, and not just those of other countries.

As I said, the second point made by the hon. Gentleman was about the affirmation of identity. He is absolutely right: that is what all this is about, although he thinks it is wrong to use our religious traditions and institutions to establish identity.

David Howarth: What I think is wrong is to use the state to define identity. It is perfectly natural to use religion to identify oneself.

Mr. Bacon: I recommend that the hon. Gentleman read Roger Scruton's book "The West and the Rest", as I believe that he has it precisely the wrong way around. One is safer if the state plays some role than one is if it plays none at all and the only allegiance is to religion. I think that one needs a bit of both, but I strongly recommend the book.

Some years ago, when I was serving on the European Scrutiny Committee, I met Mr. Buttiglione, who bore the wonderful title of Minister of Productive Activities in the Italian Cabinet. I do not think that he had a role in promoting fertility in Italy: his job had more to do with trade and industry. However, at the time he was being proposed for the Italian European Commissioner's post. He had to stand down, for no reason other than that he believed the central tenets of the Catholic Church and was foolish enough to say so.

Mr. Gerald Howarth: My hon. Friend will be delighted to know that a group of us sent him a message of solidarity from this House.

Mr. Bacon: Well, I sent him a message of solidarity from his office, which had a ceiling as high as the one in this Chamber. It also had a balcony from which Mussolini could make speeches without having to descend among his Ministers.

Mr. Buttiglione was a learned scholar and political philosopher. I was struck by one of the things that he said, and I wrote it down. He said that there were three things at the heart of our western European identity—Greek philosophy, Roman law and Christian morality. That is why, even though the Minister says that the law may not be usable, I tend to agree with my right hon. Friend the Member for Maidstone and The Weald that there is a distinction between what is usable and what is used.

[Mr. Bacon]

The Minister said that the law would be used only in the most compelling circumstances, but did "Jerry Springer: The Opera" represent the most compelling circumstances? I have lost count of the number of times that I have sat in Committee and heard Ministers say that they will have a piece of legislation "just in case".

Mr. Leigh: Ministers use that argument many times. There are tens of thousands of lines of legislation and laws that are never used, so why have the Government focused, laser-like, on this particular law?

Mr. Bacon: They have done so because it is part of their secularisation agenda. Some people think that, for every law put on the statute book, one—or even 10—should be removed. That would get the statute book into some sort of bounds. That argument certainly works for tax legislation, but I fear that this law is part of a wider agenda of secularisation. Although the hon. Member for Cambridge made the argument that this is about affirmation of identity in order to dispute it and disagree with it, in the end that is exactly what this proposed law is about. It is also exactly why we should disagree with the Lords amendment.

Maria Eagle: This has been an excellent and enjoyable debate. Many contributions have been made, from a wide range of different perspectives. A wide range of approaches have been adopted, with hon. Members speaking from their knowledge of history, legal theory and political philosophy, as well as from their religious belief. However, it is not possible in the remaining time for me to cover every point that has been made. I hope that hon. Members will forgive me, but it has been striking how so many different positions have been set out by the main speakers in the debate—from the secularism and wish to disestablish exhibited by the hon. Member for Oxford, West and Abingdon (Dr. Harris), to the political and legal theory propounded by the hon. Member for Cambridge (David Howarth) and the strongly held religious beliefs of many on the Conservative Benches. Many believe strongly that the laws are so much a part of our heritage that it would be desperately dangerous—that word has been used by Opposition Members—for us to abolish the two common law offences, which have fallen into disuse.

We do not have much time, but let me say that the Government do not believe that removing the offences is the first step towards the disestablishment of the Church or the secularisation of our society, although some hon. Members have asserted that that is what it is, or what the Government believe it is, or that a hidden agenda is being pursued. If the hon. Member for Oxford, West and Abingdon has a hidden agenda, it is not very well hidden: he asserts his point of view every chance he gets, and whenever he stands up in the House.

John Bercow: It would be a bit rich for people who are passionate believers in the sovereignty of Parliament to moan about alleged slippery slopes; it really does not add up.

Maria Eagle: I think that all of us in this place believe strongly in the sovereignty of Parliament, because if we do not, nobody else will. The hon. Gentleman makes an important point.

The Government took an opportunity that arose as a result of the way the Bill proceeded to abolish the common law offences of blasphemy and blasphemous libel, but we do not believe that that is the first step towards the disestablishment of the Church of England as the state religion, or a step on a slippery slope towards the secularisation of our society. Probably all of us in the Chamber would say that our country's Christian heritage has been a very important part of our society as it developed, and is an important part of the democratic, tolerant society that we all value. In recent centuries, although not in its early stages, that religion was fundamental in developing the freedom of speech that we have spent most of this afternoon saying how much we value and wish to defend from various positions.

It is true that the hon. Members for Cambridge and for Oxford, West and Abingdon have their views about where we should go next, as do many other hon. Members who have spoken from their religious opinions. Getting rid of offences on the statute book that have fallen into disuse is not an indication that the Government are going down one particular path. We are simply taking the opportunity to get rid of the offences; there is widespread agreement that that should be done, and widespread acceptance that that would be sensible, because they are no longer usable.

Mr. Cash: The Minister makes great play of the importance of making sure that there is no unfairness in the expression of opinion on the subject. I have a simple question: are Government Members on a free vote?

Maria Eagle: As far as I am aware, we Government Members are on a whipped vote, but Members will vote whichever way they wish.

I do not believe for a moment that the fact that we are taking the opportunity to get rid of offences that have fallen into disuse and are no longer usable indicates that the Government are not in favour of Christianity, or want to disestablish the Church. I noticed that one or two Opposition Members, including the right hon. Member for Maidstone and The Weald (Miss Widdecombe), asserted that the problem was not that the offences were not usable, but that there was no will to use them. I would dispute that; I do not think that they are usable because of the way things have developed over the years. We have discussed those developments during the passage of the legislation. If it is simply a matter of will, the right hon. Lady will note that the last time someone tried to use the offences was in 1977—they have not been used by the public authorities since 1920. So it is not simply the present Government or Labour Governments who have not sought to use the offences or not had the will to use them, but every Conservative Government as well.

I do not believe for a minute, and I am sure the right hon. Lady does not believe, that if the offences were to go when the Bill receives Royal assent and if the Commons agrees to the Lords amendments tonight, we will end up with a more secular society or a society that denies its Christian heritage. Christians and Christian organisations in this country are well able to assert their own history—

It being Ten o'clock, MR. SPEAKER *put the Question already proposed from the Chair, pursuant to Order [this day].*

Question put, That this House agrees with the Lords in the said amendment:—

The House divided: Ayes 378, Noes 57.

Division No. 170] **[10 pm**

AYES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Baker, Norman
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barrett, John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Beith, rh Mr. Alan
Benn, rh Hilary
Benton, Mr. Joe
Benyon, Mr. Richard
Bercow, John
Berry, Roger
Betts, Mr. Clive
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunt, Mr. Crispin
Bradshaw, Mr. Ben
Brake, Tom
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cabom, rh Mr. Richard
Cairns, David
Cameron, rh Mr. David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Duddridge, James
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
George, rh Mr. Bruce
Gibson, Dr. Ian
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Greening, Justine
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hancock, Mr. Mike
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Heppell, Mr. John
Herbert, Nick
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Mr. Charles
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kirkbride, Miss Julie
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lamb, Norman
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Mackay, rh Mr. Andrew
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mudie, Mr. George
Mulholland, Greg
Mullin, Mr. Chris
Mundell, David
Murphy, Mr. Denis

Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Öpik, Lembit
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Penrose, John
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Short, rh Clare
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Swinson, Jo
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Whittingdale, Mr. John
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Willis, Mr. Phil
Willott, Jenny
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Tony Cunningham and Liz Blackman

NOES

Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Binley, Mr. Brian
Bone, Mr. Peter
Brokenshire, James
Burns, Mr. Simon
Burt, Alistair
Campbell, Mr. Gregory
Cash, Mr. William
Chope, Mr. Christopher
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davis, rh David *(Haltemprice and Howden)*
Donaldson, rh Mr. Jeffrey M.
Dorries, Mrs. Nadine
Evans, Mr. Nigel
Fallon, Mr. Michael
Francois, Mr. Mark
Gillan, Mrs. Cheryl
Gray, Mr. James
Gummer, rh Mr. John
Hayes, Mr. John
Heald, Mr. Oliver
Hoban, Mr. Mark
Hollobone, Mr. Philip
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Knight, rh Mr. Greg
Leigh, Mr. Edward
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
MacNeil, Mr. Angus
Maies, rh Mr. Michael
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Neill, Robert
Pritchard, Mark
Robinson, rh Mr. Peter
Rosindell, Andrew
Ruffley, Mr. David
Selous, Andrew
Spink, Bob
Steen, Mr. Anthony
Swayne, Mr. Desmond
Swire, Mr. Hugo
Turner, Mr. Andrew
Watkinson, Angela
Wiggin, Bill
Wilson, Sammy
Winterton, Ann

Tellers for the Noes:
Miss Ann Widdecombe and Mr. Gerald Howarth

Question accordingly agreed to.

Lords amendment agreed to.

MR. SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour, pursuant to Order [this day].*

Lords amendments Nos. 1 to 8, 10 to 85, 92 to 114, 150 to 172, 174 to 284, 286 to 300, 302 to 326 and 328 to 348 agreed to, and Government amendment (a), consequential to Lords amendment No. 28, agreed to.

Committee appointed to draw up Reasons to be assigned to the Lords for disagreeing to their amendments Nos. 173 and 285; Mr. Edward Garnier, Mr. David Hanson, David Howarth, Mr. Sadiq Khan and Lynda Waltho be members of the Committee; Mr. David Hanson be the Chairman of the Committee; Three to be the quorum of the Committee.—*[Mr. Sadiq Khan.]*

To withdraw immediately.

Reasons for disagreeing to certain Lords amendments reported, and agreed to; to be communicated to the Lords.

Temporary and Agency Workers (Equal Treatment) Bill *[Money]*

Queen's recommendation having been signified—

10.16 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I beg to move,

That, for the purposes of any Act resulting from the Temporary and Agency Workers (Equal Treatment) Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any expenditure incurred under or by virtue of the Act by a Minister of the Crown or government department; and

(2) any increase attributable to the Act in the sums payable out of money so provided under any other enactment.

This money resolution is required in respect of clause 4 of the Temporary and Agency Workers (Equal Treatment) Bill, which is sponsored by my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller). The Bill received its Second Reading on 22 February and goes into Committee tomorrow, 7 May.

Mr. Christopher Chope (Christchurch) (Con): Can the Minister explain why he is supporting this motion when the Government are against the Bill?

Mr. McFadden: If the hon. Gentleman can contain himself for a moment, I shall set out our position.

On Second Reading of the Bill on 22 February, I set out the Government's position that while we do not support the Bill, we share many of its underlying objectives in providing appropriate protections for agency workers. I will say more about the Government's position in Committee, including the current position on the European Union agency workers directive, which forms the backdrop to the Bill, and our proposals for an agency workers commission as a way forward. The tabling of the resolution does not indicate any change in the Government's position on the Bill, and there are precedents for money resolutions for Bills without Government support. In accordance with convention and as part of the parliamentary process, the Government are tabling a money resolution for a new Bill that, if passed, would require the expenditure of public money.

The Bill provides for the protection of temporary and agency workers by establishing a principle of equality of treatment for such workers with permanent workers, and it makes provision for the enforcement of those rights. In that respect, clause 4 of the Bill allows for the appointment of a regulatory authority with suitable duties and powers and the appointment of statutory officers with suitable duties and powers for the purpose of enforcing the rights afforded to agency workers.

The new regulatory authority would have powers in relation to clause 1(1), which covers equal treatment for agency workers, clause 3(1), which deals with information about availability of direct employment and clause 3(4), which tackles an agency worker's right not to be subject to any detriment. Setting up such a regulatory authority as that for which the Bill calls would incur public expenditure and it is therefore necessary to move a money resolution. Of course, we can explore further the issues of substance that the Bill raises in its Committee stage, which begins tomorrow.

10.19 pm

Mr. Jonathan Djanogly (Huntingdon) (Con): The cost burden of any Bill is of utmost importance to the taxpayer. While I make it clear that the official Opposition oppose the Bill outright, and will take that position in Committee tomorrow, we thought it especially important to highlight the measure's huge cost implications, which, to date, have been overlooked by its promoters and the Government.

Although the Minister tackled various aspects of the Bill, he did not mention its cost implications, which the money resolution is supposed to tackle. I would therefore like to deal with several important points about expenditure.

First, the Bill is being introduced at the same time as an EU agency workers directive is considered in Brussels. Like us, the Government have opposed the EU directive. However, the Bill overlaps heavily with it, promoting the same message that temporary workers should have the same rights as permanent employees.

The cost implications of two possible legislative measures, covering much of the same territory and proceeding concurrently, could be huge. Apart from the damage that the Bill inflicts on our case in Brussels, it is a complete waste of taxpayers' money to allow it to proceed at the same time as a directive that deals with similar issues, which all parties have staunchly opposed.

Mr. Chope: Does my hon. Friend share my concern that our friends in the European Union will misinterpret our position if the Government are seen to oppose the Bill but support the money resolution? Is there not an inconsistency?

Mr. Djanogly: My hon. Friend makes an important point. The Labour Back Benchers' case is effectively blowing the Government's case out of the water in Brussels, gravely disadvantaging business in this country and our reputation in Brussels. The Government know that, but they are being forced into that position. That is not the subject of the resolution that we are considering, but the matter will be tackled in Committee.

If all that were not bad enough, the Government have kept digging. In a weak attempt to stall the unions and their own Back-Bench rebels, they have attempted to broker a deal on the Bill and the EU directive by proposing a UK commission made up of business and union nominees, although neither business nor the unions seems enthusiastic about the proposal. Having suggested the commission, why do the Government not want to wait to hear its proposals before allowing the Bill to proceed any further? Do not the cost implications alone merit more co-ordination than they have yet been able to muster? Who is leading the process—the Minister or those sitting behind him? Is it not yet another example of a dithering and indecisive Administration?

Mr. David Winnick (Walsall, North) (Lab): The hon. Gentleman gives us an excellent illustration of what a Tory Government would be like. If there are any illusions about that among Labour Members—that is unlikely—the hon. Gentleman's comments explain to us in simple terms what a Tory Government would do against the working people of our country.

Mr. Djanogly: Perhaps some people have closed their ears in recent months, but my understanding was that the Government oppose the Bill and the European directive. Does the hon. Gentleman now claim that the Government give the measure their full support? If that is the case, it would have been nice of the Minister to give some indication in his earlier remarks.

Will the Minister please justify allowing the Bill to proceed any further, while the Government oppose a directive that legislates on the same issues, and before his proposed UK commission has had the chance to negotiate solutions to the problems of temporary and agency workers? Could it be because the Government are running scared of the unions, who ordered more than 140 Labour MPs to turn up and ram the Bill through on Second Reading, at the expense, it seems, of the British taxpayer? Does the Minister not realise the damage that the Bill could inflict on British business?

I have a number of concerns about the Bill regarding expenditure. The provision in the Bill that attempts to allow for different treatment of direct workers and agency workers lacks a lot of clarity. There is a no definition of "objective grounds", for instance. It is also unclear when an employer can lawfully pay an agency worker less than a comparable direct worker. I cannot see how, for instance, the agency and the employer are supposed to know without a tribunal ruling when it would be justified on objective grounds to pay an agency worker less than a permanent employee. That provision is being cited by many experts as meaning more time entangled in legal disputes and more money spent on unnecessary legal fees. Importantly for the purposes of the resolution, however, the tens of thousands of projected claims will clog up our tribunals and courts. Will the Minister please give an assessment of the cost to the taxpayer of that?

The Bill aims to give a definition of the comparable direct worker. Again, the provisions are vague and confusing. Will the Minister give some idea of both the cost implications for the state and the further pressures on our already overburdened employment tribunal system? I shall return to those issues in further depth tomorrow. However, I should point out now that clause 4 provides for the creation of a new regulatory regime for enforcing the Bill's equal treatment provisions. Again, that would be extremely costly, given the huge increases in the number of tribunals that would result if this vague and unclear Bill were to be enacted.

My hon. Friend the Member for Christchurch (Mr. Chope) will be pleased to know that we would very much have preferred to vote against the resolution for its content and implications. I agree with him that it is somewhat bizarre that a Government who are supposed to be opposing the Bill are supporting the resolution this evening. However, we also respect the convention that the Government should allow a money resolution to accompany the Second Reading success of a private Member's Bill, notwithstanding the fact that—or perhaps, should I say, not least because—the Bill was forced through by a Back-Bench Labour rebellion.

Mr. Chope: Far be it from me to challenge established conventions, but the resolution refers to expediency. How can it be expedient to risk a lot of taxpayers' money on something that both the Government and the official Opposition oppose?

Mr. Djanogly: My hon. Friend makes another excellent point and I fully agree with him. Frankly, we are all whistling in the dark. No one in the Chamber has any idea what the Bill's cost implications are, yet the Minister has come here to debate them. He shows up the fallacy of the Government's argument very well.

Although the debate on the merits of the Bill will wait until the Committee stage, which starts tomorrow, I see no reason why the Minister should thereby be let off having to set out now the reasons for the authorisation of Government expenditure on such a scale. The Minister has failed to set them out properly this evening; I invite him to do so now.

10.27 pm

Andrew Miller (Ellesmere Port and Neston) (Lab): I want to make a couple of brief points. I have been accused of being a rebel. The hon. Member for Huntingdon (Mr. Djanogly) ought to look at my voting record. I am a serial loyalist by nature and will remain so.

I also recommend that the hon. Gentleman do his homework. He has done half his homework—he has read some of the briefings from the CBI and various other employers' organisations—but he did not read a word into the record about the views expressed to him by trade unions and others representing people who are being exploited as a result of weaknesses in current law.

My substantive point is simply this. The hon. Gentleman's speech illustrated some clear water between the two main parties on opposite sides of the Chamber. He is opposed to the Bill and to the European directive. My hon. Friend the Minister and I have minor differences about how we solve the problem, but we are both committed to solving the problem, because we recognise that there exists a group of vulnerable workers who are being exploited. Their problem needs resolving and it needs resolving now.

10.30 pm

Lorely Burt (Solihull) (LD): I had rather hoped not to be standing here this evening speaking to this money resolution, if only because of the lateness of the hour. Following what the Minister said on Second Reading on 22 February, I had hoped that organisations such as the TUC and the CBI would have sat down with the Government and worked something out by now. The Bill contains some sensible aspects that I am sure everyone wants to see enacted. No one in the Chamber wants to see vulnerable workers being exploited, but there is confusion in the Bill between agency workers and vulnerable workers; those two terms are not synonymous—*[Interruption.]*

Mr. Deputy Speaker (Sir Michael Lord): Order. The matter before the House relates specifically to the financial implications of the Bill. This is not an opportunity to debate the Bill itself.

Lorely Burt: Thank you, Mr. Deputy Speaker. I am grateful for your guidance. That being the case, I shall merely express the hope that the Government, the CBI and the TUC will be able to get together and to achieve an agreement on the issue of permatemps.

Mr. Chope: Will the hon. Lady clarify whether she believes that it is expedient for a great deal of taxpayers' money to be thrown at the Bill?

Lorely Burt: It is important that this issue, which has clearly aroused sufficient strength of feeling to bring it before the House today, should be able to be discussed in Committee. However, I take note of the remarks of the hon. Member for Huntingdon (Mr. Djanogly) about the timing of the Bill. It seems unfortunate that we should be here today discussing the financial implications of these measures, which one would have hoped could have been resolved by the Government, the CBI and the TUC.

10.32 pm

Mr. McFadden: I just wanted to make a couple of brief points. I was asked why we should facilitate a private Member's Bill through the tabling of a money resolution. Many experienced right hon. and hon. Members will know that this is certainly not the first time that this has happened. There have been many precedents, in which private Members' Bills have had money resolutions tabled, even though the Government did not necessarily support the Bill. An example is the Rights of Savers Bill, which came before the House a couple of years ago. That Bill had a money resolution, but the Government did not necessarily support it, although they may have supported some of its aims. Other private Members' Bills have been treated in the same way.

The hon. Member for Huntingdon (Mr. Djanogly) seemed to be somewhat internally conflicted on this matter. He was critical of the decision to table the money resolution, yet in the end he acknowledged that it was a convention of the House to do so.

Mr. Djanogly: The Minister missed my point. I wanted him to explain the financial implications of the Bill, but that did not conflict at all with the fact that we oppose the Bill.

Mr. McFadden: The conflict lay in the hon. Gentleman's criticising the Government for facilitating a money resolution while also accepting that it was a convention of the House to do so.

The hon. Gentleman also asked about the assessment of costs. This relates particularly to clause 4 of the Bill, which provides for the establishment of a new body in the regulatory field. We can look at the examples of other bodies in this field, such as the agency standards inspectorate, which is part of the Department for Business, Enterprise and Regulatory Reform, and has annual costs of about £1.3 million; and the Low Pay Commission, which makes recommendations on the minimum wage and has annual costs of about £900,000. Any costs relating to a new body must, of course, be an estimate at the moment, but we would expect them to be in the same region, or perhaps a little higher in the early years of its work, were such a body to be established in the same region as those other bodies operating in this field.

The hon. Member for Solihull (Lorely Burt) asked me—

Mr. Djanogly: Will the Minister give way?

Mr. McFadden: I think I will proceed with my remarks.

Mr. Dennis Skinner (Bolsover) (Lab): Will the Minister give way to me?

Mr. McFadden: I could not refuse giving way to my hon. Friend.

Mr. Skinner: On the question of this relatively small amount of money, will the Minister confirm that it is a lot less than the Tory party's share of the Short money?

Mr. McFadden: I am sure that my hon. Friend is correct about that.

The hon. Member for Solihull asked me about talks with the TUC, the CBI and so on, but I am sure that you, Mr. Deputy Speaker, would correct me if I went too far into those matters at this stage. Suffice it to say to the hon. Lady that the talks are ongoing and I shall have more to say about them in Committee tomorrow.

As I was saying—it is an important point—the tabling of the money resolution does not constitute a change in the Government's position on the Bill, which remains as set out on Second Reading.

Ian Stewart (Eccles) (Lab): Will the Minister give way?

Mr. McFadden: I was about to sit down, but I will give way to my hon. Friend.

Ian Stewart: We understand the Government's line on the Bill and we also understand that we all want to protect good agency employers, but is it not a good use of public money to help further debate and dialogue about stopping instances of bad agency employers, like those in the city of Salford, who lay off workers at 5 o'clock in the morning, give them £20 and send them home—

Mr. Deputy Speaker: Order. The hon. Gentleman is cleverly trying to bring other issues into the debate, but I think that he has made his main point.

Mr. McFadden: My hon. Friend raises the sort of issue that was raised on Second Reading, so you would be right to ask me not to get drawn further into those matters at this stage, Mr. Deputy Speaker. Everyone wants to see proper protection of people at work. As to the examples raised, I ask hon. Members to beware of those that are already breaches of current law, which should be dealt with by current law. That is something that we will have to remember in Committee.

As I was explaining, the tabling of the money resolution does not constitute a change to the Government's position, which remains as set out on Second Reading. We tabled this resolution in accordance with precedent and convention.

Question put:—

Mr. Deputy Speaker: I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 7 May, pursuant to Standing Order No. 41A (Deferred divisions).

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Standing Committees on Delegated Legislation),

POLITICAL PARTIES

That the draft Electoral Administration Act 2006 (Regulation of Loans etc: Northern Ireland) Order 2008, which was laid before this House on 11th March, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

Graveyards (Health and Safety)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Alan Campbell.]*

10.38 pm

John Mann (Bassetlaw) (Lab): I wish to declare a triple interest. First, my constituency Labour party receives finance from the Unite union, which organises vicars who are specifically affected by the issue that I am raising tonight. Secondly, my constituency Labour party receives money from the public sector union Unison, and I will be proposing to the Minister that work in respect of health and safety in graveyards should not be contracted out to the private sector, but brought into the public sector and thus given to Unison members. Thirdly, I am the only qualified and competent topple-tester in Parliament today, so I have a vested—some might argue pecuniary—interest in health and safety in graveyards.

I became a qualified topple-tester courtesy of the National Association of Memorial Masons, following intensive training at the Royal Brompton cemetery in Chelsea, precisely in order to ascertain the health and safety issues relating to graveyards across the country. Numerous constituents have come to me complaining about the practices of Bassetlaw district council.

Having carried out a little research on the internet, I saw instantly that the problem was not confined to the constituency and district of Bassetlaw, but constituted a scandal with major consequences throughout the country. In February 2007 a programme of inspections was carried out by the private contractor on behalf of the council, and 1,848 headstones in two cemeteries were deemed unsafe. I made inquiries about the company that had carried out the inspections, Independent Memorial Inspection. I could not find any details about the company as it was not registered at Companies House, but I found two statements on its website. The first was:

> "Within the last five years there have been three deaths directly caused by falling memorials and numerous injuries. Surveys have shown that as many as one in ten monuments are dangerous".

The second referred to today's "climate of litigation".

I began to realise what was going on. According to IMI's website, 15 to 25 per cent. of Victorian memorials and 40 to 70 per cent. of lawn memorials are liable to be unsafe. As the vast majority of memorials in local authority cemeteries are lawn memorials—that is certainly the case in the Bassetlaw district—for 40 to 70 per cent. to be unsafe would be a major issue. I investigated further: I did my topple-testing, examined the science involved and received training at Brompton cemetery, an historic Victorian cemetery. I concluded that the idea that large numbers of memorials were unsafe was entirely fallacious. I know that that is true, because I have tested them. I have been to see memorial after memorial that has been deemed unsafe, but is in fact safe. What we are seeing is an over-zealous interpretation not of legislation, but of perceived guidance that does not actually exist.

Bassetlaw district council wrote to me stating that it was following Health and Safety Executive guidelines that had been sent to it. I challenged Ministers to produce the guidelines, and found that the letters in question did not exist. I shall quote from the guidance

that has been issued, but I concluded that 95 per cent. of headstones in the Bassetlaw cemeteries were safe.

This is how topple-testing works. A pressure of 35 kg must be exerted on a headstone. If the headstone topples over, it is obviously unsafe. If I leant against a memorial, exerting 35 kg of pressure—slightly less than half my body weight, but half the average body weight—and it toppled over, there would clearly be a potential danger for the gravedigger and for others in the cemetery. I found that the headstones rarely toppled over. They wobbled occasionally, but the test is not to establish whether there is any movement, but to establish whether the headstones topple over. If there is the slightest suspicion of movement a headstone is deemed unsafe, and if it is deemed unsafe it is staked. So my constituents who visit their loved ones, perhaps at Christmas, may experience the indignity, embarrassment and humiliation of a staked headstone. The stakes are pile-driven into the ground—to hold the allegedly unsafe headstones that are not unsafe at all—to stop them toppling over. However, they should have toppled over in the first place if the topple test had been carried out properly; they should have been laid flat and dealt with.

The stakes themselves are a hazard, in two ways. First, they are a trip hazard. Obviously, putting hundreds or thousands of stakes at an angle in an area through which the public walk creates a trip hazard. Secondly, more dangerously, the stakes have to be above the height of the memorial stone. If one falls on to a memorial stone, one could do oneself some serious damage. But if one falls onto a much narrower stake, one is likely to lose an eye. Slipping and falling there is a bigger risk; in other words, staking increases the hazard and does not reduce it.

What is going on in our graveyards? There is IMI's myth of three deaths, but Peterborough council's website says that there have been six deaths. Where did these deaths happen? I have asked Ministers many questions. I have asked how many complaints there have been about unsafe gravestones in the past 20 years. The Church Commissioners say that there have not been any. But we are talking about Victorian headstones of huge weight, which would be dangerous if they fell on someone. There have been no complaints to the Church Commissioners, who therefore do not fear the insurers chasing them.

Dan Norris (Wansdyke) (Lab): Has my hon. Friend topple-tested anywhere else other than his own constituency? Does he think that the lack of danger to which he is alluding applies outside his constituency?

John Mann: I have not had the opportunity to topple-test outside my constituency, although perhaps that interest could be pursued. This is a scandal across the country, not simply in Bassetlaw. I would estimate that between 500,000 and 1 million headstones in Britain have been wrongly staked by over-zealous burial authorities. They usually contract out to people such as IMI, who are staking not by the dozen, but by the hundred or the thousand. It is technically wrong, but they are making good money and doubtless charging by the headstone stake, as well as for the materials and time.

The local authority is then telling my constituents that they have to fix the headstone that is not unsafe in the first place at their expense because they are the owners. The decent people of Bassetlaw—for example, the widows in their 90s who have been to see me—feel obliged to pay because that is what they do. They are respecting their late husband or their family plot. I know of cases where people have paid over £1,000 for headstones that were not unsafe. This is a major national scandal and I hope that the Minister will consider two things.

First, does he agree, as officials have, that the staking of headstones should not be allowed because it creates a greater hazard than leaving them untouched? If this were not happening in graveyards, it would be like a comedy show. This should not be permitted, as it is against good risk assessment in health and safety. Also—I am assured this will be happening before the summer—guidelines on proper risk assessment must be issued to burial authorities, because there are risks that private contractors are not assessing, such as those involving iron railings. Near my constituency, in the past two years two youths have impaled themselves on iron railings, one fatally. The risks associated with poor car parking also need to be addressed, and the state of the pavements in graveyards needs to be risk assessed, too.

Irony or ironies, in the Worksop cemetery slates on the roof of the building are liable to fall off. That is a far greater and more obvious risk that needs to be assessed and addressed than the perfectly safe headstones. I found caskets 3 or 4 in high with yellow stickers on them saying they are unsafe. I have also found headstones 6 or 12 in high that are deemed to be a risk to the community. That is entirely outwith the terms of the guidance that is repeatedly given by Ministers and the HSE, which states categorically—I ask the Minister to confirm this—that there should be not over-zealous health and safety, but a rational assessment of risks.

If a burial authority is inspecting, it also ought to tell the individual concerned so that they are able to be present if they wish—Bassetlaw has, of course, failed to do that. That would mean that we would not have to go through the ridiculous number of court cases that arise, such as those I am bringing now and will have to bring in future, in which people have not been able to witness the risk assessment taking place, or the headstone has been wrongly staked, or they have, mistakenly instructed by the council, paid out of their own money to fix things. In my book, the council is liable in such cases for repairing the damage and sorting out the issue on their behalf.

The guidance issued by the HSE and Government Departments states precisely that there should be balance in health and safety. The guidance says, "Take reasonable efforts, but, as with every other aspect of public safety, don't go overboard, because we want to ensure that there is a rational assessment of risk." The National Association of Memorial Masons training achieves that. I have done the training. It gives a rational assessment of risk and an understanding of weaknesses in structures—of what is likely to fall and what is not, of what is safe and what is not safe.

I therefore propose that the best thing councils such as Bassetlaw can do is bring this matter entirely in-house and train the council gravediggers, who are more at risk than anybody in terms of health and safety and whose families are likely to be buried in the

[John Mann]

same graveyards. They will make a rational assessment of risk, and people in my constituency and others will then be able to go about mourning and paying their respects in the proper way.

Let us get these stakes removed, and let us do so this year. That would be good news for the whole country.

10.53 pm

The Minister for Pensions Reform (Mr. Mike O'Brien): Traditionally, the Adjournment debate is the graveyard slot in the House of Commons day, so I am glad my hon. Friend the Member for Bassetlaw (John Mann) has been able to make a lively contribution to it. I congratulate him on securing the debate, as this is a serious issue. I know that the topic causes a great deal of local concern and anger.

It is undeniable that cemeteries can hide safety hazards—uneven kerbstones, trees, and the risks associated with unstable memorials. Since 2000, 21 serious incidents caused by falling gravestones and memorials have been reported to the Health and Safety Executive, including three fatalities, two involving young children. Indeed, since 1978, there have been eight fatalities, but I shall refer to the three of them that have occurred since 2000.

In 2000 in Harrogate, a 100-year-old sandstone headstone fell on to a boy aged six. It was balancing on a plinth 300 mm wide, and had been slumped at an angle for many years. In Burnley in 2003, a young boy aged nine died when he and a number of boys were collecting conkers in a cemetery and he was crushed by a falling double-sized headstone weighing more than a quarter of a tonne. In Salford in 2003, a young man aged 19 was crushed by a 1,300 mm high, 1.5 tonne headstone, described at the inquest as "huge".

These incidents are undeniably serious, but they need to be balanced against the number of memorials across the country and the number of people who visit a cemetery each year. That shows that in reality, the risk of suffering serious injury or worse is very low indeed. So it is undeniable that there is a risk, but we must get into proportion and balance the nature of that risk. There are risks in doing many things in life and some are potentially serious, but we need to be proportionate in how we respond to them. We need to ensure that burial ground operators can make simple, sensible assessments of the risk and take proportionate steps to control it.

Let me say emphatically—I hope that local councillors in particular will hear this—that in the past, over-zealous precautions have been taken to control what is in reality a low risk. Unnecessary distress has been caused to bereaved families, and a more proportionate view of health and safety is necessary. There must be an end to "topple-testing vandalism" by over-zealous operators, and some local council officials. It must stop.

Operators have a duty under health and safety legislation to take simple measures to ensure that this risk is appropriately managed. However, in recent years the Health and Safety Commission and the Ministry of Justice, among others, have taken steps to remind burial authorities of the need to manage risks in a proportionate way. As my hon. Friend is aware, in 2004, the then chair of the HSC, Sir Bill Callaghan, wrote to all local authority chief executives asking them to take a personal interest in this matter. Early last year, that exercise was repeated. I am pleased to report that since those interventions, there does seem to have been some improvement in the situation. For example, more operators have a better understanding of the need to take a more balanced and sensitive approach. In some cases, risk management is now carried out more sensitively, pragmatically and sensibly.

However, as my hon. Friend has said, there are still examples of an inflexible or insensitive approach being taken. In some cases, little or no attempt is being made to contact the bereaved before topple-testing or staking causes problems for a memorial. In others, a narrow reading of the guidance has led to over-precautionary measures, such as the laying down of very small memorials that are unlikely to hurt anyone. A few years ago in Atherstone, in my own constituency, relatives came to visit graves and found a whole series of memorials toppled. It was distressing and wrong, so I can well understand the anguish that people in Bassetlaw and in many other parts of the country have felt, particularly bereaved relatives and those who have been visiting their loved one's memorial for many years, tending and looking after it, only to find that it has been staked or laid down because it has been deemed unsafe, without proper consultation, prior explanation or the opportunity for them to take action that might have dealt more appropriately with any concerns.

The vast majority of memorials are not in imminent danger of collapse, and a few simple tests can be used to check their safety. Often, a simple visual inspection, which requires minimal training and takes little time, will suffice. Frequent checks can offer an early warning and identify potentially unstable memorials. If the burial ground manager still has a concern, a simple hand-push of the memorial will indicate whether it is wobbly or there is a likelihood of toppling.

Those simple and unobtrusive tests enable the risk of toppling to be easily evaluated without causing unnecessary damage to memorials. If there is a potential problem, the relatives can be told about it and given a chance to put it right. One other test can be, and is, used to assess the risk—the topple test, which my hon. Friend mentioned. I shall deal with the problem of staking at more length.

The topple test should be a test of last resort. It was originally identified to enable monument masons to have a test that would enable them to know that a monument is firmly in the ground. It was not originally intended to apply to older memorials that have been in place for a long time. I know that my hon. Friend has recently become a qualified topple-tester; he is an example to all of us of a lifelong learner. In a debate on this matter back in 2005, he put on the record what the topple test involves, so I do not need to repeat that. What I can say is that the test can play a role, but that it should be used only when it is clear that it is needed and with due warning to relatives, if they are able to be contacted.

It is not necessary to have armies of testers walking around graveyards with a strain gauge checking all memorials at will—that is over-zealous nonsense. Memorials must not be toppled unnecessarily; they should be staked only when it is necessary to do so. The excess of zeal from some operators who seem to want to justify their fee must end. Many small gravestones

should not need a topple test, and it is certainly very unlikely that they would need to be staked. I am told that there are cases where perfectly stable older memorials have been irreparably weakened by a topple test. When stakes are driven in by power hammers, that in itself can, as my hon. Friend says, cause the memorial to become dangerous.

If a memorial is assessed as being in imminent danger of collapse, action should of course be taken to minimise that risk. That should be done sensitively, with due regard for the owners, and for the relatives of the deceased. Laying a headstone flat is understandably highly distressing to relatives and to the local community, particularly when it is poorly carried out. In many cases, more desirable, remedial actions can be taken; some councils have devised better stabilisation devices that blend in with the cemetery and do not cause the sort of hazards that my hon. Friend has identified. Where the memorial is of historical importance, the authority may well direct its staff to take appropriate corrective action, and in some cases, it may be possible for local monument masons or council workers to address weak foundations.

In each case, it is better that the owner, in the sense of the bereaved family, should be consulted, where possible, before any action is taken. Sometimes they cannot be contacted and the council will then have to take a view on the safety issue, but that is what officials are employed to do; they are employed to make sensible decisions. I recognise that that requires a judgment to be made, especially in respect of older graves. Council officials sometimes think that they would rather rely on an outside body to make the decision for them, but it is their responsibility to make decisions, to take a view and to get appropriate advice.

A reasonable first step might be to contact the stonemason business that erected the memorial, if it is still in existence, or to seek the advice of another local mason. They may be best placed to stabilise the memorial, for example by repairing weak foundations, or to take temporary steps to stabilise it. That can give time to alert owners to the problem, what further action the authority wants to be taken and the time scale for taking it. If there is an imminent danger, of course action needs to be promptly taken. In other words, judgments have to be made.

A number of guidelines are available to help assess and mitigate risks, but because the bodies involved are so diverse—they range from municipal authorities and local councils to the Church of England, representatives of memorial masons, cemetery managers and various private companies that have guidelines—there is no single source of guidance. That is why the Health and Safety Executive has been tasked to work with those bodies to re-examine producing common guidance. I can assure my hon. Friend that any common guidance produced will be goal-setting, not prescriptive, and will encourage those best placed to understand fully and own the risks, to manage them effectively and to do so with a degree of sensitivity and, most importantly, with some common sense. It will aim to encourage the spread of good practice across the various organisations involved. I want to challenge a sometimes lazy, risk-averse culture that invokes inappropriate product-led solutions to complex problems that need addressing with greater care and sensitivity.

John Mann: Does the Minister regard it as good practice for a local burial authority to have thousands of staked headstones? Should not such an authority move with the utmost swiftness to rectify that situation so that it does not continue for month after month, even year after year?

Mr. O'Brien: I have just said that I want local authorities to make sensible judgments about health and safety issues, and they will have to make sensible judgments about whether it is appropriate to remove stakes. In certain cases, it may well be, but as I also said, driving in the stakes can cause problems and make memorials unsafe. In such cases, the authorities will have to consider whether it is then appropriate to remove the stakes. The local authority involved will have to make a judgment, and it may well have to be on a grave-by-grave basis.

Staking on a routine basis is not recommended by the Health and Safety Executive. In fact, it should not be done like that. A key problem is that sometimes staking is done shoddily, in a way that damages the memorial. Power-driven stakes can create unsafe situations, so the HSE is now consulting on health and safety in graveyards and will say that staking should not be done routinely. Appropriate use of staking may be the right approach, but it should be done only where there is a perceived imminent risk and, where possible, after an attempt has been made to contact relatives. If they can be contacted, they may be able to carry out their own inspection and take the appropriate steps to deal with any concern about safety. We must remember that the graves are usually owned by the families, and it is their responsibility to ensure that they are safe. The local authority or church has some responsibility if it is their graveyard, so they also have to take appropriate action.

I do not want to see one more child—or adult, for that matter—die in a cemetery accident. Nor do I want to see bereaved relatives weeping over graves vandalised by unnecessary topple-testing or inappropriate staking. This debate has highlighted some important concerns. A cemetery is an important place and a person's final resting place must never be treated with bureaucratic contempt. On occasion, over-zealousness has resulted in contempt being shown.

Most authorities and churches up and down the country operate procedures that manage the small hazards posed by memorials. They employ common sense in ensuring that risks are minimised—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, Mr Deputy Speaker adjourned the House without Question put, pursuant to the Standing Order.

Adjourned at eight minutes past Eleven o'clock.

House of Commons

Wednesday 7 May 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

DUCHY OF LANCASTER

The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster was asked—

Gift Aid

1. **Ian Lucas** (Wrexham) (Lab): What plans he has to assist charities to benefit further from the gift aid scheme. [203755]

The Minister for the Cabinet Office (Edward Miliband): In Budget 2008, the Government committed to a transitional gift aid rate of 22 per cent. for three years, worth £300 million to the sector, which was widely welcomed. Alongside that, we are making significant changes to the auditing, record-keeping and claims process to reduce the administrative burden on charities. We will continue to work with the charitable sector to see how the take-up of gift aid can be improved.

Ian Lucas: Gift aid has been such a successful scheme that there was real concern about detrimental effects when announcements were made about changes to the tax regime. Will my right hon. Friend ensure that there is close contact with the charitable sector, including the many small organisations, to ensure that it fully understands the changes so that the scheme can be as effective as it has been in the past?

Edward Miliband: My hon. Friend is right. The Government have a good record on gift aid. Gift aid receipts were £385 million in 1996-97 and were £830 million in the latest year for which figures are available. The transitional relief that we have been able to provide has been widely welcomed by the charitable sector. My hon. Friend is right that there is still a lot of unclaimed money in gift aid, and both the Government and the charitable sector must work to ensure that it is taken up.

Mr. David Evennett (Bexleyheath and Crayford) (Con): Is not the Minister concerned that the amount that charities receive in gift aid will fall as a result of the cut in income tax, and what will he do to ensure that they have more funding opportunities?

Edward Miliband: With respect, the hon. Gentleman must have missed my reference to the announcement in the Budget. The Chancellor of the Exchequer announced three years of transitional relief to tide over charities that face a cut in gift aid as a result of the cut in the basic rate of income tax to 20p.

Mr. Evennett: In the long term?

Edward Miliband: The charitable sector thinks that the tax rate and the gift aid rate need to be tied together in the long term—and it is right—because it removes the Government's discretion to vary the amount the sector gets. We need to use the next three years to see whether we should reform the gift aid system further—I welcome any suggestions that he has—and to increase the take-up of gift aid.

Ms Sally Keeble (Northampton, North) (Lab): Will my right hon. Friend look sympathetically at the representations that have been made to extend gift aid to subscriptions to junior sports clubs? That would be an excellent way to encourage young people to participate in sport and to reward parents and others who run the clubs, who make an enormous contribution to our communities.

Edward Miliband: I was not aware of the specific campaign, but I clearly should be. I will endeavour to look at my hon. Friend's proposal. Sports clubs play a huge role throughout the country and are an incredibly important part of the charitable sector. I shall make representations to my right hon. Friend the Chancellor of the Exchequer.

Susan Kramer (Richmond Park) (LD): As the Secretary of State will be aware, many charities will have a hole in their budget when the transitional period is over. Surely this is the time to look again at the ability to recover VAT on charities. He will know that the EU commissioner has confirmed that member states—although not including Britain—are implementing systems compatible with EU legislation that would allow the whole charge to be reclaimed and recovered.

Edward Miliband: I understand the hon. Lady's suggestion, because it is a long-running issue for the charitable sector. To be candid, the costs would be significant, running to hundreds of millions of pounds. EU legislation also poses barriers, although I will look into the point that she makes. My feeling, from talking to people in the charitable sector, is that the argument has moved on. People welcome the gift aid reliefs, and they want to build on the system that we improved and have protected through the transitional relief that I have mentioned.

Tom Levitt (High Peak) (Lab): It is good news that charities now have three years to prepare for what will be a hit when the gift aid rates come into line with income tax rates. This is a good time for charities and employers to encourage the use of payroll giving. Will my right hon. Friend do what he can to increase the amount of payroll giving on which gift aid can be claimed?

Edward Miliband: My hon. Friend is right. Payroll giving can play a big role in increasing the income that is available to charities. We should be honest about the

fact that we can do much more to promote payroll giving. Outside work is being done on how payroll giving can be reformed to make it more attractive for people to take up, because there is nothing like having people committed to giving to a charity through their payroll. It means that the charity has some certainty about the income that it will receive. I would welcome any suggestions that my hon. Friend or others have about how to improve the system of payroll giving and increase take-up.

Anne Main (St. Albans) (Con): Relate is a fantastic charity that offers a valuable service in many of our constituencies. I met Sue Andrew, the Hertfordshire director of Relate, who said that the charity had previously been entitled to gift aid but was not now. Relate stresses that it suggests a voluntary donation of approximately £40 in Hertfordshire, but it does not withdraw services if a donation is not forthcoming. Indeed, some families give more. Will the Minister investigate why gift aid has not been available for Relate?

Edward Miliband: The hon. Lady raises an important issue. I have a local interest in Relate, as one of its offices is based in Doncaster. Even if that was not the case, I would endeavour to look into that point. I shall write to her.

Mr. Francis Maude (Horsham) (Con): We miss the Secretary, Cabinet Office, the hon. Member for West Bromwich, East (Mr. Watson) from his usual place, but he has courteously explained why he is away. I am sure that the whole House will want to send him and his wife all its good wishes for the forthcoming event.

We welcome the transitional relief to which the Secretary of State refers, which has been given to compensate charities for the shortfall in gift aid income as a result of the Prime Minister's income tax changes, after my hon. Friend the Member for Tunbridge Wells (Greg Clark) raised the issue in the Budget debate last year. What assessment has the Cabinet Office made through its social exclusion taskforce of other groups in society that are losing out as a result of the income tax changes?

Edward Miliband: I pay tribute to the right hon. Gentleman's ingenuity in bringing that point into a question about gift aid. I think that it is good that we are cutting the basic rate of tax to 20p. As we can see, that has an effect on the charitable sector, and it is right that we should try to help the charitable sector out. As I said earlier, I think that the transitional relief has been widely welcomed.

Mr. Maude: Is it not clear that the belated introduction of the transitional relief on gift aid shows that the income tax changes were simply not thought through? After the kick in the ballot box that the Government received last week, do not Ministers realise that it is now time to set out in detail what relief there will be for the millions of low-paid victims of the 10p tax hike? Is it not unfair to Ministers such as the hapless Communities Secretary to send them out night after night on "Newsnight", unable to answer the most basic questions on that point? When will she be put out of her misery?

Edward Miliband: This Question is on gift aid, but I will happily answer the right hon. Gentleman's question on the other issue, with your permission, Mr. Speaker. My right hon. Friend the Chancellor of the Exchequer is looking at the issues in relation to the 10p rate and he will make a statement at the appropriate time. If the right hon. Gentleman wants to have an argument between now and the next election, either about the charitable sector or about people in poverty in this country, and about which party is best to deal with those points, I say, "Bring it on". Not only do this Government have a good record on gift aid and the charitable sector, but we have a record on poverty of which we can be proud.

Social Change

2. **Fiona Mactaggart** (Slough) (Lab): What recent assessment he has made of the role that charities play in campaigning for social change; and if he will make a statement. [203756]

The Minister for the Cabinet Office (Edward Miliband): Charities play an essential role in campaigning for change. I welcome the Charity Commission's recently published guidance, which gives greater clarity to the freedoms that charities have to campaign in order to meet their charitable purposes.

Fiona Mactaggart: Does the Minister have an estimate of the degree to which local authorities punish charities that campaign for change within their area and on behalf of residents? What can he do to stop local authorities cutting grants to campaigning charities?

Edward Miliband: My hon. Friend is a former charities Minister, and she knows the issue well. She knows some of the difficulties of addressing it. Her fundamental point is absolutely right. Charities should not feel constrained from biting the hand that feeds them. Whether they are funded by an organisation, a local authority or a national Government, they should feel absolutely free to campaign against the policies of that authority or Government. I want the Commissioner for the Compact, Sir Bert Massie, to consider how we can do more locally to ensure that local organisations can campaign with freedom on local issues.

Mr. Roger Williams (Brecon and Radnorshire) (LD): In the area that I represent, public transport is inadequate for many people who do not have cars. Voluntary community transport schemes provide people with the opportunity to be taken to hospital, yet the amount of money that the schemes can pay volunteers who provide their own vehicle has been pegged. The schemes are not allowed to pay any more without tax being deducted. As there has been an increase in the price of petrol and in other costs, will the Minister consider that and decide whether the amount paid can now be increased?

Edward Miliband: I am taking away rather a lot of work today for myself and for the Secretary, Cabinet Office, my hon. Friend the Member for Corby (Phil Hope). The treatment of expenses for volunteers is a significant issue. It arose about a year ago in relation to

lunch expenses for people on benefits, and we managed to get a good result with that. As I have said in answer to some other questions today, we will endeavour to look at the issue that the hon. Gentleman raises.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): One social change that I have been working with the third sector to try to achieve is a shift towards healthier lifestyles and diets. Will the Minister join me in congratulating organisations such as the Child Poverty Action Group and Unison? They have joined me in campaigning for free, universal and locally sourced school lunches to ensure that every child in every school has a hot, healthy meal.

Edward Miliband: May I begin by paying tribute to what started off as my hon. Friend's one-woman campaign for universal free school meals? It is an ingenious campaign, and many people in this House will understand its benefits. I was recently in Hull, where the Labour council introduced free school meals in primary schools for a time, but that was unfortunately abolished by the Liberal Democrats—[Hon. Members: "Shame!"] Well, what would one expect? However, I can tell my hon. Friend that I know that others in Government are looking at this matter, and I hope that they are doing so sympathetically.

Mr. Peter Bone (Wellingborough) (Con): Wellingborough Mind does a wonderful job of campaigning for social change in my constituency. It is funded by the NHS and the county council but, unfortunately, that funding runs out on 30 June. What would the Minister say to those organisations about providing a properly funded budget for the future?

Edward Miliband: All organisations should seek to bring stability to funding for the third sector. I hope that the hon. Gentleman will make representations to Wellingborough council—

Mr. Bone: And to Northamptonshire county council.

Edward Miliband: The hon. Gentleman indicates that he is doing so. Stable funding is incredibly important for the third sector. Again, I pay tribute to the work of Mind, which does an excellent job throughout the country. From here in Whitehall, it is very difficult to ensure that every local organisation is funded, but I wish him luck with his representations.

National Youth Volunteering Programme

3. **Mr. Mark Hendrick** (Preston) (Lab/Co-op): What assessment he has made of the effectiveness of the national youth volunteering programme, v involved. [203757]

The Parliamentary Secretary, Cabinet Office (Phil Hope): England's biggest ever youth action scheme, v involved, started in April. The scheme funds 158 projects to recruit volunteers up and down the country, and 107 teams to support young volunteers and to help organisations to involve young volunteers. Over the coming three years, v involved will create 500,000 more volunteering opportunities. That will help it to progress towards its overall objective of 1 million new volunteers by 2011.

Mr. Hendrick: I thank my hon. Friend for that reply. Will he join me in congratulating the Ingol and Tanterton Action Group, and in commending it for its work? The group is made up of many young people from Preston who are working in the community to develop many fantastic activities such as summer festivals, internet cafés, coaching in sports activities and DJ workshops. They are also working with older people to generate the intergenerational capacity that we need so much in our communities.

Phil Hope: My hon. Friend is absolutely right, and I certainly want to congratulate him on his work as a champion of young people and young volunteering in his constituency. The Ingol and Tanterton Action Group does terrific work, and I want to emphasise that its intergenerational nature fosters better relationships between younger and older people in the community. That can do a great deal to break down barriers, dispel myths and build community cohesion between people of different ages.

Mr. Nick Hurd (Ruislip-Northwood) (Con): When the charity v was launched by the Prime Minister two years ago, it was set a target of raising £50 million from the private sector. How much cash has been raised so far?

Phil Hope: The charity v was charged with delivering in a variety of ways the resources that we provide, as I described earlier, and with creating match-funding opportunities as well. Some £75 million of the £117 million that v will be delivering has come via the v involved programme. The match-funding target is some £45 million. To date, v has secured more than £32 million in pledges for youth volunteering from the private sector—well on course!

Mr. Alan Meale (Mansfield) (Lab): Is the Minister aware that we have a very active volunteer centre in Mansfield? Part of it is the new Artemis project that deals with young ex-offenders. I hope that he will give that project a fair wind today, and give us some news about its future.

Phil Hope: I have some good news for my hon. Friend: the Artemis project in Mansfield is receiving money from v to do some very interesting work on peer mentoring between older young people and young people who find themselves in trouble with the criminal justice system. I think that there is particular value in the one-to-one relationship that that can provide for young people, either when they are in custody or when they leave custody and go back into the community and need support. May I remind everybody that the first week of June is national volunteers week? I hope that every Member of the House will take the opportunity to go to their volunteer centre—my hon. Friend mentioned the one in Mansfield—and offer their services for a couple of hours during volunteers week.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Minister volunteer to learn the English language? What does all this ghastly jargon mean—v involved? It has not even got a capital letter. Will he please get rid of this awful jargon?

Phil Hope: I am struck by the thought that some intergenerational volunteering might not be amiss for the hon. Gentleman. "V" is short for volunteering. He will be glad to know that young people are getting cash to support their projects through v cashpoint, are getting involved in local projects through v involved, and are having a great time contributing to building their communities through v teams. Perhaps he might like to go down to his v volunteer centre and offer to educate himself about the contribution that young people are making through those very innovative schemes.

Gift Aid

4. **Lynda Waltho** (Stourbridge) (Lab): What steps he is taking to facilitate the take-up of gift aid among smaller charities. [203758]

The Minister for the Cabinet Office (Edward Miliband): In addition to the measures that I listed in response to Question 1, the Government are funding a small charities training programme that targets charities with a turnover of less than £1 million per annum to ensure that small charities can access guidance and training on gift aid.

Lynda Waltho: The Mary Stevens hospice in Stourbridge is much loved by all my constituents—so much so that it derives 82 per cent. of its income from legacies and donations. How will changes made to gift aid in the Budget assist small charities and organisations such as Mary Stevens?

Edward Miliband: Let me join my hon. Friend in paying tribute to her local charity and the work that it does. The changes that we announced in the Budget—not just the transitional relief for gift aid but changes to rules on auditing and record-keeping—are specifically designed to help small charities, which often get small donations and find that there is a lot of complication and bureaucracy involved in claiming gift aid. I hope that she will find that the changes will help her local charity.

Mr. Philip Hollobone (Kettering) (Con): Websites such as justgiving.com make it easy for people who want to donate to charities to access gift aid. What specific encouragement will the Minister's Department give to such websites, so that online access can be extended?

Edward Miliband: The hon. Gentleman has just given the website a good plug. I believe that I used it, or a similar website, to sponsor someone who was running in the London marathon to raise money for a hospice. The hon. Gentleman makes an important point, and we will endeavour to look into whether there is anything more that we can do to help such websites. It is important that the Government do not try to do the task themselves, because independent organisations are doing a very good job.

Social Exclusion

5. **Mr. Ken Purchase** (Wolverhampton, North-East) (Lab/Co-op): What recent representations he has received on social exclusion policy. [203759]

The Minister for the Cabinet Office (Edward Miliband): In response to the Cabinet Office report, "Think Family", the Government recently received 90 bids from local authorities across the country to be part of the £16 million family pathfinder programme. The proposals set out how to take forward social exclusion policy in local areas better to meet the needs of the most vulnerable families. Fifteen successful areas have now been chosen.

Mr. Purchase: I am surprised that the Minister has not received representations from the many thousands of people who are unfortunately trapped on council house waiting lists, and who are therefore excluded from decent housing. In fact, the Labour Government's achievement in developing council housing post-1945 was perhaps our greatest contribution to public health. The House will welcome the millions and billions that are to be spent on housing, but a great proportion of that money should go directly to local authorities, where it will be well spent helping to reduce the historic waiting lists.

Edward Miliband: Of course, my hon. Friend has been an ardent campaigner on the issue for many years, and I pay tribute to his campaigning, even if I do not agree with every part of it. He is absolutely right about the need to increase the amount of social housing that is built; that is what we are doing, through local authorities, housing associations and other means, but no doubt his campaign will continue.

Mr. Simon Burns (West Chelmsford) (Con): Will the Minister ensure that social exclusion policy includes prisoners with literacy problems and those who suffer from dyslexia so that more can be done while they are in prison to help to raise their literacy skills so that they have a better opportunity when they return to society and do not reoffend?

Edward Miliband: The hon. Gentleman raises an important subject, and I wholeheartedly concur with everything that he said. As part of our public service agreement targets, we have a target to help ex-offenders find a home and a job when they leave prison. He makes an important point, and we will look at it as part of that work.

Chris Ruane (Vale of Clwyd) (Lab): What recent representations has my right hon. Friend received on social exclusion in seaside towns?

Edward Miliband: My hon. Friend asks a pertinent question. I had the pleasure of visiting his constituency recently. I saw the amazing work that is going on in Rhyl, and I pay tribute to all the work that he and members of his local community have done. I look forward to Rhyl and many other seaside towns continuing to regenerate in the years ahead.

Greg Clark (Tunbridge Wells) (Con): Will the right hon. Gentleman, who has ministerial responsibility for social exclusion, take his share of responsibility for the abolition of the 10p rate, given that it has plunged 300,000 more people into poverty and hits those on the poverty line hardest? The Prime Minister has promised to listen, but many Members on both sides of the House think that the trouble is that he has listened too much to the right hon. Gentleman and his gang.

Edward Miliband: Of course, we all take responsibility for the Government's tax policy. We take responsibility for the fact that we have taken 600,000 children out of poverty since 1997; we take responsibility for the fact that we have 3 million more jobs in this country; and we take responsibility for the fact that we will continue to show that we are the best party on poverty.

Volunteering

6. **Mr. David Crausby** (Bolton, North-East) (Lab): What steps he is taking to encourage more young people to volunteer. [203760]

The Parliamentary Secretary, Cabinet Office (Phil Hope): The Government will invest £117 million in youth volunteering through v from 2008-2011. The youth-led volunteering charity v has the mission to inspire 1 million more young people to volunteer. Since its establishment, it has created over 210,000 volunteering opportunities. The national programme that began in April 2008 aims to create 500,000 more volunteering opportunities for young people.

Mr. Crausby: Does my hon. Friend accept that too much paperwork and red tape deters young people from volunteering, so what can he do to avoid unnecessary time-consuming checks, especially in cases where those volunteers are not involved with children and vulnerable adults?

Hon. Members: Hear, hear.

Phil Hope: I am unused to such a tribute from the Opposition when I rise to speak. My hon. Friend is absolutely right. Baroness Neuberger, who was appointed volunteering champion by my right hon. Friend the Prime Minister, identified the issue of bureaucracy and unnecessary checks on volunteers. There is anecdotal evidence of some confusion, which means that potential volunteers and, indeed, young volunteers are being checked unnecessarily, and that acts as a barrier to participation. I am therefore pleased to be able to tell the House that we will produce clearer guidance to voluntary organisations about volunteering, about when, and when not, to recheck individuals and about alternatives to checking such as seeking references, which, I hope, will reduce the barriers that my hon. Friend described.

Derek Wyatt (Sittingbourne and Sheppey) (Lab): May I commend to my hon. Friend the work of TimeBank—the largest volunteer organisation in the UK, of which I am a patron? Will he have a word across government to introduce an NVQ for volunteering, as that would have a great impact on volunteering in schools?

Phil Hope: My hon. Friend makes a good point—it is one that he has made to me in the past—about being able to accredit and recognise, through qualifications, the contributions made by young people when they engage in volunteering. He will be glad to know that v is developing a system to bring on board the best experiences from the Duke of Edinburgh award and other schemes that give out certificates that recognise the contribution made by young people, either in their initial attempt to volunteer or if they volunteer for, say, 40 or 50 hours. We wish to find a way of building in the ability to accredit young people's contribution to the community and recognise that through volunteering and the certificate employers and universities can see the contribution that they have made to the community in which they live.

Low-income Households

7. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): Whether the social exclusion unit has undertaken research on the effect of the tax system on low-income households. [203761]

The Minister for the Cabinet Office (Edward Miliband): Analysis from the independent Institute for Fiscal Studies shows that tax and benefit reforms introduced since 1997 have increased the annual incomes of the poorest tenth of the population by 12.4 per cent. or £1,300 on average. In addition, independent research confirms that tax credit and other measures have helped lift 600,000 children out of poverty during that period.

Mr. Crabb: Given the specific remit of the social exclusion unit, will the Minister state whether, prior to the last Budget, the unit provided any advice to Ministers on the entirely predictable negative consequences to people on low incomes of the abolition of the 10p tax band? If so, why was that advice ignored?

Edward Miliband: We have discussions about a range of issues with all kinds of colleagues across Government. Nobody in the House is proposing that we restore the 10p tax rate. The Opposition had to admit that yesterday. I come back to what I said in my earlier answer: we take credit for the fact that we have taken 600,000 children out of poverty—a record that the Conservative party could never match.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [203739] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): If he will list his official engagements for Wednesday 7 May.

The Prime Minister (Mr. Gordon Brown): Before I list my engagements, I am sure the whole House will wish to join me in sending our profound condolences to the family and friends of Trooper Ratu Sakeasi Babakobau of the Household Cavalry Regiment, who was killed in Afghanistan on Friday. We owe him and all others who have lost their lives a great debt of gratitude.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further meetings later today.

Mr. Vara: As the right hon. Gentleman is the only person in the House with experience of unseating a sitting Prime Minister, what is his own estimate of how long he has got?

The Prime Minister: Once again, the big policy questions of substance. I will tell the hon. Gentleman what the Government have done under two Prime Ministers. We have created the highest employment in history; we have cut child poverty and pensioner poverty; we have doubled investment in health and social services; we have got the best education results in our history—and none of that would have happened under a Conservative Government.

Q2. [203740] **Lyn Brown** (West Ham) (Lab): Over 5,000 of my constituents in Newham are living in substandard temporary accommodation, paying over £1,000 per calendar month in rent. That is clearly unaffordable for those who are living on low incomes, and it traps families in benefit dependency. Will my right hon. Friend confirm his commitment to building 15,000 affordable new homes in London per year, and review the benefits system to incentivise work?

The Prime Minister: Yes, we will. We have made available money for 70,000 new affordable homes, including 45,000 new social homes. That is a 50 per cent. increase, and half of those will be delivered in London. I welcome the new Mayor of London to the House. I hope he will continue the record of his predecessor in social housing and creating affordable housing.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Trooper Ratu Babakobau, who was killed in Afghanistan on Friday.

The whole House will also want to send our condolences to everyone caught up in the Burmese cyclone. The Prime Minister knows that he will have the full support of those on the Opposition Benches in any action needed for the aid and assistance that clearly will be necessary.

I join the Prime Minister in congratulating my hon. Friend the Member for Henley (Mr. Johnson) on his magnificent victory. I am sure the Prime Minister has always secretly wanted to see the back of Ken Livingstone, and I am sure he will have a fruitful relationship with my hon. Friend. [AN HON. MEMBER: "Will you?"] Indeed. Following Thursday's elections, the Prime Minister said that he would listen and lead, so let me start with an issue of leadership. Labour's leader in Scotland, Wendy Alexander, says that there should be a referendum now on Scottish independence. Does he agree with her?

The Prime Minister: That is not what she has said. The Conservative party, the Liberal party and the Labour party have joined together in setting up the Calman review, the commission on devolution. I hope that we can see progress in that commission, and we will review the progress before making any further decisions. I thought that that was the policy of the Conservative party, which supported the commission.

Mr. Cameron: I think the Prime Minister is losing touch with reality. This is what Wendy Alexander said:

"I don't fear the verdict of the Scottish people,"

she told BBC Scotland on Sunday,

"Bring it on."

What else could that possibly mean? Can I ask the Prime Minister again? Does he agree with Wendy Alexander or not? It is not much of a leadership if no one is really following him.

The Prime Minister: The Calman commission has been set up to review the progress of devolution. I believe that all parties in the House will welcome the fact that it is looking at all these issues. When we review the progress of the Calman commission, we can make further decisions.

What the leader of the Labour party in Scotland was pointing to was the hollowness of the Scottish National party, which said that it wanted independence, said that it wanted it immediately, and now wants to postpone a referendum until 2010-11. That is what she was pointing out. She was making it clear that what the Scottish National party was doing was against its election manifesto.

Mr. Cameron: The one thing that people thought about this Prime Minister was that he was quite a good political fixer—and he has now lost control of the Scottish Labour party. So there has been no leadership on the Union.

Let us turn to listening. People want to know whether this is a genuine listening exercise, or just another relaunch. In London, where we now have a Conservative Mayor, one of the biggest issues at the election was crime. Under this Government's early release scheme, nearly 24,000 prisoners have been released early from prison. The last Prime Minister, who introduced the scheme almost a year ago, described it as "very temporary". If the current Prime Minister is serious about listening to people, will he now scrap it?

The Prime Minister: We are building up the number of prison places. We have made an announcement about the new prison places that we are going to create this year and in the next few years. When we have built up the number of prison places from the 60,000 that we inherited—now 80,000—to 82,000 and then 86,000, we will make our decisions on the right thing to do about early release. But it is important to have a situation where we have built enough prison places and that is what we are going to do. Again, I thought that the right hon. Gentleman supported us on the building of prison places—and so he should.

Mr. Cameron: So that is a no, then—no action to stop the early release of prisoners. Every week, more prisoners are going to be released under the Prime Minister's early release scheme. He is not going to listen to people when it comes to crime.

Up and down the country, people told the Government in the clearest possible terms that they wanted to keep their local post offices. The former Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke)—*[Interruption.]* They should listen to the former Home Secretary; he always has something helpful to say. He said that the current review was "over-bureaucratic" and should be suspended. So will the Prime Minister listen to people and halt the closure programme for the post offices?

The Prime Minister: Once again, the right hon. Gentleman is proposing to spend money that he does not have. He knows perfectly well that we are putting £1.7 billion into post offices to keep as many post offices open as possible. The London results of the review have just been published, and it has saved some of the post offices in London. But the fact of the matter is that the right hon. Gentleman has no money to be able to keep further post offices open, and he should stop misleading the electorate about what he can and cannot do.

Mr. Cameron: So that is another no, then—he is not listening to people about post offices. When it comes to post offices, when it comes to releasing criminals and when it comes to taxing the low paid, people will just conclude that this whole listening exercise is just empty words.

Seven months ago, the Prime Minister called off the general election and said that he wanted more time to set out his vision. Since then, we have had nearly 130 White and Green Papers, 34 Government Bills and 7,457 Government press releases. If he had a coherent vision, would not people have heard it by now? Should not everyone conclude that we have a Government who just lurch from one relaunch to another? Should they not conclude that what is missing is what is really needed—that is, a clear vision and some strong leadership for Britain?

The Prime Minister: The choice in this country is between a Government who have created jobs, stability, growth and public services and a Conservative party that has absolutely nothing to offer the people of this country. When I look at what the Conservative promises are, I see £10 billion of tax cuts, a black hole in public spending, risk to the economy and going back to the situation that we had in the early '90s. No amount of slick salesmanship can obscure the fact that there is no substance in anything the Conservatives are saying.

Mr. Cameron: People expressed their view on the choice last week. The Prime Minister talks about salesmanship. We all know his brilliant salesmanship—this is the man who sold gold at the bottom of the market. That is the problem with the Prime Minister—he has got nothing to sell and he is useless at selling it. While we are at it, I have got a bit more advice for him. This is the Prime Minister who went on "American Idol" with more make-up on than Barbara Cartland; this is the Prime Minister who sits in No. 10 Downing street wondering—*[Interruption.]*

Mr. Speaker: Order.

Mr. Cameron: He sits in No. 10 Downing street waiting for Shakira to call and waiting for George Clooney to come to tea. I have got a bit of advice for him: why does he not give up the PR and start being a PM?

The Prime Minister: This is a man who tries to lecture us on presentation, this is a man who tries to lecture us on style, because there is no substance in any of his questions. The choice is between a Government who have raised the minimum wage and a Conservative party that opposed the minimum wage. The choice is between a Government who have taken a million children out of poverty and the Conservative party that trebled poverty. No amount of presentation from the Conservative party can obscure the vital question that the choice in this country is between a Labour Government who deliver and a Conservative party that just talks.

Sarah McCarthy-Fry (Portsmouth, North) (Lab/Co-op): During the '80s and early '90s, many families in Portsmouth had to cope with sky-high interest rates, rampant inflation and little likelihood of finding work. Since then, sustained investment in jobs and training has led to the highest employment levels ever. Does my right hon. Friend agree that this is a prime example of fixing the roof while the sun shines?

The Prime Minister: There are more people in employment in this country than at any time in our history, there are more vacancies for jobs, and we have cut unemployment to its lowest level since 1975. That could not have happened if we had followed the policies of the Conservative party. More than that, there are 1.8 million more home owners in this country, and that could not have happened if we had the 15 per cent. interest rates that we had under the Conservatives.

Mr. Nick Clegg (Sheffield, Hallam) (LD): May I add my own expressions of sympathy and condolence to the family and friends of Trooper Ratu Babakobau? Also, I am sure that I speak on behalf of all Members of the House when I extend our expressions of sympathy and condolence to the family and friends of Ray Michie, the former Member for Argyll and Bute, who sadly passed away just last night.

Does the Prime Minister understand the threat from the right hon. Member for Norwich, South (Mr. Clarke) when he said that the doubling of the 10p tax rate will

"resonate until there is clarity"?

When will we get concrete proposals to compensate all those who have been hit?

The Prime Minister: I add to the condolences that the right hon. Gentleman has sent to the family of Ray Michie, who was a very distinguished Member of this House.

The right hon. Gentleman's party is not proposing the restoration of the 10p rate—not at all. Let me also say that the Chancellor has put his letter to the Treasury Committee and outlined the steps that he is taking to deal with the two groups that were missed out—the 60 to 64-year-olds and those people on low incomes who cannot claim the working tax credit—and he will put forward his proposals in due course. I would have thought that the Liberal party would be prepared to wait until he puts his proposals.

Mr. Clegg: That is not good enough. This is a matter of principles—remember those? I think that everybody now knows that when it comes to helping the most needy, the Prime Minister has got no principles and the Tories have got no policies. Will he now provide an absolute guarantee that those who have lost out will be compensated in full, backdated to the beginning of April, and will not have to jump through hoops to claim what is rightfully theirs?

The Prime Minister: The Chancellor will put his proposals. The Liberal party opposed the new deal, which has helped 2 million people get into work. The Liberal party wanted a local minimum wage, not a national minimum wage, and the Liberal party opposed our child tax credit and our child trust fund. That is not a record that it should be proud of.

Q3. [203741] **Mr. Mike Hall** (Weaver Vale) (Lab): May I add my condolences to the family of the serviceman killed in Afghanistan on Friday?

My right hon. Friend is aware that the fight against crime is ongoing, and when the police introduce proposals to improve the way in which we tackle violent crime and terrorism, they should have confidence that policy makers will give those proposals serious consideration. What does my right hon. Friend have to say to those Members of this House who claim to be on the side of the police, but do not back that up when it comes to votes on measures such as the national database on DNA or the imposition of mandatory sentences for rapists and those who carry guns and knives?

The Prime Minister: My hon. Friend is absolutely right. We proposed tougher sentences for murder, for sexual and violent offences, and for persistent offenders; indeterminate sentences for anyone who committed serious sexual or violent crime; and five-year minimal custodial sentences for unauthorised possession of firearms. All those proposals were opposed by the Conservative party.

Mr. Michael Mates (East Hampshire) (Con): Does the Prime Minister recall agreeing with me when I suggested to him a month or two ago that the House was going to need a much better and fuller explanation of why an increase in time is being sought by the Government for holding people in detention without charge? When is he going to give us that explanation? Would it not be a good time to do so now?

The Prime Minister: That is what the debate at the moment is about. I have appealed to Members of this House to look at the matter so that we can find a consensus. I have said that using the Civil Contingencies Act 2004, which some people wish to use for this purpose, would mean going beyond 28 days, but we would have to declare a state of emergency to do so. Many people in this House would be prepared to have a period lasting longer than 28 days, but to do so we would have to declare a state of emergency.

I and the Government are proposing that we give a power to the House. The Home Secretary, with the Director of Public Prosecutions and the head of the Metropolitan police, would have to come to this House with an order and the House would have to vote a second time on whether it approved the action to allow someone to be detained for more than 28 days before they were charged. I believe that the safeguards that we have put in place protect the citizen against arbitrary treatment. They include a judge reviewing the detention every seven days, a report by an independent reviewer, the Home Secretary being required to come to the House and a final report on how the procedure had been adopted. Those are the protections for civil liberties that people have asked for. But I have to take the advice of other people who tell me that it is important for us to have a precautionary power in place so that, if there were a multiple incident, we could go beyond 28 days with the approval of the House.

I have looked at terrorist incidents over the past few years, and I have looked at the sophistication of terrorists who are using multiple passports, multiple telephone numbers and multiple e-mailing facilities. If there was a plot involving a number of people, we would need more than 28 days to review all the evidence. I believe that most sensible people in this House, as well as most members of the general public, support that position, and I hope that the House votes for it.

Q4. [203742] **Mr. David Chaytor** (Bury, North) (Lab): In my constituency of Bury, North today—[HON. MEMBERS: "Hear, hear!"] In Bury, we now have the only Tory leader in the country who has been subject to a police investigation into fiddling pensioners' postal votes.

In my constituency of Bury, North there is a job for almost everyone able and willing to work, but the Prime Minister will know that there is severe economic pressure on many working families, particularly those on low incomes. What can he do to assist in the short term, through relieving the pressure on taxes and prices, and in the long term, by investing in the skills of our young people to maintain full employment in Bury, North?

The Prime Minister: My hon. Friend is absolutely right. We wish the strength of our economy to withstand the economic downturn that is happening worldwide. We will do everything in our power, working with other countries and through action we take on our own, to withstand these problems. In the next few weeks, we will look at what more we can do to help the housing market and the construction industry as a result, and we will look at what we can do to help first-time buyers, who are in a difficult position because of the rise in mortgage rates being charged by building societies. We will look at how we help those people who are subject to high utility bills. On employment, we will work with small and medium-sized businesses to ensure that they have the funds to invest for the future. In every area, we will look at what we can do to help Britain to withstand a problem that is hitting America and the rest of Europe, and I believe that the strength of the British economy will withstand the problems that we face.

Sustainable Communities Plan (Kettering)

Q5. [203743] **Mr. Philip Hollobone** (Kettering) (Con): If he will meet the hon. Member for Kettering and local authority representatives to discuss co-ordination between the Department for Transport, the Highways Agency, East Midlands Trains and the Department for Communities and Local Government on the implementation of the Government's sustainable communities plan in the borough of Kettering.

The Prime Minister: It is vital that all Departments and their agencies work closely together to deliver the homes needed in Kettering and elsewhere. It is precisely because we need to ensure that new housing is not built in isolation and that it is delivered with transport

infrastructure, utilities and public services that we have allocated over the next three years £1.7 billion for infrastructure in growth areas and new growth points. Northamptonshire has received £59 million. Since 2003, the Government have allocated in total over £250 million to Northamptonshire, made up of various growth area, community infrastructure and transport funds. This has been possible because we have been able to expand public spending.

Mr. Hollobone: Local residents would like a meeting with the Prime Minister so that he can explain to my constituents why the Government's plans to increase the number of houses locally by one third by 2021 is being matched on the one hand by cuts in the train service and on the other by restrictions on the use of the local road network. Will the Prime Minister please agree to a meeting?

The Prime Minister: I can say to the hon. Gentleman that £1.7 billion is being allocated for infrastructure. Northamptonshire alone has received £250 million. I will of course look at what he says, but he has to agree with me that no Government have spent more on public services and public infrastructure than we have, and that his county has benefited as a result.

Q6. [203744] **Mr. Mark Hendrick** (Preston) (Lab/Co-op): Will my right hon. Friend join me in congratulating Lancashire police on their excellent work over the past 18 months in closing down cannabis factories across Preston? Will he continue to campaign against the use of cannabis, particularly given its effects on health—there are new forms of cannabis, such as skunk, that are much stronger and far more dangerous than previous forms—and the social problems and problems with crime that it causes?

The Prime Minister: I am grateful for the work that is done by the police authority and the police in my hon. Friend's area. The Home Secretary will be making a statement on this matter just after Question Time. It is generally agreed that the quantity and the type of cannabis being sold on the streets of our cities, and the threat that it poses to the mental health of many of the people using it, make it necessary that we look at this matter again. I believe that the recommendations that the Home Secretary will put forward will be in line not only with what the public want to see, but with what the police want to see. I believe that the House will be pleased that she is also taking new measures for enforcement that will be welcome in all parts of the country.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Ken Livingstone, the outgoing Mayor of London—[Hon. Members: "He's gone."] Yes, of course. Ken Livingstone, the sadly gone Mayor of London—sorry Boris—has said that he is looking forward to doing a spot of gardening and taking his children to school. What is the Prime Minister looking forward to when he leaves office?

The Prime Minister: I am looking forward to building a stronger economy in Britain; I am looking forward to creating more jobs in our country; I am looking forward to building a better health service. I know that we will get no help from the Welsh nationalist party, but we will go ahead and do that for Wales as well.

Q7. [203745] **Mr. Ken Purchase** (Wolverhampton, North-East) (Lab/Co-op): May I tell the Prime Minister that last week the Wolverhampton trades council organised a May day celebration that attracted more than 1,000 trade unionists, who paid tribute to their fellow workers—dock workers—in South Africa who, in a very principled stand, refused to handle arms to Zimbabwe? May I ask the Prime Minister to give support to that action and to recognise that where trade unionists act to intervene on international business for humanitarian aims, they are to be supported, even though their Governments sometimes look a little tardy?

The Prime Minister: I have given support to those South African workers who stopped an arms shipment coming from China that would have gone to Zimbabwe. At the same time, we have been calling at the United Nations for an arms embargo, to prevent other arms and armaments from getting into Zimbabwe at this time. This is a critical time for Zimbabwe. It is important that we recognise that the African Union, the Southern African Development Community and all those who have an interest in the future of Zimbabwe should apply pressure, so that any elections that take place in Zimbabwe are free and fair, monitored by the whole international community to be seen as free and fair, so that justice is done in securing for the Zimbabwean people their democratic rights.

Mr. Colin Breed (South-East Cornwall) (LD): Does the Prime Minister understand that unless his Government tackle the scourge of bovine TB soon, there will be little or no livestock industry left in the south-west of England?

The Prime Minister: The hon. Gentleman is absolutely right that we have to deal with the disease, but that must be based on the scientific evidence that is available to us, and that is exactly what the Environment Secretary is looking at.

Q8. [203746] **Mr. Siôn Simon** (Birmingham, Erdington) (Lab): Do people want the right to see their doctors in the evenings and at weekends, or are the Tories right to scrap that right to choose and turn the clock back?

The Prime Minister: The vast majority of British people want more access to their GPs in the evenings and at weekends, and the vast majority of British people welcome the vote by the British Medical Association to give an extra three hours of medical services either on an evening or at the weekend in half the areas of the United Kingdom. I am pleased that that service is now starting. That is why it is surprising that the Conservative health spokesman said in *Pulse* magazine on 29 April that he wants to restore to GPs the power to make that decision, and presumably also the power to block the extension of primary care to new providers. I do not believe that the Conservative party is acting in the interests of the national health service, and that is the tradition of the Conservative party.

Q9. [203747] **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): Last weekend, the Prime Minister claimed to share people's pain at the rising cost of living, so can he tell the House how much it costs to fill up a family car in his constituency and when exactly he last had to do it himself?

The Prime Minister: The cost of petrol has gone up as a result of what is happening around the world. A barrel of oil is now $110. A litre of petrol—*[Interruption.]*

Mr. Speaker: Order. Allow the Prime Minister to speak.

The Prime Minister: A litre of petrol is now £1.10 in many places, and it is rising in some other places. The important thing is that we have postponed the fuel duty increase, and we are doing what we can to work with OPEC to get the price of oil down. I think that the hon. Gentleman would agree with me that in every part of the world, when oil prices rise, it hits households and motorists. We are doing everything in our power to get the price of oil down.

Q10. [203748] **Mr. Andrew Dismore** (Hendon) (Lab): Tomorrow, Israel will celebrate the 60th anniversary of its independence. Will my right hon. Friend join me in congratulating the Israeli people on this important anniversary of their vibrant democracy and economic achievement, particularly in the high-tech industries? Will he assure Israel of the UK's continued support and friendship into the future?

The Prime Minister: I wish to add my congratulations to the state of Israel on its 60th anniversary. Israel has come a long way in those 60 years. I look forward to being present at the Finchley united synagogue with the Chief Rabbi this evening to celebrate 60 years. Israel's future is as part of a secure middle east, and it must remain optimistic that that can be achieved. We will work with people on both sides to secure a settlement—a two-state solution—with a viable Palestine alongside a secure Israel. I believe that that is the best guarantee of the future of Israel in the next 60 years to come.

Q11. [203749] **Mr. Nigel Evans** (Ribble Valley) (Con): A Populus poll of Labour supporters, out today, has said that the Prime Minister should step aside for a younger, fresher and more charismatic leader. I suspect that a few of his colleagues were on the receiving end of those calls. Does he not understand people's anger about his crippling tax increases, which have hit the poorest in this country? He has two proposed tax increases for motorists: a £400 vehicle excise duty for those with family cars and a 2p increase on fuel in the autumn. Will he ditch those proposed tax increases before his colleagues ditch him?

The Prime Minister: It is right that households are suffering as a result of what has been happening in a world downturn and it is right that fuel prices have gone up—and it is unacceptable that so many people have lost out as a result of that. That is why we have postponed the fuel duty rise, that is why we have increased the winter allowance by £50, and that is why we have negotiated with the utility companies a deal that, next year, £100 million will go to help low-income households in this country. I have to say to the hon. Gentleman that none of that happened under a Conservative Government when people were suffering.

Hugh Bayley (City of York) (Lab): Last week, Nestlé opened a brand new £15 million chocolate factory in my constituency. Does the Prime Minister agree with me that that is a vote of confidence by a foreign multinational company in the British economy, and in the city of York? Will the Prime Minister come to York, or ask his Business Secretary to come to York, to see the fundamental strength of the British economy?

The Prime Minister: I congratulate the companies in my hon. Friend's constituency that are expanding; long-term unemployment in his constituency is down by more than 80 per cent. The reality is that, while unemployment is rising in other countries, employment is rising in Britain. That is because of the fundamental strength of the British economy—something that I believe that all people who look at that will accept. We will continue to create more jobs in this country.

Q12. [203750] **Mr. James Gray** (North Wiltshire) (Con): Does the Prime Minister ever wonder why on earth he took the job?

The Prime Minister: I took the job for the reason that I gave in my answer to the last question: to create jobs for people; to create better public services; to tackle poverty; and to make Britain a better place. Is it not remarkable that not one question coming from the Tory Back Benches is about the substance of policy? They cannot face up to the big policy questions facing this nation.

Q13. [203751] **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): The Prime Minister referred earlier in his answers to colleagues to affordable housing. Can he tell us more about what he is doing to ensure that those who are struggling to pay their mortgages have the leeway to manage their budgets?

The Prime Minister: My hon. Friend is absolutely right. We are in discussions with the Council of Mortgage Lenders to enable people to get a better deal when they are faced with difficulties in paying their mortgage bills. At the same time, we have put forward proposals for a shared equity scheme that will allow more people to buy a percentage of their house, if they are not in a position to buy all of it as a result of the changes in the rates that are being charged for mortgages. We will do everything that we can to help young homebuyers to get on to the first rung of the housing ladder.

Cannabis

12.32 pm

The Secretary of State for the Home Department (Jacqui Smith): With permission, Mr. Speaker, I would like to make a statement on the classification of cannabis. In July 2007, my right hon. Friend the Prime Minster announced that we would seek the advice of the Advisory Council on the Misuse of Drugs, as we are obliged to do by statute, on the classification of cannabis. I am grateful to the council for its work, and I have placed a copy of its report in the Library of the House. In reaching my decision, I have also taken into account the views of others, particularly those responsible for enforcing the law, and the public—58 per cent. of whom, according to a survey carried out for the council, favour upgrading cannabis from class C.

Cannabis use is falling significantly across all age ranges, and this is a testament to the success of the Government's drug strategy. However, I am concerned to ensure that the classification of cannabis reflects the alarming fact that a much stronger drug, known as skunk, now dominates the cannabis market. I want it to be clearly understood that this powerful form of cannabis is an illegal and harmful drug.

Today I am publishing the results of a study undertaken with 23 police forces across England and Wales. This provides clear evidence that skunk now makes up 80 per cent. of street-seized cannabis, compared with 30 per cent. in 2002. Furthermore, its potency has increased nearly threefold since 1995. The advisory council's report confirms that cannabis use poses a real threat to health. The council is concerned about its use among young people, and points to growing evidence of a causal link, albeit a weak one, between cannabis use and psychotic illness.

The council acknowledges that use of stronger cannabis may increase the harm to mental health. Young people may be more at risk if they first use it at an early age, and the council refers to the average age of first use being 13. It suggests that some young people might "binge smoke" to achieve the maximum possible intoxication, in the same way as some treat alcohol, and it concludes that if they do, the consequences

"may be very serious to their mental health".

The council also believes that the evidence of the impact of stronger cannabis may not be clear for some years to come. It has recommended that cannabis remain a class C drug.

I have given the council's report careful consideration. Of its 21 recommendations, I accept all bar those relating to classification. I have decided to reclassify cannabis, subject to parliamentary approval, as a class B drug. My decision takes into account issues such as public perception and the needs and consequences for policing priorities. There is a compelling case for us to act now rather than risk the future health of young people. Where there is a clear and serious problem, but doubt about the potential harm that will be caused, we must err on the side of caution and protect the public. I make no apology for that. I am not prepared to wait and see.

To reflect the more serious status of cannabis as class B, I am clear that a strengthened enforcement approach for possession is required. As the Association of Chief Police Officers said last week:

"Should the decision be taken to reclassify cannabis, we would expect to see increased robust enforcement activity particularly in cases involving repeat offenders or where there are aggravating circumstances."

I firmly believe that while our response must remain proportionate and offer discretion to police officers, a system of escalation is necessary. I have therefore written to ACPO today, seeking its views on a clear and workable system of escalation that is consistent with reducing police bureaucracy and maintaining discretion. That will include considering cannabis warnings, which were introduced by ACPO in 2004 to ensure that action was taken when someone was found in possession of cannabis. Prior to that, the police had to choose whether to make an arrest or to take no action. I am not against cannabis warnings, but I believe that it is unacceptable for someone to receive more than one warning and for that warning not to be properly recorded.

I am fully aware that the system we adopt will be delivered by those on the front line, and I have asked ACPO to involve other police organisations and criminal justice partners in developing its proposals. The new approach to enforcement will not, of course, preclude officers from immediately effecting arrest. For those under 18 caught in possession, I am content that the current procedure, which uses a reprimand, a final warning and then charge, provides an appropriate escalation mechanism.

In the last few years we have seen a massive growth in the commercial cultivation of cannabis in the UK. This cannot be tolerated. We know that the "cannabis farms" are controlled by organised criminals who stand to make large profits and who, as the Child Exploitation and Online Protection Centre has found, will stoop to using trafficked children on such premises. Reclassifying cannabis will help to drive enforcement priorities in shutting those farms down.

ACPO and the Serious Organised Crime Agency are responding to this threat. There is a dedicated ACPO lead on cannabis cultivation and it is working with SOCA on a co-ordinated, targeted and robust approach to cannabis farms. That involves building a national profile of these criminal activities, using forensic and other intelligence to make the links between individual farms and organised criminal gangs. We must also focus on other ways to combat the problem. Energy suppliers are currently losing significant revenue through abstraction by organised gangs running cannabis farms. I have today written to the chief executives of the six largest energy suppliers, asking them to work with us to identify abuse and target those groups.

We have already introduced statutory aggravating factors where supply is made on, or in the vicinity of, school premises, and where a courier under the age of 18 is used. I accept the advisory council's recommendation for additional aggravating factors to be introduced concerning the supply of drugs in the vicinity of colleges and universities, mental health institutions and prisons.

I also accept the council's recommendation for more effective regulation of the trade in cannabis paraphernalia. It is unacceptable for cannabis use to be

[Jacqui Smith]

glamorised in any way. We will work with ACPO to look at how existing legislation and powers can be used by the police, local authorities and other partners to curtail the sale and promotion of such items.

As the council makes clear, this is an important public health issue, and one that a change in classification alone will not resolve. Through campaigns such as the "Frank" campaign, we will continue to make the public aware of the health harms associated with cannabis use. My right hon. Friend the Secretary of State for Health will also ensure the following: that we update our messages on the harms caused by cannabis; that we look into providing more advice on the health risks and where to get help through NHS Direct, NHS Choices, the Smoking Helpline, Drinkline and other public information points; that we publish a report on the health risks associated with smoking cannabis and tobacco, and, where appropriate, include advice on cannabis misuse in NHS smoking cessation services; and that we seek the advice of the four UK chief medical officers on what more needs to be done to reduce the risks to public health.

My decision to reclassify cannabis is part of the relentless drive to tackle drugs and the harm they bring to families and communities, and I will seek to do that by the end of the year. This is the right action to protect the public, particularly the future health of young people and the most vulnerable, and I commend this statement to the House.

David Davis (Haltemprice and Howden) (Con): I thank the Home Secretary for giving me advance sight of her statement. First, may I say that I fully support the Government's decision to upgrade the classification of cannabis to class B, even if their decision to do so has come rather late? The Government's historically lax approach to drugs has been a hallmark of our broken society under Labour. The UK has the worst level of overall drug abuse in Europe. Drug crimes have increased by almost a half under this Government; and Britain has the highest rate of teenage cannabis abuse in the European Union. We all hope that today's statement means that the Government now recognise that cannabis is a very dangerous drug—that it wrecks lives, is a gateway to harder drug abuse and fuels crime.

Let us examine the hard facts. As the Home Secretary intimated, since the 1970s the strongest psychiatrically damaging component of cannabis—THC—has increased by about four or five times in skunk cannabis, and the other chemical composition of the cannabis may have altered in a way to exacerbate the psychiatric harm. A survey of 35 studies published in *The Lancet* medical journal concluded that modern cannabis users are 40 per cent. more likely to develop psychotic illness. Certainly the number of anti-psychotic drugs prescribed to young people has doubled in the last decade.

Much of this information has been known for years, so does the Home Secretary accept that, on the grounds of psychiatric damage alone, the 2004 decision was an utterly avoidable mistake? The Government's decision in January 2004 to downgrade cannabis sent out precisely the wrong message, by encouraging the public and impressionable young people to believe that cannabis did not cause serious harm and would not be taken seriously by the police.

Last week, the Prime Minister—I am glad to see that he is still present—said about cannabis-taking that

"we really have got to send out a message to young people—this is not acceptable."

Does the Home Secretary accept that the downgrading of cannabis by her predecessor in 2004 sent entirely the wrong message both to young people and to the police force? Does she recognise that since that reckless decision, the number of cannabis factories, to which she referred, has more than doubled? Furthermore, the number of adults treated for cannabis abuse has increased by 51 per cent.; hospital admissions for mental illness connected with cannabis have risen by nearly a quarter; and cannabis has served as a gateway to even more harmful drugs, with class A drug abuse increasing by 43 per cent. in the past year alone. Does she accept that the effect of the policy change has been to increase the size of the cannabis market and to damage, if not destroy, many more young lives?

This long-awaited U-turn has followed delay, dithering and indecision, when the country cries out for leadership. As the Prime Minister is sitting here, I have a question for him. He announced his intentions on this policy a year ago, but in the meantime, he wasted a year by handing it to an advisory body, which he has now ignored. The Home Secretary told us in her statement that that was required by statute—but I am unaware of any statute that required them to take a year to consider evidence that has been around for half a decade. On the Home Secretary's own figures, 2,000 new cannabis factories will have started up during that delay, and thousands of young people will have become addicted to cannabis unnecessarily. In due course, many will end up on hard drugs or in hospital unnecessarily, all because this Government could not make up their mind.

Jacqui Smith: I welcome the right hon. Gentleman's support for my statement. However, I must take issue with his suggestion that, somehow or other, we have taken a lax approach to drugs in this country over the past 10 years: we have not. That is why drug use is falling; that is why we have doubled the number of people able to get drug treatment; and that is why, as a result, the acquisitive crime most closely linked to drug use has fallen by 20 per cent. All that is due to the decisions and the success not only of the Government's drugs strategy, but of many people working in both law enforcement and drug treatment services. They should be recognised for their efforts in supporting that strategy.

I agree with the right hon. Gentleman about the links to mental health. It is precisely the relationship between the increased strength of cannabis, particularly skunk, and, as the advisory council points out, the potential future danger of young people, in particular, binge smoking it, and the uncertainty, at least, about the resulting impact on their mental health that have driven today's decision.

However, the right hon. Gentleman then accuses the Advisory Council on the Misuse of Drugs of delaying the decision. That body was set up under the Misuse of Drugs Act 1971, and when considering the reclassification of a drug, it is a statutory requirement to take advice from it. As I said in my statement, I thank the advisory council not only for the 21 recommendations that it has made today, the vast majority of which I support and

we will implement, but for the careful way in which it took evidence, not only from large numbers of professionals and academics, but from the public, 58 per cent. of whom agreed with the decision that we are taking today. The right hon. Gentleman may wish to rush to decisions and to throw out such important processes and evidence gathering, but I do not believe that other people do.

Finally, I must mention the right hon. Gentleman's brass neck when he referred back to the 2004 decision. I must give him his due, because he has probably always taken a consistent approach to the reclassification of cannabis—

David Davis *indicated assent.*

Jacqui Smith: Unfortunately, that has not always been the case with everybody on the Conservative Benches. The right hon. Member for Witney (Mr. Cameron) supported, in a Home Affairs Committee vote—on the record—the downgrading of the classification of cannabis from B to C. The right hon. Member for Haltemprice and Howden (David Davis) talks about reckless decisions, but perhaps he would like to take the matter up with his own leader before he levels that charge at us.

Keith Vaz (Leicester, East) (Lab): I strongly welcome the Home Secretary's statement, especially what she said about toughening up enforcement. In the Select Committee's last meeting to consider this issue, it accepted the harmful effects of cannabis and the fact that its use should be discouraged. What steps is she taking with her Cabinet colleague the Secretary of State for Children, Schools and Families to ensure that his Department works with the Home Office to get the message across to young people about the need to discourage cannabis use? What new resources will she allocate for that purpose?

Jacqui Smith: My right hon. Friend makes an important point, especially about young people. We are allocating more than £6 million this year, partly to the "Frank" campaign, which has proven very successful, with a high rate of recognition among young people, and in increasing by 12 percentage points the number of young people who now recognise that cannabis impacts on mental health. The drugs strategy, published at the end of February, made it clear that, together with my right hon. Friend the Secretary of State for Children, Schools and Families, we will work closely with parents through a new coalition of family charities; improve the information and guidance available to all parents; and continue to provide important drug advice through "Frank", and also through improving universal education and information for children and young people about drugs, alcohol and other volatile substance misuse. That drugs strategy, together with the proposals that I have set out today, forms a coherent approach that sees reclassification as the start of the process, not the end. It also takes seriously the responsibility to ensure that the public health messages sent to young people and others are communicated clearly.

Chris Huhne (Eastleigh) (LD): I, too, thank the Home Secretary for advance sight of her statement. Does she agree that her move will not accelerate the falls in cannabis use or the falls in psychosis, nor will it cut crime? Will she describe now the circumstances in which a five-year custodial sentence would be appropriate for cannabis possession? Will she now confess that evidence plays no part in her policy? Will she save public money by disbanding the Advisory Council on the Misuse of Drugs, and establishing a new committee—a committee of tabloid newspaper editors, given that the biggest influence on her policy is the *Daily Mail*, not the facts?

Jacqui Smith: I take it that the hon. Gentleman is against the decision that I have taken today. No, I will not disband the advisory council. It has made some important recommendations, which we will follow through. Nor do I accept his suggestion that the decision will have no impact on crime or mental health. I have spelled out how the reclassification will help to drive police priorities, especially in tackling the serious organised crime now involved in the cultivation of cannabis here and internationally. I have also asked the police to look carefully at enforcement for possession, including escalation.

The hon. Gentleman's response is no surprise when we consider the history of the Liberal Democrats' drug policy. Theirs is the party that wants to legalise the sale of cannabis, that does not want to penalise those who grow cannabis, and that wants to end all jail sentences for drug possession and downgrade ecstasy from class A to class B. When they have sorted their own policy out, I will take the hon. Gentleman's questions a little more seriously.

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): As someone who opposed the declassification in 2004, I congratulate my right hon. Friend on her decision today. Does she agree that one thing that young people need is clear and accurate information about various kinds of drugs? I thank her for making it unambiguous that cannabis does cause harm.

Jacqui Smith: I thank my right hon. Friend; he is right. We have sometimes been charged with using the classification system to send a message—but in fact part of its function, as the advisory council accepts, is indeed to send the clear and unambiguous message that the use of cannabis is dangerous and harmful to health, and should not happen. If there is more that we can do to support parents and others in giving that message to children, we should take that opportunity, and that is what I have done today.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I agree with the Home Secretary's statement today. In fact, last year the "Breakthrough Britain" report called for this change after taking evidence from more than 3,000 people who work in the drugs industry. However, it is not enough just to threaten people with a prison sentence. We took evidence from Sweden and it was clear that it put alongside the prison sentence a full abstinence-based rehabilitation programme for every single person arrested by the police. That is the missing bit of the equation, and I urge the Home Secretary to consider it, and work to get people off drugs. Abstinence-based programmes will be the key in the future.

Jacqui Smith: The right hon. Gentleman has taken a clear evidence-based approach to this issue. He is right to say that we need to ensure that when people are sent to prison we emphasise the need to help them to get off drugs. That is why we have brought about a tenfold increase in investment in and provision of drug treatment in prison. It is also why it is already the case that when young people are stopped and found to be in possession of drugs, they are referred to the youth offending team and assessed for the support that they need to get off drugs. It is also why, in the drugs strategy published at the end of February, we were clear that abstinence should be the aim of drug treatment—but that with many serious drugs the addiction is a chronic illness, from which it may take between five and eight years to recover. Abstinence should of course be the aim, and the additional investment that we have put into drug treatment has ensured that it is now far more successful.

Paul Flynn (Newport, West) (Lab): This will be hailed as another tough policy—but, sadly, tough policies have never worked. We have the worst drug problem in Europe, alongside the harshest penalties. I urge my right hon. Friend to look at the new convention on drugs accepted by the Council of Europe, which seeks to move the emphasis away from the criminal justice system and locking people up for using drugs, towards systems that work—the health outcomes. We have a good record in recent years in concentrating on the health outcomes, but we have had 37 years of tough policies. When can we have an intelligent policy?

Jacqui Smith: My hon. Friend, too, has taken a consistent position on this issue. My only disagreement with him is that I do not think that we need to make a choice between enforcement and the emphasis on treatment that he advocates. Both the previous drugs strategy—over the past 10 years—and the newly published strategy enable us to send out a tough message on enforcement and to invest in prevention and treatment. That approach has resulted not in failure, as he claims, but in considerable success in reducing the usage of all drugs at all ages.

Miss Ann Widdecombe (Maidstone and The Weald) (Con): I very much welcome the Government's U-turn on this matter, but will the Home Secretary accept that the years between the downgrading of cannabis and today have been a wasted opportunity? Will she also accept that if she is concerned about enforcement, she should consider the possibility of fixed penalty fines, as they do not involve the police in all the hassle of cautions and court cases, but do act as a deterrent and are relatively quick to administer?

Jacqui Smith: On the right hon. Lady's first point, I must point out that notwithstanding the decision to reclassify in 2004, cannabis use has continued to fall, because of other actions that we took. However, she makes an important and useful point about the use of fixed penalty notices. ACPO has suggested those as a possible way to escalate the enforcement response to possession, and I hope that it will hear her words, and what I have said about the issue.

Margaret Moran (Luton, South) (Lab): I welcome my right hon. Friend's robust approach to prevention and protection. Will she join me in congratulating Luton police on closing down large numbers of cannabis factories run by illegal immigrants, who are often exploited? Will she also look at the possible exploitation of another vulnerable group, namely drug addicts seeking to rehabilitate themselves, who are being lured into private rehabilitation clinics that have no discernable regulation and can easily exploit very vulnerable people? In one case in my constituency, such a clinic employs ex-convicted drug addicts. Will the Secretary of State urgently look into this to ensure that people are properly rehabilitated within a proper drugs strategy?

Jacqui Smith: I will take the opportunity that my hon. Friend has offered to congratulate the police in Luton on their action in closing down cannabis farms. A lot of good work has been done across the country by police forces and others. I accept what my hon. Friend says about the danger to drug users when they are lured into private rehab clinics that lack good regulation. That is precisely why, as part of the drugs strategy, we also emphasise the need to continue to develop high-quality drug treatment that is appropriately regulated. I will certainly bear in mind my hon. Friend's points.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): The Science and Technology Committee considered drug classification in its report of 2005-6 and concluded that it was not based on clear evidence. The Secretary of State has indicated yet again that the decisions being made are not based on evidence, but are an example of Government policy dictated by others—I shall not mention the *Daily Mail*, as my hon. Friend the Member for Eastleigh (Chris Huhne) did.

A key issue that the Secretary of State brought up in the statement is the need to toughen up law enforcement. This is a law enforcement issue, but she has made no reference to why we cannot close down illegal cannabis factories using the current law. That has nothing to do with classification. If she is so concerned about young people, why are the under-18s the only group for whom she intends not to change the current law enforcement?

Jacqui Smith: As chair of the Science and Technology Committee, the hon. Gentleman produced a report to which the Government responded in detail at the time and, I think, we rejected the main recommendation that there should be a fundamental change in the classification process. I dispute the suggestion that the decision is not based on evidence. As I have outlined, the decision is based not inconsiderably on the evidence that I have produced today from the survey that we commissioned of police forces about the strength of skunk, linked to what the advisory council has identified as a potential and serious threat arising from the relationship between young people binge smoking and much more potent and stronger cannabis. Of course, in making my decision I needed to bear in mind the impact on police priorities. A reclassification from class C to B will be likely to drive police priorities and sentencing when it comes to drug dealing and cultivation. I also needed to bear in mind the impact on public perception. Neither police priorities nor public perception are part of the remit of the advisory council.

The current law on possession and young people already enables an escalation from reprimand to final warning to charge. The problem for those over the age of 18 is that enforcement does not allow that process of escalation. I am asking the police to find a way to provide that.

Kate Hoey (Vauxhall) (Lab): As someone on the Labour Benches who voted against the downgrading of cannabis, I welcome the Home Secretary's statement. Does she agree that although this move is not a panacea to the drugs problem in this country, it sends a clear message and supports the many parents in my constituency who want to send the right signal to their children? It is important that we have now sent a message that smoking cannabis is wrong and harmful. We should get that message across and unite behind it.

Jacqui Smith: My hon. Friend is right. The advisory council is clear that the use of cannabis is not only illegal but seriously harmful to health. I believe that it is our responsibility to make clear to people the fact that cannabis is harmful. My hon. Friend makes an important point about the need to reinforce support for parents who sometimes have a difficult job in making clear to their children the dangers that they face. One such danger is the potential use of cannabis, and I want to do everything I can to support parents in protecting their children from the certain health dangers that come from the use of cannabis.

Dr. William McCrea (South Antrim) (DUP): May I assure the Home Secretary that my right hon. and hon. Friends wholeheartedly support her action in reclassifying cannabis to a class B drug? We believe that she will have the support of people throughout the UK. It is true that the scourge—indeed, the blight—of drugs in society is a public health issue that will be solved by no single piece of legislation. Does the Home Secretary agree that it is essential that her decision is enforced robustly by the police alongside an extensive rehabilitation strategy?

Jacqui Smith: The hon. Gentleman is right. The fact that under the current system it is possible for an adult to be given more than one warning on cannabis and there is the possibility that those warnings have not been properly recorded, demonstrates that the system is not as robust as the measures that a class B classification would require. That is why the police have recognised the need for a more robust and escalated response and why I have asked them urgently to provide me with advice about a workable way to deliver that.

Mr. Mike Hall (Weaver Vale) (Lab): My right hon. Friend will rest assured that the Cheshire police, who do an excellent job in closing down cannabis farms, will welcome her announcement. May I press her on one particular issue where the police are finding difficulties? When the police close down cannabis farms and arrest workers in the farms—who are usually illegal immigrants—they take them in front of the magistrates court. The magistrates grant those immigrants bail, and they then disappear and set up work elsewhere. Will the Secretary of State use her influence to ensure that when the police take people before the courts they are refused bail, so that the police can get on with prosecuting them?

Jacqui Smith: I am not sure that I can use my influence on bail decisions, which are of course rightly for the court system. However, my hon. Friend makes an important point about the relationship between immigration crime and policing. That is why we are developing strong immigration crime partnerships across the country, where the local police work with those in the UK Border Agency to ensure that illegal immigrants are not even taken to court, but that the action that is warranted by the fact that they are illegal is taken. In many cases, that may well mean deportation.

Mr. Humfrey Malins (Woking) (Con): Every wretched, pathetic heroin addict whom I have to sentence began their drugs career in their teens on cannabis and skunk. That is why I am a little disappointed that the Home Secretary is retaining the system of reprimand, warning and so on for those aged 18 and under. May I urge her to think again and to realise that to catch the problem early by making access to rehab compulsory at the very beginning for cannabis takers in their teens, as they do in Sweden, would have a better effect than just issuing a warning and so on?

Jacqui Smith: No. If it were only a warning, I would agree with the hon. Gentleman, but let me make it clear that the escalation process for young people already involves taking people to the police station and a reference to the youth offending team with assessment for drug treatment and rehabilitation. I believe that that is an important element of preventing young people from going on to more serious drugs. On the hon. Gentleman's point about the gateway, the advisory council does not believe that cannabis has a particularly strong gateway effect.

Dr. Brian Iddon (Bolton, South-East) (Lab): We know very little about the abuse of substances and the damage it does to the mind. That includes alcohol, incidentally, as well as cannabis. Will my right hon. Friend persuade the Government to make far more money available for research to establish whether there are causal links between drug misuse and mental illness?

Jacqui Smith: As part of the drugs strategy that we published in February, we said that drug addiction should be a priority for the Medical Research Council. The advisory council has put forward recommendations for more research into the link with mental health, so I think that my hon. Friend makes an important point.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): The Advisory Council on the Misuse of Drugs looked at the questions of harm, potency and the potential for binge smoking and recommended that cannabis should be class C. So the Government's proposal to make it class B cannot be rational or based on evidence about any of those issues: instead, it has to be based on what the police have asked for and on the Government's perception of public views. When the police give more priority to policing the possession of cannabis, what will they deprioritise? Does the Home Secretary accept that the policy that she has announced today drives a coach and horses through any claim that the Government might make about making evidence-based policy in this area?

Jacqui Smith: First, we have long known that the classification of cannabis arouses both controversy and differing views. The hon. Gentleman and his colleagues seem to be suggesting that there is a single, simple and objective scientific view on the matter, but there is not and their approach undermines the knowledge that he usually displays about scientific matters. In addition to the evidence in the advisory council report, it is perfectly reasonable to take into consideration evidence and views about police priorities and public perception. That is what I have done, and I believe that it will provide a route for the police to prioritise—as they should—action against serious organised crime based on dealing. With respect to possession, I have asked the police to find ways that will help to provide the escalation that I have talked about in a way that is workable and reduces bureaucracy. I believe that it will be possible to do that.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): When a Minister says that a policy is designed to send out a signal, that is a sure symptom that it contains no substance, as the Home Secretary should be aware. She will know that I take a view that is very unpopular on both sides of the House—that the key substantive goal is to break the link between the supply of cannabis and the supply of hard drugs, and to stop driving soft drug users into the arms of hard drug pushers. Is there anything in her statement that addresses that issue? Has she considered the evidence from Holland, where far fewer people move from cannabis to hard drugs, because they get cannabis from people who do not push hard drugs?

Jacqui Smith: In Holland, of course, the policy is being reviewed, because of a lack of success. I did identify the point made by the advisory council about whether cannabis was a gateway drug. The council's view, and that of others, tends to be that it is not a significant gateway drug, so the decisions that I have announced today are based largely on the certain danger to health from the use of cannabis, on the very considerable risks extending into the future attached to the relationship between cannabis use and mental health problems, and on the certain link to serious organised crime. Given those considerations, I believe that the reclassification of cannabis is right. I do not feel that I have to apologise for wanting to send a clear message or signal about the danger of cannabis—although, as I have spelled out today, that will of course be backed up by extremely practical actions to maintain our commitment to keeping cannabis use in this country on a downward trend.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Does the Home Secretary accept that her predecessor's decision in 2004 to downgrade cannabis has encouraged the large-scale commercial development and sale of skunk? Did it not undermine the principles that she has been trying to outline today? While reclassification is highly desirable, surely it demonstrates the folly of her predecessor's decision.

Jacqui Smith: The right hon. and learned Gentleman might like to take that up with the right hon. Member for Witney (Mr. Cameron), who agreed with the decision at the time. I do not believe that it was necessarily wrong, nor that it has led to the development of organised crime and cannabis farming, but I do believe that there has been a considerable change in the strength of skunk and the proportion of the market that it now takes up. Alongside its potential relationship with serious mental health problems, that is what has driven my decision today.

Mr. Christopher Chope (Christchurch) (Con): I very much welcome the Home Secretary's statement. She said that there is a compelling case to act now, but in her statement she made it clear that she would not be able to introduce the reclassification until the end of the year. My Bill on the reclassification of cannabis is coming up for its Second Reading on Friday: why do the Government not adopt it, so that they could get the reclassification on the statute book a lot sooner?

Jacqui Smith: The process requires parliamentary approval, and the impact assessment is the appropriate way to introduce the reclassification. The route that I am proposing is the one already laid down in legislation, and I believe that it can achieve our goal quickly.

Angela Watkinson (Upminster) (Con): Now that the Home Secretary has taken this important decision, may I urge her to consult the Secretary of State for Children, Schools and Families and leading campaigners against the illegal use of drugs among children? They should look carefully at how drugs education in schools can be improved, so that young people get real warnings about the consequences of drug use. Will she also take a fresh look at the website "Frank"? Sometimes it can trivialise the subject, and make it look like a bit of a joke.

Jacqui Smith: I have already discussed the matter with my right hon. Friend the Secretary of State for Children, Schools and Families. The hon. Lady is right that we need to improve drugs education in our schools, and we said as much in the drugs strategy. However, I disagree with her about "Frank": the site has had considerable success in getting traction with young people, and in increasing the proportion of young people who recognise that there is a link between cannabis and mental health problems. Sometimes, advertising campaigns that are not convincing for those of us of a certain age nevertheless work on those for whom they are intended.

Mr. David Burrowes (Enfield, Southgate) (Con): The Home Secretary has talked about robust enforcement and drugs treatment, so why is the cannabis strategy so divorced from reality? Why does not the Serious Organised Crime Agency have a target to enforce the interdiction against cannabis coming into this country? Why do people presenting themselves to police stations, courts or prisons find that there is no dedicated cannabis rehabilitation? Why do drugs courts have no power—

Mr. Speaker: Order. One supplementary question is fine, but there were about four there.

Jacqui Smith: I do not necessarily agree with the hon. Gentleman, as important work is already going on. When SOCA produces its annual report, he will see

that it has made considerable progress in preventing the import of illegal drugs and their trade in this country. I take very seriously the views of people on the front line who are responsible for enforcement, and it is for that reason that we will work through the enforcement process with the Association of Chief Police Officers and the other bodies who will carry it out.

Anne Main (St. Albans) (Con): As a parent and someone who had not been elected to this House in 2004, may I say that I greeted the downgrading of cannabis with some bemusement? The Government downgraded cannabis but kept its possession a criminal offence. Does the Home Secretary accept that allowing criminals to control the strength of the substance being supplied to young people meant that it was inevitable that they would get a bad lot? I am pleased by the regrading, but will she elaborate on what she said in her statement about what she called the glamorisation of cannabis paraphernalia? Is she seriously suggesting that we should criminalise people for wearing t-shirts or pendants decorated with leaves? What will happen to the people who provide that merchandise?

Jacqui Smith: No, I am not suggesting that but, as a parent, I do not want head shops on my high street. They have cannabis leaves in the window and flog the stuff that people use to consume cannabis. In my book, I do not want them in my neighbourhood. I do not think that anyone else should. The advisory council was clear about that, and that is why I want to work with local authorities and the police to close such shops down. I am sure that the hon. Lady, as a parent, would want that to happen.

Jeremy Wright (Rugby and Kenilworth) (Con): I welcome the statement made by the Home Secretary today. May I invite her to recognise that the period of time when cannabis has been a class C drug has persuaded many young people to believe that it is neither as harmful nor as illegal as it once was? I want her to focus on two things. First, in the education programme that she has mentioned, will she focus on the strength of cannabis now, so that people are persuaded that it is not the same drug that they perceived it to be during its period of lower classification? Secondly, will she have a word with the Crown Prosecution Service to ensure that, in prosecuting offences where class B drugs such as cannabis appear on the same indictment as class A drugs, it will not quietly forget about the cannabis offences? The CPS should continue to prosecute cannabis offences fully.

Jacqui Smith: The hon. Gentleman makes two fair points. First, we certainly need to look at the "Frank" campaign to make sure that the increased strength of cannabis is fully represented in it; he is right about that. Secondly, I will ensure that the Crown Prosecution Service hears his words about the requirement not to bury a cannabis offence, even if it is the lesser of two drugs offences.

Point of Order

1.19 pm

Stewart Hosie (Dundee, East) (SNP): On a point of order, Mr. Speaker. In Prime Minister's questions, the Prime Minister said that the Scottish Government were seeking to "postpone a referendum until 2010-11" and that the Scottish Government were acting "against its...manifesto". That manifesto explicitly set out the timetable for the referendum in 2010. In misrepresenting that fact, I fear that the Prime Minister has inadvertently misled the House. It is far from the case that the referendum is being delayed or that the manifesto promise is being broken; it is a promise that the Scottish Government intend to keep. What powers do you have, Mr. Speaker, to have the Prime Minister withdraw his remarks or correct the inadvertently misleading impression that he gave the House?

Mr. Speaker: The hon. Gentleman has put on the record the point of view of the Scottish Government and the First Minister, and I think that we should leave matters at that.

Immigration (Discharged Gurkhas)

1.20 pm

Bob Russell (Colchester) (LD): I beg to move,

That leave be given to bring in a Bill to amend the immigration rules in connection with the requirements for indefinite leave to enter and remain in the United Kingdom as a Gurkha discharged from the British Army.

The Gurkhas have a unique place in the history of our country and in the hearts of the British people. For around 200 years they, the bravest of the brave, have served Britain with outstanding courage and loyalty. They continue to play a vital role in today's Army, both at home and overseas. Indeed, only a few weeks ago Prince Harry paid tribute to their role in Afghanistan. Today, about 3,000 Gurkhas serve in Her Majesty's armed forces. That represents more than 3 per cent. of the British Army. Our under-strength, overstretched forces would be in a more difficult situation if it were not for the Gurkhas, yet despite their astonishing service, many former Gurkhas are treated disgracefully. To the shame of this country, Gurkhas who left the Army before 1997 are not allowed to stay in the United Kingdom.

My Bill seeks to amend the Immigration Act 1971 to enable Gurkhas to be granted indefinite leave to enter and remain in the UK under the category of "Gurkha discharged from the British Army". It is a small, simple Bill, but one that would speak volumes. It has support in all parts of the House. To their credit, in 2004 the Government introduced changes that benefit today's Gurkhas; that is appreciated. Those who retire from the Army can now stay in the UK should they so wish, but the changes do not apply to those who left prior to 1997, because it is claimed that before that date they were based in Hong Kong and therefore were not fully part of the UK forces. That is outrageous nonsense and an insult to men who served in Her Majesty's—in some cases, His Majesty's—armed forces, serving the UK's interests in many parts of the world.

It is argued, somewhat insultingly, that Gurkhas who retired before 1997 could not generally show strong enough links to the UK. The hollowness and callousness of that arbitrary cut-off date was illustrated in the most powerful way when Victoria Cross winner Tul Bahadur Pun was initially denied entry to this country, although he is a man whose loyalty and service to the UK was recognised with the award of the VC for his action in single-handedly storming a Japanese machine-gun post during the second world war, in the face of intense machine-gun fire. That act of bravery was not unique. There are countless other stories of the bravery of Gurkha soldiers who never served in Hong Kong.

Most of our constituents have great affection for the Gurkhas. That is certainly the case in the garrison town of Colchester. I am confident that constituents share my view that the 1997 cut-off date is not morally acceptable. To add insult to injury, retired Gurkhas living in the UK now face deportation, yet soldiers from Commonwealth countries can be granted the right to UK citizenship after only four years' service.

The moral case for the provisions set out in my Bill, which has all-party support, is best illustrated with the following example. Mr. Madam Gurung served in the British Army for 24 years. He retired in 1993 and applied for the right to live in the UK, but his application was refused by the Home Office. All that he wants to do is to work as a bus driver or security guard here in the UK. He currently lives in one-bedroom accommodation in Tonbridge, where he is awaiting news of his appeal. He is prevented by law from working, and subsists on handouts from concerned friends. Is that how a man who served in the British Army for 24 years should be treated? Many other former Gurkhas are going through the same tortuous process of immigration appeals. They are destitute, in limbo, never sure of their future. Forbidden from working, they are not even second-class citizens in the country that they served so loyally for many years. They are relying on the charity of friends, comrades and neighbours. It is a disgrace that some of our former soldiers have been condemned to such a life.

In any survey or poll, the massively overwhelming majority of citizens want the right to British citizenship extended to the pre-1997 retirees. The retired Gurkha community in this country is hard-working and entrepreneurial. The Government need have no fears about them in any way being a drain on the public purse. The reverse is the case—they would be net contributors. Experience in areas where they have settled clearly shows that their hard work and high standards of citizenship add positively to our economy and our culture. The numbers involved are small given the number of people who annually migrate to the UK. It is estimated that there are about 1,000 retired Gurkhas in the UK awaiting results of appeals. Back in Nepal, it is considered that most elderly retired Gurkhas would wish to remain living there. According to best estimates, the maximum number of retired Gurkhas who may possibly want to come here is under 10,000.

British people are frustrated and angered by the unfairness. They do not understand why the Government will not allow a relatively small number of people, all of whom have served in the British Army for a number of years, to live here. The sentiments and provisions of the Bill transcend party politics. The Gurkhas enjoy wide support across the House and the nation. The situation is becoming more urgent by the day. A few weeks ago, outside Parliament, I and some other Members witnessed 50 retired Gurkhas handing in their long service and good conduct medals in protest at the way in which they are being treated. There was extensive coverage of the event in newspapers and on television. The sight of such loyal, brave and dignified people being pushed to such a desperate act filled me with shame.

The Bill seeks to give voice to what I believe is the will of the British people. Let the Gurkhas stay! I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by Bob Russell, Miss Ann Widdecombe, Mr. Don Touhig, Nick Harvey, Patrick Mercer, Mr. Paul Keetch, Mr. Paul Burstow, Mr. David Drew, Andrew Mackinlay, Andrew Rosindell, Mark Pritchard and Mr. Bruce George.

IMMIGRATION (DISCHARGED GURKHAS)

Bob Russell accordingly presented a Bill to amend the immigration rules in connection with the requirements for indefinite leave to enter and remain in the United Kingdom as a Gurkha discharged from the British Army: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed [Bill 107].

Opposition Day

[11TH ALLOTTED DAY-FIRST PART]

Civil Service

Mr. Speaker: I now come to the main business, an Opposition day debate on the Government's management of the civil service and communications. I inform the House that the amendment in the name of the Prime Minister has been selected.

1.29 pm

Mr. Francis Maude (Horsham) (Con): I beg to move,

That this House notes with concern the Government's management of the Civil Service; condemns the excessive increase in the Government's spending on communications, advertising and marketing; further notes with alarm the increasing number of civil servants employed as press and communications officers despite the aims of the Gershon Review to reduce the administrative costs of Government; observes the increase in the number of political ministerial adviser appointees; further notes the creation of bodies and quangos which are unaccountable to the public; considers there to be widespread failures in the efficient implementation of Government policies by No. 10 Downing Street, Government departments and agencies; and calls on the Government to enshrine Civil Service independence in law in a Civil Service Act, bring in a strengthened Ministerial Code and a more transpasent means of enforcing it, ask the Committee on Standards in Public Life to establish a code of conduct for the impartiality and accuracy of Government publications and advertising campaigns, and to take urgent steps to restore trust in the UK system of government by making it more efficient, transparent, accountable and effective.

I start by declaring the interests against my name in the Register of Members' Interests.

The Tony Blair era of government became synonymous with spin. At the very outset of that Government back in 1997, there were huge increases in the number of special advisers; the figure more than doubled. Two special advisers in Downing street were given, completely without precedent, powers to give orders to conventional civil servants. In addition, a large number of departmental press secretaries who were already in place, and departmental heads of the information service who were permanent civil servants in the Government Information and Communication Service, were replaced with appointees who were more or less partisan.

At the time, eyebrows were raised and mildly controversial concerns were expressed, but after all, the Government were elected with a substantial majority and nothing that was done could be said to be illegal. However, it was nakedly a sharp turn away from the conventional approach of reliance on an impartial and professional civil service. That became the hallmark of the Blair era of government—the subordination of all considerations to the partisan political interests of the Labour party. In no Department was there a greater dedication to the cult of spin than in Her Majesty's Treasury. We all remember—I do so vividly, as I was shadow Chancellor: one of many holders of that post—the notorious double-counted spending increases in the pre-Budget report of autumn 1998, in which spending increases for the whole comprehensive spending review period were conveniently added together to give a sum much greater than that which was being spent. That was the first indication

[Mr. Francis Maude]

that with the then Chancellor—now Prime Minister—it was wise to count the spoons carefully and decipher the fine print with a magnifying glass before deciding to rely on what he said.

Despite that history, it is fair to say that when the Prime Minister took office in the middle of last year, there was a sigh of relief that the first announcement of the age of change was that the era of spin was definitively over. Parliament, we were told, was to be told about things before the press and the media. Spin was consigned to history—a relic of the Blairite-Mandelsonist era of the past. The right hon. Gentleman said that

"one of my first acts as Prime Minister would be to restore power to Parliament in order to build the trust of the British people in our democracy."

At the time, the soon to be elected deputy leader of the Labour party—now the Leader of the House—made an even more explicit promise:

"In future, under a Gordon Brown regime, we need to have no spin, no briefing, no secrets, and respect for Parliament".

The right hon. and learned Lady's final point about treating Parliament with respect and making statements to the House before the media was instantly more honoured in the breach than in the observance. We have worked out that on average, the media have been briefed about two announcements a week before they are made to Parliament. Often, announcements are not made to Parliament at all, even after the event.

What of the pledge to cut back on spin, and put the era of spin in the past? The simple truth is that there has been no reduction in the number of spin doctors and special advisers from the Blair era, or perhaps only a tiny one. The age of change turns out to be the age of no change. The publication of the White Book by the Central Office of Information, which was delayed until September last year to take account of the changes since the Prime Minister took over from Tony Blair, effectively shows that there has been no reduction at all. In fact, it took some time for the document to be published, and a number of questions from my right hon. Friends and me to elicit that information. Indeed, the Government's answers, to specific questions, Department by Department, on the scale of the spin machine are a master-class in the spinning of information to give a false impression. They exclude, for example, the majority of communications personnel, limiting the numbers to the narrowest possible definition of "press officer".

The White Book directory tells the full story of a Government spin machine that has spiralled out of control. Advertising costs have also spiralled. The Government have spent over £800 million on advertising in the past five years alone. The annual spend has quadrupled since Labour came to power. No doubt under the rigorous financial stewardship of the Prime Minister, assisted by the Chancellor of the Duchy of Lancaster as his adviser for much of the time, it was spent immensely prudently. Is the advertising spend simply the overhang of the reckless Blairite era? No, because the figures clearly show that since the Prime Minister took over, the advertising spend has increased still further by four times the rate of inflation.

Taxpayers are entitled to ask whether they are getting a good return on the money that is being spent. Many Conservative council candidates who fought elections last week may think it was well spent, because the results were not bad for them. Even taxpayers who belong to, or support, the Labour party are asking that question because, after all, Labour's electoral interests were clearly intended to benefit from those huge spends, including on advertising to promote the merits of neighbourhood policing in the middle of the local election campaign. That is a questionable use of taxpayers' money in supposedly non-partisan information programmes.

The results of last week's elections suggest that, from the Labour party's point of view, it was a wretched use of money, because it led—I believe directly—to its worst position since the war; I do not mean the last war but the first world war. We have to go back a very long time indeed to the infancy of the Labour party to find a time when it did as badly as it did last week.

It is worth spending a little time looking at the Prime Minister's explanation last weekend of what went wrong, because it bears directly on the substance of today's motion. He said,

"I've spent too much time...looking at the detail of solving people's problems."

He also said,

"I've spent too little time thinking about how we can get our arguments across".

He was saying that the Government were not doing enough spinning; they were spending their time earnestly looking over the fine detail of policy programmes to be absolutely sure that they had got them right. That was supposed to conjure up an image of an incredibly high-minded Prime Minister blundering around Downing street in the small hours of the morning, setting off security alarms while trying to unlock his office, because he was desperate to refine subsection (27)(a) of the bin charges Bill, or to rewrite paragraph 147 of his Chancellor's Budget speech, or to work out with mathematical precision exactly why 42 days' detention without charge was the right answer, rather than 40 or 44.

For somebody supposedly obsessed with substance, as the Prime Minister constantly tells us at the Dispatch Box, and the detail of "solving people's problems", he has not made a fantastically good fist of it. Abolishing the 10p tax rate was entirely his idea; indeed, it was his idea to create it in the first place. However, when it came to be implemented—

Chris Bryant (Rhondda) (Lab): What does that have to do with the debate?

Mr. Maude: I will tell the hon. Gentleman exactly what it has to do with the debate. It is about allowing the Government's emphasis and focus on spin from the outset to overcome the need to get the detailed management of policy implementation right. It becomes clear, and Ministers have had to admit, that that policy was not thought through. We find the Lord High Chancellor, as we understand he likes to be called, generously apologising for the mistakes that the Prime Minister had made.

When it comes to the package of changes promised to buy off the Labour rebellion, spin has yet again trumped substance. Fourteen months after slipping abolition into the fine print of the Budget paperwork, the Government still cannot say what the effects of the package will be. We are told—off the record, of course—that the Chancellor has given a categoric pledge, but there is still, amazingly for such a supposedly substance-obsessed Government, no actual package in sight. Hence the pitiful sight of the Secretary of State for Communities and Local Government on "Newsnight" last night fending off the most basic questions—will the changes be backdated, will all the losers be compensated—

Madam Deputy Speaker (Sylvia Heal): Order. Will the right hon. Gentleman relate his comments to the words of the motion tabled by the Leader of the Opposition?

Mr. Maude: I am happy to do so, Madam Deputy Speaker. My argument is that this is a Government whose obsession with spin, whose removal of resources into the communications side of government, has fatally weakened their ability to formulate and deliver policy in practice.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): My right hon. Friend is remiss in not bringing to the fore all the delivery units in No. 10, all the blue-sky thinking units and all the quasi-political systems that are superseding the civil service in the eyes of the Prime Minister and the political élite. Does my right hon. Friend agree that that is unacceptable and a waste of taxpayers' money, and that they are not accountable to anyone, least of all the House?

Mr. Maude: Those units are meant to be accountable to the Prime Minister, but the Chancellor of the Duchy of Lancaster may want to comment on that when he speaks. The creation of all those central departments with hundreds of personnel in them was the result of the warfare going on between the Treasury and Downing street. Because the Chancellor, as he then was, was constantly building up the Treasury's own resource to stamp his authority over the whole of domestic policy, Tony Blair was constantly trying to counter that by creating countervailing units at the centre of government. The result was that the whole thing spiralled out of control, and there are thousands at the centre of government who were not there before.

One of the things that I remember from the way the Government operated in the 1980s, when I was junior Minister, was that, as my right hon. and hon. Friends who were there at the time will remember, No. 10 operated with quite a strong grip over the way the Government worked, with a private office of half a dozen and a policy unit of 10. It did not need delivery units or huge numbers—*[Interruption.]* I hear the Secretary, Cabinet Office, the hon. Member for Corby (Phil Hope), talking about substance. We constantly hear complaints from the Government that we are not engaging on substance. I am concerned with exactly the issues of substance. The Government are so obsessed with spin that they are consistently getting the answers wrong on major issues of huge importance to the public.

Let us look at the proposal on capital gains tax in the Budget, announced with such certainty in the pre-Budget report. The Prime Minister and the Chancellor had rapidly to find the reverse gear when the detail turned out, once again, not to have been thought through. The same with the proposal on non-doms—another humiliating U-turn when the package fell apart. Screening for clostridium difficile in January—

Madam Deputy Speaker: Order. I think the right hon. Gentleman has made his point. May I remind him again of the substance of his motion?

Mr. Maude: Madam Deputy Speaker, I am simply attempting to illustrate the problems that have arisen and the complaint that we make about the Government's approach—the way in which, on substantial issue after issue, spin trumps substance. They get the substance wrong. They are so obsessed with trying to get the spin and the presentation right, and doing it incompetently, that they get not only the substance wrong, but the presentation desperately wrong.

On so many issues, decisions have been taken not with a view to the substantive merits of the argument, but on 42 days, on the income tax changes, on non-doms, on capital gains tax, ineffectively to try to wrong-foot the Opposition, rather than get the answer right. Far too much time is spent badly on presentation, and not enough time is spent on getting the substance right. The Government press on, claiming that they are slaving away solving people's problems, as the Prime Minister puts it, but that has nothing to do with the substantive need.

Instead of the sober, steady focus on solving problems, we have seen a Prime Minister in a panic, hiring ever more spin and PR advisers to join the Downing street spin cycle. The rate of recruitment makes Tony Blair look like Gandhi. Hot on the heels of Stephen Carter from Brunswick, we saw David Muir from WPP—to direct political strategy, we are told. A few days later Nick Stace was appointed to beef up, we were told, the communications team. Mark Flanagan was named the head of digital communications at No. 10. Nicola Burdett was brought in to avoid visual gaffes—definitely a full-time job. There is effectively a weekly column in *PRWeek* charting the weekly appointment of new recruits to Downing street.

Our contention is that in the face of the relentless focus on the spin machine, the morale of the civil service is at an all-time low. Its independence has been sapped by Ministers who have used it constantly to pursue their narrow partisan interests, rather than to solve the problems of the country.

Dr. Julian Lewis (New Forest, East) (Con): Is it not a sign of the time and of the truth of the case that my right hon. Friend is making that these days, when one wants to find out what is going on in No. 10 Downing street, one does not look at the leaks to the political correspondents in the national press, but one looks for the exclusive stories that seem to come up in *PRWeek*? Does that not say it all? It is all in the public relations sphere now, not in the political correspondents' sphere.

Mr. Maude: My hon. Friend is right. It makes one smile when one hears the Prime Minister criticising us for slick salesmanship. There is a certain amount of

[Mr. Maude]

envy, I think, when he says that, because the salesmanship from him has not yet reached that pinnacle. No doubt with all those advisers coming in, it will. That indicates the direction in which the Government are going under the new Prime Minister. There is more emphasis on spin than there was before.

Mr. Robert Syms (Poole) (Con): My right hon. Friend set out some of the people working in Downing street. No doubt some have appropriate jobs and some do not. Does he consider that it would be better if, at the beginning of a Parliament, Parliament approved whether those people should be working so that we could assess whether that was value for money?

Mr. Maude: It would be useful to have a little more scrutiny. As my hon. Friend the Member for New Forest, East (Dr. Lewis) said, one learns about the appointments only by careful perusal of *PRWeek*.

That brings me to the next point, which is the way in which the civil service currently operates. As I said, its morale is at an all-time low. Its independence has been sapped. We see a series of terrible disasters, with people's personal data being lost, the result of a civil service relentlessly exploited by Ministers for partisan advantage, at the cost of focus on the basics of good, sound administration. We see the failure to legislate, despite all the promises, to put the civil service on a proper legal basis. Despite the publication four years ago of a draft Civil Service Bill, we are now told that no legislation is likely until next year.

The independence of the civil service is one of the jewels in our constitutional crown. Civil servants' advice should always be sought. Everything that one hears about the way the Government operate suggests that frequently it is not sought, in case Ministers hear something that they do not like. It should always be sought, even when challenging. It should be respected, even when it is not taken. However, that, of course, would require Ministers who had a real sense of direction and purpose and who were competent and capable. At this stage, I can do no better than quote the hon. Member for Dagenham (Jon Cruddas), who said:

"Our people are abandoning us, we're sinking fast and no amount of hand-wringing and promises of 'listening and learning' will change that."

The Government are now rotten and directionless, led by a losing Prime Minister, and they have lost their authority to govern. The sooner the Prime Minister summons up the bottle to call an election, the sooner the public will get the chance to vote for the change that they so earnestly seek and so richly deserve.

1.50 pm

The Minister for the Cabinet Office (Edward Miliband): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"commends the Government's measures to protect the impartiality of the Civil Service, in particular through its decision to legislate for the core principles and values of the Civil Service; believes that this decision builds on previous improvements, including an enhanced role for the Civil Service Commissioners, the publication of a code of conduct for special advisers and an updated code of conduct for civil servants; welcomes the improvements in efficiency of the Civil Service, which have allowed its size to be reduced in line with the Gershon recommendations; further welcomes the Government's continuing commitment to effective public information campaigns; supports the other steps to strengthen the accountability of government, including a new Ministerial Code and a new independent adviser on Ministerial interests, as well as pre-appointment hearings for key public appointments; and believes that all these measures contribute to a more efficient, transparent, accountable and effective government to better serve the people of this country."

The speech made by the right hon. Member for Horsham (Mr. Maude) has left me somewhat speechless. I want to put this in the kindest terms, but he has been shadow Chancellor, shadow Foreign Secretary and chairman of his party; one is tempted to ask, "Has it really come to this?" He and his party want to try to make this House a more serious place, yet he has come here and brought out a few recycled press cuttings that have very little to do with the debate. I hoped that he would talk about the civil service legislation that we are planning in the draft Constitutional Renewal Bill, and give us some suggestions about how the Bill might change. If he wants to raise the standard of debate in this country and the House, he will have to do better than he just did.

The first extraordinary thing about the right hon. Gentleman's speech is that he seems to be unbriefed about the central fact underlying this debate—that is, that we are legislating for a civil service Bill as part of the draft Constitutional Renewal Bill.

Mr. Maude: The Government are not legislating.

Edward Miliband: The right hon. Gentleman says that we are not legislating, but pre-legislative scrutiny of the Bill is beginning.

Mr. Maude: It was a draft Bill four years ago.

Edward Miliband: It has been 155 years since the Northcote-Trevelyan report; and the right hon. Gentleman was part of the Government who had 18 years to legislate for a civil service Bill. If he had known that we were legislating for a such a Bill, he would have been the first to criticise us if we had not allowed proper scrutiny.

I am looking forward to the contribution of my hon. Friend the Member for Cannock Chase (Dr. Wright), the Chairman of the Public Administration Select Committee, and I am pleased to see him in his place. I am also looking forward to the contribution of the hon. Member for Chichester (Mr. Tyrie), who is a former special adviser and thinks deeply about these matters—which is more than can be said for my opposite number.

The context for this debate is that we recognise that Parliament needs more power to hold the Executive to account. That is why we are legislating to limit the royal prerogative on war powers, treaties, the role of Ministers in appointments and the management of the civil service—as I say, an act first promised 155 years ago. That is why we are opening up public appointments, including nominees for the chair of the Statistics Board and other important public appointments, to scrutiny by the House. That is why, for the first time, we legislated for the Freedom of Information Act 2000 and why we are establishing the UK Statistics Authority, which is independent of the Government.

Mr. Liddell-Grainger: I am a member of the Public Administration Committee under the hon. Member for Cannock Chase (Dr. Wright). One of the intensely frustrating things during my six and a half years in Parliament has been that we had to write our own civil service Bill, which was drawn up with the advice of a lot of former Cabinet Secretaries. Does the Minister agree that that Bill is in principle the right way to go? Will he incorporate a lot of that Bill into the legislation? It is a good Bill and will protect the civil service for the next 150 years.

Edward Miliband: I thank the hon. Gentleman for his intervention. I am sorry that I missed him when I was discussing the Bill with the Public Administration Committee last week; he was no doubt elsewhere. He will be pleased to know that we have published a draft Bill, which is going into pre-legislative scrutiny. I will be interested in his comments and those of hon. Members throughout the House. In reply to a question put by my hon. Friend the Member for Cannock Chase, I said that we wanted to invite comments on the Bill. We are open to suggestions about ways in which it can be improved.

I had hoped that we could have a constructive debate today, and that is why it is so disappointing that the right hon. Member for Horsham came forward with a bunch of recycled allegations. He complained about Government information campaigns and their cost. Let me tell him what the three most expensive Government advertising campaigns were on: road safety, Army and Territorial Army recruitment, and anti-smoking. Is he seriously suggesting that he would cut any of those? I assume that he would not. His motion calls for a stronger ministerial code; we have just introduced one with a new independent adviser on ministerial interests. I have to bring him up to date on that as well.

Instead of carping from the sidelines, the Opposition should engage seriously in the opportunity to legislate for the impartiality of the civil service. That is precisely what we are doing.

Chris Bryant: The Minister will know that Short money, which has increased dramatically since Labour came to power in 1997, is spent on employing an awful lot of people, who to all intents and purposes are special advisers for Her Majesty's loyal Opposition. Does my right hon. Friend think that they should be ruled by a code of conduct, as Government special advisers are?

Edward Miliband: My hon. Friend has made an important point. In an act of generosity, the Government have significantly increased the money that goes to the Opposition as Short money. As I understand it, there is no accounting for that money and how it is spent. That issue is certainly worth considering.

I turn now to the substance of the Bill and civil service impartiality. It is important, and I am interested in Members' views on this. During the sitting of the Public Administration Committee that I attended last week, the Cabinet Secretary said:

"the challenge for Parliament is to...keep it very focused and allow the civil service the flexibility to meet what will be the challenges"

of the future. We have drafted the Bill with such considerations in mind.

The Bill establishes that Parliament, not the royal prerogative, provides the basis for the work of the civil service. That is an important change; currently, the civil service is governed by the use of that prerogative. The Bill guarantees recruitment to the civil service on merit through fair and open competition, with the independent civil service commission upholding the process through its recruitment principles. The Bill will also incorporate the rule, set out for the first time in June 2006 in the new civil service code, that the civil service commissioners can take a complaint or concern directly from a civil servant about an issue under the code. The Bill strengthens transparency: it requires a code of conduct for the civil service to be published and laid before both Houses of Parliament.

Mr. Andrew Tyrie (Chichester) (Con): In retrospect, does the Minister think it was a mistake for the incoming Labour Government to give special advisers authority over civil servants through an Order in Council?

Edward Miliband: Yes, and that is why we repealed it. The first act of the new Prime Minister was to repeal that Order in Council. I agree with the hon. Gentleman.

The right hon. Member for Horsham referred to special advisers, and that brings me to my next point. I should declare an interest, because I am a former special adviser. However, it is not a small club.

Chris Bryant: There is one over there.

Edward Miliband: There is not only one; by my count, 20 Conservative Members are former special advisers.

Mr. Charles Walker (Broxbourne) (Con): Shame!

Edward Miliband: Indeed, there are more former special advisers who are Conservative MPs than there are women Conservative MPs. No doubt the party will try to make amends for that at the next general election, but we shall do all we can to stop it.

What is interesting about the old system governing special advisers is that there was no code of conduct, no transparency and no annual statement about their numbers, costs or work.

Mr. Tyrie: First, there was full transparency in the role of advisers, and, secondly, the decision by the Labour Government to start issuing such details was squeezed out of them only after I and a number of others had pressed them vigorously for several years, and the then Prime Minister, Tony Blair, finally agreed to provide some of the basic information being demanded.

Edward Miliband: It cannot be the case both that this information was always provided and that it arose only after several years of pressing by the hon. Gentleman. I pay tribute to him for pressing us to provide the information, and I take credit for the fact that we are doing so.

The nub of the issue is this: do 70 or so special advisers in government overwhelm the work of 500,000 civil servants across Britain? In this regard I rely on,

[Edward Miliband]

among others, Lord Wilson, the former Cabinet Secretary, who said in his evidence to the Committee on Standards in Public Life:

"I do not think the senior civil service of 3,700 people is in danger of being swamped by 70 special advisers. That is not what is happening and I do not see it as a creeping politicization."

Dr. Julian Lewis: Given that large numbers of civil servants are supposed to be told what to do by very small numbers of Ministers, a simple comparison between the number of special advisers and the number of civil servants does not take us very far. What matters is the amount of influence that those special advisers have. Will the Minister accept the fact—and it is a fact—that during the final years of the Conservative Administration most Ministries had only two special advisers; a few of the lesser Ministries, if I dare describe them in that way, had only one; and only one Ministry, namely the Treasury, had three? How does that compare with the current situation?

Edward Miliband: The current norm is that most Cabinet Ministers, including me, have two special advisers. I do not think that that is an excessive number, but we can probably debate that.

Another important aspect of this debate is that special advisers are not a threat to the impartiality of the civil service—in fact, they help to protect its impartiality because they can do political things that it would not be right for civil servants to do. That is why the Cabinet Secretary said at the Public Administration Committee last week

"this point about good special advisers being good for the civil service is really important".

I say to the House, in all genuineness, that on special advisers and on other aspects of the Bill, we look forward to detailed scrutiny by this House, and even perhaps to some constructive suggestions.

Mr. Liddell-Grainger *rose—*

Edward Miliband: Perhaps a constructive suggestion is coming.

Madam Deputy Speaker: I call Hugo Swire.

Mr. Liddell-Grainger: He might be Ian Liddell-Grainger in his spare time, Madam Deputy Speaker. *[Interruption.]*

Madam Deputy Speaker: Order. Could we have debate conducted in the usual manner?

Mr. Liddell-Grainger: I am sorry for that flippancy, Madam Deputy Speaker.

Does the Minister agree that the time has come to put the Prime Minister's office on a statutory footing as well, because many of the people we are talking about come under the Prime Minister's direct auspices? At the moment, the Cabinet Office is just a function of government where people come and go more frequently than in any other Department. Has not the time come to ensure that we understand exactly how that part works?

Edward Miliband: I think that we do understand how it works. I am not sure what putting it on a statutory footing would mean. The hon. Gentleman may be proposing a Prime Minister's Department; I do not think that that would be the right thing to do.

Let me deal with some of the other allegations made by the right hon. Member for Horsham. He has this figure of 3,000 spin doctors in Whitehall, which he trots out every so often when he has nothing better to do. The true number of press officers is less than a fifth of that number. The rest, listed in what has become the infamous White Book, include those providing information to the public through publications, websites and campaigns to do with issues such as road safety, public health and smoking.

The right hon. Gentleman did not raise the issue of quangos, which was sensible of him, because—I do not want to rub salt into the wound—after he lost his seat in 1992 he was appointed to a quango in 1994— *[Interruption.]* Unpaid, he says. Presumably, if he is worried about the accountability of quangos, he was worried about his own appointment. However, it will interest him to know that there are fewer quangos than there were in 1997.

I was disappointed by the right hon. Gentleman's failure to talk about what we are doing as regards the civil service Bill and other aspects of constitutional reform. The other disappointing aspect of his remarks was that he seemed to subscribe to what I would call a "golden age" view of the civil service. His remarks implied that we need only preserve the civil service in aspic—somewhere around the 1960s or 1970s, I guess—and all will be okay. I must be honest with him about this. I do not hold to that view, not because I think we should breach the impartiality of the civil service—quite the opposite; that is why we are legislating for an impartial civil service—but because the challenges faced by a modern Government and civil service are enormous, and that is why the civil service needs to evolve.

Kelvin Hopkins (Luton, North) (Lab) *rose—*

Edward Miliband: I give way to another distinguished member of the Public Administration Committee.

Kelvin Hopkins: My right hon. Friend—other Ministers do the same—referred to the past as if it is wrong because it is the past. Some things from the past were good, if not perfect. We should not dispense with things that were valuable in the past and might be useful today.

Edward Miliband: I agree with my hon. Friend to a certain extent.

Let me try to illustrate what I mean by the golden age-ism to which I referred; I am certainly not accusing my hon. Friend the Member for Luton, North (Kelvin Hopkins) of that. Hayden Phillips, a former permanent secretary, has written about how, as a junior civil servant in the Home Office in the 1960s, he was told by his division head not to visit a police force to discuss policy as

"it will prevent you from being properly detached".

In a way, that illustrates one of the challenges for the civil service, which is to have greater awareness of delivery. A 2004 survey found that 60 per cent. of senior civil servants described their background as policy making, compared with just 25 per cent. in delivery. The current Cabinet Secretary, Gus O'Donnell, is trying to put more of an emphasis on delivery among senior, and indeed junior, civil servants so that they do not spend time just on policy in Whitehall but go out to see what is happening on the ground. That is incredibly important. The first challenge that the civil service needs to rise to is that of civil servants having experience of delivery.

The second challenge is to do more to reflect the face of Britain. There has been progress in recent years on the number of women and ethnic minorities in the civil service, but it is still not good enough—the numbers are still too low. The proportion of senior civil servants who are from minority ethnic backgrounds has doubled since 1997, but it is still too low. The proportion of women has doubled, but it is still too low. I gather that the proportion of new permanent secretaries who went to state schools has doubled, but that is probably still too low as well. Labour Members think that there is further to go and that this is an important challenge for the civil service if it is to recruit the most talented, regardless of background.

Mr. Robert Syms (Poole) (Con): I have always been amazed by the French system, where sometimes quite senior fast-track civil servants go into business, then back into the civil service, and then back out into business again. Does the Minister think that there is an argument for more flexibility in our system to provide broader experience of the real world?

Edward Miliband: I completely agree with the hon. Gentleman, who makes an important point. That should apply not only to business but to the voluntary sector—the third sector. I am struck by the number of civil servants who work with me and my hon. Friend the hon. Member for Corby (Phil Hope), who is the Minister for the Third Sector, with backgrounds not just in government. Some of them come from the Big Lottery Fund, some from the third sector itself, and some have experience in the private sector. All that contributes to a more dynamic and innovative civil service.

Kelvin Hopkins: The French situation, in which civil servants who see themselves as part of the state go into business, get some experience and come back to serve the state better, is very different from one in which people whose basic loyalty is to business come to the state sector to help business to make more money. That is much more like the situation in Britain, particularly under the recent Blair Government.

Edward Miliband: I am trying to work out whether I agree with my hon. Friend.

Chris Bryant: You don't.

Edward Miliband: I am told that I do not agree with him—I am sorry.

If we are to have people in government who are making policy for business or for the voluntary sector, it is important for them to have experience of what it is really like to run a business or to be in the voluntary sector. There are many different ways in which that can be done. Senior civil servants can spend more time on the ground, gaining direct experience of different organisations, or people may come into the civil service with knowledge of those sectors.

Chris Bryant: One of the reasons there is great value in bringing private and voluntary sector people into the civil service, and in giving civil servants an opportunity to go out and come back in, is that the private and voluntary sectors tend to move much faster. They can be much more responsive to local conditions and situations and not so hidebound in their approach. Sometimes I feel that civil servants, as much as they might want to be helpful, can put roadblocks in the way of progress.

Edward Miliband: I could never possibly suggest that, but I take my hon. Friend's point. Innovation and an ability to take risks are the big challenges facing the civil service. I borrow something once said by the leader of the Conservative party about an end to Punch and Judy politics. If we are honest, part of the barrier to civil servants, Ministers and others taking risks is the sort of political and media climate in which we live. That is not to blame the media, but we need a more risk-taking culture throughout the public sector. Some things will go wrong as a result, but we would have more innovation and more things that went right and we would make a real difference to people's lives. I do not have a holy grail solution to that problem, but it is a challenge for all of us.

We have further to go. There is an important challenge for the civil service, if it is to recruit the most talented regardless of background. We have set up board-level diversity champions throughout Whitehall to help to make that happen, and put in place a number of other measures to encourage diversity.

My third point about civil service reform and making the service more open is the idea, already referred to, of outsiders coming in. I am not romanticising that idea or saying that everyone who comes from the private sector or elsewhere will be better than current permanent civil servants—absolutely not—but it is a healthy thing that the proportion of the senior civil service recruited from outside has increased by a quarter over the past four years, from 18 to 23 per cent. That is one of the three big challenges for the civil service.

I pay tribute to the Cabinet Secretary, who has launched, in the face of some natural scepticism, capability reviews looking at the capabilities of Departments. I see that the hon. Member for Tunbridge Wells (Greg Clark) is raising his eyebrows. It is right to introduce those reviews because they will help to improve the quality of administration in our country. The process will always give ammunition for an irresponsible Opposition, but that is just one of those things. It is the right thing to do and it will improve the quality of policy making in this country.

I have tried to describe our approach to the issues. We want to embed an impartial civil service. Our approach is part of a continuing programme of constitutional reform and—notwithstanding the remarks made by the right hon. Member for Horsham—this Government, under the current Prime Minister, have a lot to be proud

[Edward Miliband]

of with regard to what we are doing on constitutional renewal. The Constitutional Renewal Bill will make a difference to the way we are governed. For example, the innovation of pre-appointment scrutiny is a major departure for this House. A significant number of public appointments—I am in discussion with the Liaison Committee about the precise number—where a Minister decides on an individual will go before a Select Committee before they are confirmed so that testimony can be given, and the House will be able to report on that process. I hope that the House will use that responsibility wisely, because it is a big departure for our system of government to have the Executive held to account in this way, but it is the right thing to do. Many of the people we are talking about, from the Information Commissioner to the commissioner for public appointments play a significant role in holding the Executive to account on a whole range of appointments and in acting on behalf of the public.

We have a good programme of constitutional reform, but we do not want to preserve the civil service in aspic. It needs to evolve on the bedrock of impartiality. I end by saying to the right hon. Member for Horsham that, despite his speech, I hope he will engage seriously with our programme of constitutional renewal, including the civil service Bill. I say with all sincerity that we will take any constructive suggestions from him or his colleagues on how that Bill can be improved. We will continue to modernise and strengthen the civil service so that it can meet the priorities of the people of this country.

2.15 pm

Susan Kramer (Richmond Park) (LD): I have to admit to a surreal moment: when the right hon. Member for Horsham (Mr. Maude) was speaking, I wondered whether I was in the right debate on the right day.

We are willing to support the motion because at its heart is a further urging of the Government to introduce a civil service Bill that will enshrine in statute the impartiality of the civil service. It is obviously not a subject that has set the House on fire, as we can see from the attendance today. I suspect, however, that is not because of a lack of interest in the topic, but because the issue has been ongoing for so long that resilience concerning the hope of a civil service Bill has been worn down by repeated false pregnancies. All three major parties included a promise of a civil service Bill in their 1997 manifestos. Extensive discussions took place in 2001 and 2002, and there were two forms of draft Bill in 2004. There is great hope that we will finally see a Bill next year, but I hope that we shall hear some conviction on the part of the Minister for the Cabinet Office, and that there will not be a rerun of our experiences.

I do not think that it really takes seven years to draft appropriate language for a civil service Bill. Call me a cynic, but it seems to me that it was most convenient for the previous Prime Minister, Tony Blair, not to have that sort of legislation on the statute book, so the issue drifted through discussion and consultation without getting anywhere. I believe that the willingness to introduce legislation now is meant to be part of the Brown fightback—but I am not fussy. If we can get decent legislation, I do not care what the motive for it is. It is just important that we get good-quality legislation to enshrine and protect the civil service, and to make sure that it remains respected and effective in the future. However we get that, I will be pleased.

I have to say, however, that it must be a good Bill. My hon. Friend the Member for Cambridge (David Howarth), when looking at the early drafts, used the phrase "nibbling at the edges". There is an awful lot of work left to do on the Bill, and I congratulate the Public Administration Committee on taking on much of the challenge of scrutinising, questioning, monitoring and improving the quality of what we hope will be legislation in the not-too-distant future. We are left with a number of questions, which the House would like the Secretary of State to answer. I am struggling to understand why the Civil Service Commission should not be appointed and removable by Parliament, instead of being appointed by the Government. I believe that the Public Administration Committee has made a similar recommendation, and such a change would be the best guarantor of political neutrality. It would also be significant in stemming the constant tipping away of power from Parliament to Government. It would be an important step towards an appropriate rebalance.

There are all sorts of lesser questions. Why should the commission not be able to initiate its own inquiries into breaches of the code of conduct? It strikes me as most peculiar that one should need the Government's permission to undertake an investigation of the Government. The issue of recruitment on the basis of merit was mentioned. That is obviously crucial, but should not the same standards apply to promotion or movement within the civil service? It is beyond me why that was not included. We heard quite a discussion on the issue of seconded staff a few moments ago, and on the various ways in which such secondment takes place.

I think that the hon. Member for Luton, North (Kelvin Hopkins) touched on the general issue, especially with short-term secondments, of what mechanisms are in place to ensure that the public service ethos remains dominant when people are brought in from a business culture, which is very different. I am not saying that one cannot learn from the other, or that exchange is not beneficial. However, on 10 November 2005, Lord Butler of Brockwell told the Public Administration Committee that that sort of transfer of people

"needs to be accompanied by safeguards"

against business ethics damaging civil service ethics. I have yet to perceive that sort of understanding in the draft legislation.

Kelvin Hopkins: The hon. Lady mentioned ethics. I would not call myself a Platonist, but I refer to Plato from time to time. He clearly perceived a hierarchy of ethics, from those in government to those in the civil service to those in business. Does she agree that the ethics of public service should be seen to be above those of business, even though they can learn from each other?

Susan Kramer: I thank the hon. Gentleman for his intervention, but I do not subscribe to the notion that one is a scumbag if one has spent one's life in business, and a wunderkind if one has done so in public service.

However, having been part of both worlds, I am conscious of the differences in culture. It is not necessarily an easy transition from one to the other. I believe that the business community can be tempted to perceive the process of secondment not as a strategy to help public service perform better but as an easier route to influencing and shaping. That might apply not to the individuals but to the companies from which they are seconded. I do not claim that that necessarily happens, but we should consider the possibility when we manage the process.

Earlier, I mentioned promotion and movement in the civil service through merit and open competition. I struggle to understand why that should not form the basis of every appointment that is not of a special adviser, instead of excluding several posts. I hope that the Minister for the Cabinet Office will tackle that. Seventy is the figure that constantly floats around for the number of special advisers. That venerable journal *PRWeek*, which has dominated the debate, reported on 24 April that hordes of senior Labour special advisers were said to be passing their CVs to head-hunters and recruitment consultants amid concern that their stock was falling. Perhaps the number will fall below 70. However, that number of people, with a great deal of influence and power, can have an impact on the behaviour of several thousand. It is silly to suggest that 70 people cannot overwhelm the civil service.

What limit should we set? Why is not there a cap or some negotiated mechanism for limiting the number? If 70 is fine, is 700 fine, or is that ridiculous? Should the number be 100? Whatever it should be, having some sort of cap would give Parliament and the public confidence that special advisers were used on an "as needed" basis to execute the Government's mission, and were limited to such roles.

Although the Minister for the Cabinet Office implied that special advisers had no line management responsibility, the draft Bill does not specify that. It would therefore be good to include the prohibition of line management on the face of the Bill. Of course special advisers can commission work, and many people perceive that, if it is misused, as a form of line management. I fully accept that the Government do not intend to include a provision to repeat the Order in Council that enabled Alastair Campbell and Jonathan Powell to be appointed with special executive powers. However, taking that a stage further to ensure that there is no loophole for commissioning to spill over would be useful.

So far, I have considered the civil service largely in the abstract. However, those of us who have been involved in the battle over Heathrow are worried about the creeping loss of neutrality in the civil service. The hon. Member for Putney (Justine Greening), through her diligent pursuit of freedom of information requests, has exposed an incredible amount of integration and co-operation between BAA and the Department for Transport in presenting what is supposedly an impartial consultation to the people of south-west London on an issue about which people care enormously. There is a genuine sense that, in its determination to pursue a Government objective, the civil service suspended its independent judgment and allowed itself to be overridden by BAA's preferences and biases.

Some hon. Members will remember that in 2002, my hon. Friend the Member for Northavon (Steve Webb) requested information from the Government about disabled people in hospital, and was told that it was unavailable. Through the Data Protection Act 1998, he obtained a draft answer, which made it clear that the information was available and that he had been given an incorrect response. The Government apologised to the Speaker and to my hon. Friend for that, but the House and the Public Administration Committee had to pursue them before that could be achieved. Frankly, hon. Members will not go through that sort of exercise. We must ensure that the responsiveness is there from the beginning.

To speak personally and poignantly, I lost several acquaintances on 11 September 2001—and I will never get beyond the behaviour of special adviser Jo Moore, who said:

> "It's now a very good day to get out anything we want to bury."

That conveys a genuine warning, which underscores the importance of getting the Bill right. Jo Moore was in a running battle with the civil service elements of the press office in her Department, in an arena where one would have thought that such a clash of values should never occur.

The Conservatives do not get off lightly. For all their claims that there was a golden age under a Conservative Government, the Thatcher era sowed the seeds. On 24 May 2007, Lord Lipsey, a widely respected Labour peer, who spent many years in the civil service said:

> "The present generation of civil servants grew up in the Thatcher years, when the question, 'Is he one of us?' resounded around Whitehall, and giving your opinion fully and frankly could be a barrier to advancement."—[*Official Report, House of Lords*, 24 May 2007; Vol. 692, c. 772.]

In many ways, Blair and Campbell were the true heirs of Thatcher and Ingham.

I was only on the sidelines of politics at the time, but many of us remember Jeremy Paxman's questioning of the right hon. and learned Member for Folkestone and Hythe (Mr. Howard), when he was Home Secretary, about whether he had improperly overruled Derek Lewis, the director general of the Prison Service. There is, therefore, no clean slate.

The motion refers to quangos, and although I personally agree with its language, it took me aback for a moment, because when it comes to the pot calling the kettle black, the Tory policy of establishing an NHS board—the mother of all quangos—to be responsible for commissioning NHS services, allocating NHS resources and delivering objectives to improve outcomes for patients, is extraordinary. I therefore hope that the language in the motion will be incorporated over into Tory policy.

A call for senior appointments to quangos to be subject to scrutiny by the relevant Commons Select Committee is missing from the motion and the draft Bill. That is an especially important element to returning to parliamentary control and giving the public confidence in the impartiality and objectivity of the services that are delivered to them.

Some people think that our focus on the impartiality of the civil service is a little piece of nonsense. Indeed, there is envy of the US system, which is openly

[Susan Kramer]

politicised and where the winner takes the spoils, as it were. However, having lived for many years in the United States, I think that those people have completely missed the checks and balances that are an inherent part of the US system between the judiciary, the Executive and the legislature, which mean that an entirely different set of issues are confronted. In our parliamentary system, not having the impartiality of the civil service carefully enshrined in law would totally upset the balance of power. If we ever wanted to guarantee the potential for a presidential Prime Minister, that would do it.

Let me close by saying that it is about time that the Northcote-Trevelyan report of 1854, which established the principle of a permanent, independent and politically neutral civil service, found its way on to the statute book. More than 150 years is probably a long enough gestation period for any piece of legislation.

2.31 pm

Dr. Tony Wright (Cannock Chase) (Lab): When I saw the motion, I thought how extraordinary it was. I have seen some motions here over the years, but in terms of being a dog's dinner, this is one is quite distinctive. Then I heard the speech that the right hon. Member for Horsham (Mr. Maude) made, and to the dog's dinner was added a dog's breakfast. We are in a fantasy land in this debate, where the only thing that the Government are not being blamed for is the fact that it rained on bank holiday Monday. I therefore hope that I shall not do the Opposition a disservice by saying that I want to take some aspects of the debate seriously.

I like the references to the Northcote-Trevelyan report, because they give me a chance to quote it again. If ever there was a model of a Government report, it was that report of 1854, by Stafford Northcote and Charles Trevelyan. It is a splendid report in a number of ways. It has only 22 pages and is written in crisp, clear English: what a model for us to return to in today's White Papers and similar documents. The report says some wonderful things and describes the civil service in its unreformed condition. I am afraid that the following quotation is irresistible, which is why I am unable to resist quoting it:

"Admission into the Civil Service is indeed eagerly sought after, but it is for the unambitious, and the indolent or incapable, that it is chiefly desired. Those whose abilities do not warrant an expectation that they will succeed in the open professions, where they must encounter the competition of their contemporaries, and those whom indolence of temperament, or physical infirmities unfit for active exertions, are placed in the Civil Service, where they may obtain an honourable livelihood with little labour, and with no risk; where their success depends upon their simply avoiding any flagrant misconduct, and attending with moderate regularity to routine duties; and in which they are secured against the ordinary consequences of old age, or failing health, by an arrangement which provides them with the means of supporting themselves after they have become incapacitated."

Hon. Members can see why I described that quotation as irresistible, but it is also a reminder of how reforming the civil service formed a part of that great reforming movement in the 19th century. The great Peter Hennessy has talked about

"the greatest single governing gift of the nineteenth to the twentieth century: a politically disinterested and permanent Civil Service with core values of integrity, propriety, objectivity and appointment on merit, able to transfer its loyalty and expertise from one elected government to the next"—

and so it was.

The civil service was reformed for two reasons. One was that it was inefficient—we should not forget that the drive to make the state service more efficient was at the heart of the Northcote-Trevelyan agenda—and the other was that it was corrupt and run by patronage. Those twin objectives of rooting out corruption and making the civil service more effective have always been the twin drivers for reform of the service, and so they should remain.

There are two truisms about the way in which the civil service is usually discussed these days. One is that Oppositions always say that the civil service is being corrupted by the Government of the day. One can go back over the years and find source after source showing that. The second truism is that Governments of the day, particularly those of a radical and reforming disposition, express a certain amount of dissatisfaction with the civil service's ability to perform as they want it to.

In the modern period, the issue was perhaps first discussed by the Treasury and Civil Service Committee, as it then was, under the previous Conservative Government. The Committee produced a report in 1994 arguing the case for civil service legislation, but also said—this is relevant to the repeated arguments about politicisation—that the

"election of a fourth successive Conservative Government has given rise to concern about whether prolonged rule by one party might call into question the preservation of a politically impartial civil service".

Those of us who remember that period, to which the hon. Member for Richmond Park (Susan Kramer) referred, will remember that the arguments of the day were entirely about whether the Thatcherite "one of us" culture was corrupting the essential independence and impartiality of the civil service. The arrival of Mrs. Thatcher saw the retirement of a raft of permanent secretaries, who were replaced by people who were thought to be "one of us". Because that Government were in power for a long time, the assumption was that if someone wanted to progress inside the service, being "one of us" was a considerable advantage. Some of that criticism was unfair, but it reflected the aspirations of a Government to make the civil service work better than it had done.

Dr. Julian Lewis: I am not expert in this field, but I am a little surprised that the hon. Gentleman seems to be suggesting that people who reached the top posts in their Department as permanent under-secretaries were appointed on the basis of a partisan belief that they were "one of us". In order even to have been contenders for the top post, they would surely have had to have had distinguished careers in the civil service, to get the second level.

Dr. Wright: To support what I am saying, let me simply quote one history of the civil service, which says:

"The Whitehall grapevine had it that the vital question being asked about the potential appointees was 'Is he one of us?'. This was taken to imply a commitment to the can-do ethos of Thatcherism rather than any obvious affiliation to the Conservative Party".

That is quite fairly put and reflects the approach of a radical and reforming Administration.

Dr. Lewis: The hon. Gentleman is being generous in giving way again. With respect, even that quotation does not sound like a description of party political partisanship, but a description of an attitude of mind, based on whether someone is a proactive or a reactive person. The hon. Gentleman will have to make a stronger case to suggest that we are talking about party political politicisation, in the context of such high appointments to the professional ranks of the civil service.

Dr. Wright: I tried to put the matter as fairly as I could, rather than in a partisan way. I was trying to explain that there has been a standing temptation on the part of Governments who feel a desire to shake up the system to get people in place who will enable them to do so. That was true of the Thatcher period and it was true of the Blair period, too. It is interesting that similar charges were levied in each period about the consequences of that. If we scrape away those charges and go beyond the political exchanges in those periods, the question is: was something happening to make the civil service politicised? Are politicians behaving in relation to the civil service in ways that are improper and disturbing its tradition of neutrality, independence and impartiality?

Kelvin Hopkins: I want to follow up on the two interventions made by the hon. Member for New Forest, East (Dr. Lewis). During the Thatcher era, there was a serious philosophical, ideological change; was it not possible for someone in government to determine which side of that ideological divide a civil servant might reside? Could not they make sure, with a wink and a nod, that people on the Thatcherite side of that divide would be promoted and that those who had lingering attachments to social democracy would be marginalised?

Dr. Wright: That is an interesting observation. I was trying to argue that although such charges are made for political reasons in each period of government, they do not stand up when tested against the question whether the character of the civil service is being fundamentally altered by what is happening.

The Select Committee on Public Administration, which I have the honour to chair, considered this issue in some detail just a year ago. We produced a report called "Politics and Administration: Ministers and Civil Servants", which examined the politicisation charges made over the years. It is worth quoting a paragraph that sums up the evidence that we received. We said that:

"despite the regular accusations of politicisation, Britain clearly remains singularly unpoliticised. External appointments to the senior civil service are regulated by the Civil Service Commissioners, and no witnesses suggested ministers were able to exercise significant powers of patronage. Although ministers are able to make political appointments to special adviser posts, there was broad agreement that the scale of political appointments was so small, in relation to the size of the civil service, that it did not undermine principles set out by the 1854 Northcote Trevelyan Report and, in significant respects, protected them. Moreover, in relation to appointments to public bodies, the role of ministers has actually been reduced by recent changes."

That is an accurate summary, and shows why the general charge of politicisation, whether under Conservative or Labour Governments, simply is not sustainable.

In any serious discussion on this issue, it is worth discussing the appropriate balance between the political element in government and the permanent element. It is worth having that discussion here and in any comparable political system, and there would be different answers for the different systems, all of which claim to uphold the principles of democratic politics. I remember being introduced to the Australian Cabinet Secretary, some years ago, and discovering that he was a political appointee. In Canada—another Commonwealth country—the permanent secretaries, whom they call deputy ministers, are all political appointees.

What is the correct balance between the political and permanent bureaucratic elements of government? That question can be answered in a variety of ways, and is always open to dispute. Internationally, we are at an extreme end of that spectrum, with our small element of political appointment within government. Given the arguments about this issue that we have had in this country over the years, one would think that we were right at the other end of the spectrum. Extraordinary attention has been paid to the appointment of special advisers over the years, but there is minute political involvement in government here.

To return to my comments about radical reforming Governments sometimes revisiting the issue, the case is sometimes made for changing the balance fundamentally. That argument was put forward by Sir John Hoskyns, who ran Mrs. Thatcher's policy unit for the first three years of her Conservative Government. He was an interesting man—one of Mrs. Thatcher's business men and can-do people whom she brought in. He spent a year working out exactly how Britain was governed and what the problems were with that method, and put his findings in a diagram. When Mrs. Thatcher was shown the diagram—she was a chemist, as we know—she said that it looked exactly like the plan of a chemical plant.

John Hoskyns was impatient about the balance between the political and civil service elements, and wanted to change it. After he left that job, he said:

"If a country's problems require radical remedies, you need a radical government. But how can you have a radical government without radically-minded officials?"

He went on to say:

"We need to replace a large number of senior civil servants with politically appointed officials on contract, at proper market rates, so that experienced, top-quality people would be available."

I did not give that quote simply to make a political point, to damn that political period or to revisit matters that provide a political opportunity. There is a perfectly proper argument to be had about the balance between the political element in government and the permanent civil service element. All political systems have that discussion, as we do. We allow exemptions to appointment on merit through secondments and short-term contracts, and we could have a grown-up discussion about such matters if we wanted to.

In recommending a civil service Bill in 1854, Northcote and Trevelyan said in their report:

"a few clauses would accomplish all that is proposed"

They were right. My Committee has always taken the view that we do not want an over-elaborate Bill. We want one that is as simple as possible and that tries to set some of the constitutional boundary lines in statute.

[Dr. Tony Wright]

We want a move from a rule by prerogative to one of Parliament and statute. That is what we want to do, and it is has been quite a job getting such a Bill. It has been much promised, but not delivered, and we have been frustrated by that.

In 2004, to mark the 150th anniversary of the Northcote-Trevelyan report, we published our own Bill. I think that it was the first time in modern parliamentary history that a Select Committee had published its own Bill to show what could be done. That approach has borne fruit, because the Government then produced a draft Bill and have now produced a serious proposal to legislate with the draft Constitutional Renewal Bill.

There will be reasons to ask the Government to strengthen the Bill in a variety of ways—the hon. Member for Richmond Park helpfully mentioned some of them. I think that our Committee and the Joint Committee on the Constitutional Renewal Bill, which is going to consider the Bill; will say that the Government are on the right lines. Indeed, they are doing the right thing and are on the right lines.

I shall end with one observation on the process. I have been considering this matter over the years to see why it has taken so long to get to this point. It is easy to attack previous Governments for inertia, but I particularly wanted to explore why the last Conservative Government decided not to legislate, despite the recommendation of the former Treasury and Civil Service Committee that they should. Discussions in that period show that the people inside the Government who were responsible for the matter were anxious, and for good reason. They did not want to disturb the essential constitutional position of the civil service and did not want to legislate in a way that would ossify the service. However, there was also a political consideration. They did not want to start down that path if it meant that the proposal simply became a matter for political dispute. It was thought that if the civil service were brought into the political arena and if agreement could not be reached, that would do more harm than good.

David Hunt, now Lord Hunt, who was leading for the Conservative Government at the time, said, in evidence to the Treasury and Civil Service Committee on 14 June 1995:

> "I would not want to start the process without a clear indication from all sectors of the House that in fact we would not see the civil service become a party political football in terms of the amendments being proposed and put forward."

That was a very proper worry.

Having discussed this issue with all kinds of people over the years, and having taken evidence from former senior civil servants and former Cabinet Secretaries, I have found that they all express the same worry: can we legislate on the civil service without it becoming an opportunity to have a political dispute about the civil service? If not, they felt that it would be better not to do anything at all. That is a profound consideration.

Sometimes, we in this House like to say, between ourselves, that we think that this should be a matter for consensus. However, having watched the protestations of commitment to consensus over the years, I have to report that that breaks down at the first whiff of political opportunity. That is the way our system is; that is how we do it. If we see the opportunity to score a political goal or to make a political point, we take it, even if we are notionally committed to a consensus approach.

This is a huge test for us. It is unfinished constitutional business. We all know that it needs to be done. We know that we would like to put the civil service into statute and to draw some constitutional lines in the sand. The question is whether we can collectively do that without it becoming a political football.

The motion today refers, as such things always do, to restoring trust in the political system. Our record on that could make one quite pessimistic. The truth is that, for the past 15 years, we have had an auction on trust and distrust in this country. In a sense, we started it. We quickly realised that making allegations against the Major Government brought huge political dividends. If we look at the figures, we see that it was then—in the 1990s—that trust really started to go down, and it has never recovered since. We piled in making all kinds of allegations about the sleazy character of Conservative politicians; then, after 1997, the Conservatives decided that, in order to equalise the balance, they had to make similar charges against us. The effect has been to pull us all down. The reputation in which we are all held has declined immeasurably during that period. In the short term, such activity might seem like good politics, but I can assure the House that it is really bad for the reputation of public life in this country.

The challenge for us now is to do something about that, but, as David Hunt said all those years ago, we can succeed only if there is genuine consensus in the House and determination on all sides to create a good, coherent civil service Bill that will last.

2.52 pm

Mr. Peter Lilley (Hitchin and Harpenden) (Con): It is a great privilege to follow the hon. Member for Cannock Chase (Dr. Wright) in addressing these matters. He interestingly went back into history and paid tribute to the Northcote-Trevelyan reforms. In many ways that might be right, as far as the integrity of the civil service is concerned, but I would advise him to read a forthcoming work on the subject that puts a wholly different complexion on whether those reforms were beneficial for the efficiency of the civil service. It is written by a civil servant—a gentleman called Mike Coolican—who advised me when I was at the then Department of Social Security and, no doubt my Labour successors in due course. I urge the hon. Gentleman to put that on his reading list.

I should like to put the hon. Gentleman right on the impression that he might have created—even though I do not think it was his intention to do so—that there was a degree of politicisation in the selection of permanent secretaries under the Thatcher Administration. That was not my experience. I remember when I first got my foot on the lowest rung of the ladder and became a Parliamentary Private Secretary to the Minister responsible for local government—indeed, the Minister responsible for the abolition of Ken Livingstone, the Inner London Education Authority and all that sort of thing.

The Bill to achieve those changes was introduced by the Government, and Mrs. Thatcher was very much in favour of it. It was a key centrepiece of the Government's Administration. The official in charge of it made it

absolutely clear to Ministers that he thought that it was a barmy idea, that it was wrong in principle, and that it would be damaging in practice. None the less, it was his job as a civil servant to tell us how to achieve our aims in the least damaging and most effective way. As a result, he caught the attention of Ministers, who found him all the more effective because they knew that, rather than soft-soaping them, he was telling them how a bad Bill could be made less bad. He rapidly became permanent secretary, over the heads of his rivals in the then Department of the Environment. That was how it worked. Mrs. Thatcher liked people who answered back and who told her the truth. I suspect that there might be a difference between that attitude and those that pertain nowadays. There was certainly no party political import at that time.

I congratulate my right hon. Friend the Member for Horsham (Mr. Maude) on raising this extremely important issue. The integrity of the civil service is a pearl of great price, and anyone who has lived or worked in a country that does not have an impartial civil service will recognise just how valuable it is. The possession of an information service within the civil service that is dedicated to honesty and integrity is also of immense importance to the operation of democracy. The accountability of Ministers to Parliament, and of civil servants to Ministers, is central to the working of parliamentary democracy.

All those things are now under threat—or have been threatened—under this new Labour Government. Even the fact that the Government are introducing this legislation is a recognition of the fact that there is grave concern about these issues, and that the Government are trying to respond to that, perhaps in good faith, and trying to reverse those things that have been put under threat over the past 10 years. This is unique to new Labour. Historically, the Labour party and Labour Governments have been respectful of the conventions and traditions that uphold the civil service and the integrity of its management.

The other night, I was browsing through Roy Hattersley's admirable autobiography, "Who Goes Home?" in which he refers to his experience ahead of, I think, the 1979 election. He had discovered that the retail prices index figures, which were coming out a day after the election, were going to be very good. He said:

"So I asked the Prime Minister if I could announce, or at least leak, our success"—

in getting down inflation—

"on the eve of the poll. Jim could not have been more scandalised if I had confessed to doctoring the figures."

So the attitude of that Labour Prime Minister, Jim Callaghan, was full of integrity and respect for the system. Callaghan in turn explained to Hattersley how a junior Minister called Dugdale, as a young Member of Parliament and Minister in the post-war Labour Government, had questioned Sir Stafford Cripps as to whether it was really necessary to announce a proposal to reduce the already inadequate cheese ration by a further 2 oz, just before a general election. Stafford Cripps replied that he was not sure of the questioner's identity, but

"whoever he was, if he allowed political considerations to influence his judgement, he was not fit to be one of Her Majesty's ministers."

Thus there has been a tradition on both sides of the House to uphold the integrity of the processes of Government, and that is why we have retained an impartial civil service until recently.

Kelvin Hopkins: I thank the right hon. Gentleman, my political neighbour, for giving way. He is describing a situation that I remember from my youth; it could even be described as a golden age. Although things were not perfect then, are there not values and attitudes that were prevalent then that we could re-adopt and reinforce now?

Mr. Lilley: I entirely agree.

I want to ask why the new Labour Government have put so much pressure on these features of our civil service. The answer lies in the fact that new Labour is essentially old Labour that has ceased to believe in socialism, or indeed in anything. And those who believe in nothing are prepared to say anything. Those whose agenda is more about gaining power than implementing an idea focus essentially on headlines. That leads to a focus on spin and to "initiativitis", which embroils the civil service in producing spurious policies that can be announced but never implemented. It also leads to conflict between Ministers and civil servants.

Most people who watch "Yes Minister" assume that conflict between the civil service and Ministers is integral to the relationship between them. Traditionally, when asked whether "Yes Minister" is an accurate portrayal of relations, Ministers' response has been, "You think it is a comedy; we know it is a documentary". Actually, it is a description of the relationship between civil servants and Ministers, focusing on an abrasive attempt by civil servants to get control of the agenda, only if the Minister has no agenda of his own. If a Minister has no agenda and is moved solely by a desire to respond to a bad headline yesterday or to avoid a bad headline tomorrow and get a good one the day after, he will be all over the place all the time, constantly driven by the newspapers. In that case, the civil service steps in. Thank heavens it does; it is better to have consistent government by some body of people who know something about it than inconsistent and incoherent government by a Minister who does not have a clue what he really wants.

If Ministers come along with an agenda of their own, a clear idea of what they want to do, and put it to their officials, that is completely different. Even if those officials do not agree with that agenda personally because it goes against their own political views or they do not like it or are worried about it, once they have tested the Minister and noted the agenda that the elected ministerial representative wants to put forward, the British civil service will be second to none in helping to deliver it. Unfortunately, the obsession with spin and headlines rather than substance and a coherent agenda has put the Government in conflict with the information service, particularly with respect to the civil service. Within the first 12 months of the new Labour Government, we saw 24 of the 44 senior posts in the civil service changed and replaced largely by Government appointees or special advisers. That was extremely damaging and extremely unwise.

Dr. Julian Lewis: One point has not been brought out clearly enough. When the changeover came from special advisers who numbered a little over two dozen

[Dr. Julian Lewis]

in the Thatcher years to the much larger number now, many of the new people were appointed precisely to the press officer posts that my right hon. Friend mentions. In the period before that, we should think not only about the numbers involved, but about what people did. They were advisers and confidants, but for the most part they were not press officers. The key change is not just that so many more of these posts now exist, but that so many more are charged on a day-to-day basis with trying to deal with the press. Does my right hon. Friend agree?

Mr. Lilley: I agree very strongly with that. I would like to draw on my own experience—the best way for me to contribute—rather than provide mere assertion on that and other issues.

When I became Secretary of State for Social Security, I was told about all the skeletons in the cupboard. There was one particular skeleton—I forget exactly what it was, but it was a difficult piece of information to handle—and I was told, "Minister, you are going to have to think about how to deal with this". I got up one morning to find that that piece of information was the headline in *The Guardian*.

It so happened that my first meeting was with my chief press officer, Stephen Reardon, the responsible official in the Department. I asked him how that newspaper had acquired that piece of information and he told me, "I gave it to them". I will not repeat to the House exactly what I said, but I was intemperate—wrongly intemperate, as I should not have been intemperate with a civil servant, but I was for a moment. When I asked him how he had come to do that, he replied that the newspaper had asked him a question to which that information was the answer. It was not confidential information, he told me, and he said: "My job, Minister, is not to work for you, but for the public. My job is to tell the truth and to give to the public the information that is theirs by right, which cannot be withheld as confidential".

When I had calmed down, I began to think that this man was rather valuable. He would stand up and tell the truth to all and sundry, including to me; I found him to be an invaluable civil servant throughout my period in office. If I asked him how a particular announcement would be seen by the media, he would give me an honest and accurate prescription. Within just a few weeks of the appointment of the new Labour Government, he was out—he lost his job; he was sacked—because they could not put up with that sort of integrity. I think that they damaged themselves, as I believe that it strengthens the Government to have people who can be trusted to tell the truth and provide a reliable conduit of information between Departments and the media.

Secondly, I want to deal with the importance of officials telling the truth directly to Ministers in confidence, helping them to speak truthfully when they are operating in Parliament and correcting errors if Ministers accidentally make them. From time to time, I am invited to speak at the civil service college at Henley and I talk about what Ministers want from officials. I talk about many things, but towards the end I include the point that when we Ministers make a mistake, it is the job of civil servants to present us with a little note saying, "Minister, when you said there was no precedent for x, what you actually meant was that there were seven precedents, which are as follows". It can happen very occasionally; even I might say something in the heat of debate or without proper thought that turned out to be incorrect. In those circumstances, officials should present the Minister with a statement of the mistake and it would become the Minister's job to put the record straight immediately, usually in Committee, or perhaps later to the House.

When I tell today's civil servants that that was and should be the practice, they look at me aghast and in amazement! They first ask how it would be possible for them to do that when all the time Ministers say things that are not true; and, secondly, they say that the attitude of the Government and Ministers is not the same any more. It is a very sad and sorry state of affairs when some officials seem to be too cowed to stand up to Ministers. A great many probably retain their robustness, which is essential to proper relations between them and Ministers.

In my experience, it is important to have officials working for us even if they do not necessarily agree with all our policies. I carried out an analysis of where policy had, in my view, gone wrong in its formulation or implementation in the Department of Social Security—needless to say, before I took over. I looked into the Child Support Agency. Part of the reason it had gone wrong was that everybody was in favour of it: officials, especially women, were in favour of it for feminist reasons; Ministers were in favour of it because it chimed well with dealing with feckless fathers; and no one on the committee preparing for the Bill was against it. No one said, "Hang on a minute; will this work? Is it really so sensible?" That is why I think it desirable to have officials who are robust enough to stand up and criticise Ministers or the policies that they are putting forward by suggesting that they should think again while a policy is going through a process of development. Civil servants need self-confidence and belief in their own integrity in order to do that.

Thirdly, there is the issue of accountability. Officials are accountable to Ministers; Ministers are accountable to Parliament. It is difficult to get the balance right. We cannot expect Ministers to take responsibility for every little thing that happens in their Department. We cannot expect a Minister for Transport to resign whenever there is a car crash, even though it is his job to reduce their number. None the less, when something major happens in the Department, the first implication should be that the Minister is responsible rather than, as happens all too often nowadays, the naming, shaming and blaming of the civil servants.

When I was Financial Secretary to the Treasury, I was responsible for the Inland Revenue. If it had been responsible for losing all the data of every family in the country, I would at least have tentatively offered my resignation to the Prime Minister or Chancellor. I may have hoped that it would be refused, but I would at least have put forward that resignation. *[Interruption.]* I do not pretend to any great personal valour in these matters, but it is important for Ministers to accept that, at the end of the day, they are responsible and cannot escape blame by blaming officials.

To give the Minister an example, I had to consider resigning on such grounds when I was dealing with the allegation that my predecessors had sanctioned the export of chemical weapons precursors and nuclear weapons precursors to Iraq. The only way to kill that allegation dead was to publish the details of every single export licence relating to Iraq in those categories in the years preceding the invasion of Kuwait by Saddam Hussein. It took a long time; there were thousands of licences. The officials eventually came back and said, "All clear, Minister; not a single example. Only the export of two hunting guns were possibly against the sanctions regime." I then summoned in the members of the press one by one, and said to each of them, "Look, there are the 14,000 export licences. You can read them yourself, but I can assure you that you will not find an example of anything out of line."

After I had seen the last member of the press, and they had all gone away rather disappointed that this fox had been shot, a civil servant came to see me and said, "I'm frightfully sorry, but one of the very first documents we looked at did actually contain reference to the export of some chemicals that at the time were not considered to be chemicals weapons precursors, but which were subsequently so designated by the United Nations." I asked, "Are you sure that that is the only one?" and they said, "No; we will go and have a look." They then came back and said, "Actually, there are five or six shipments, Minister." I said, "Do you realise that although you think this is very amusing, I will have to take responsibility, and I will almost certainly be required to resign?"

As it happened, I wrote an open letter to the Chairman of the Select Committee, and everyone was on holiday, and the Press Association wrote the story up very favourably to me and I got away scot-free. However, Ministers are ultimately responsible for the advice they take, and if they take bad advice on a serious matter on which they have given serious assurances, their heads are on the block.

Let me finally make some brief observations about the reforms that are needed. In response to the hon. Member for Cannock Chase, I referred to the Northcote-Trevelyan reforms. They entrenched in the British civil service a belief that generalism, not specialism, is the only way to the top, and in terms of promotion and internal recruitment and recruitment from outside, we need to bring in people with specialist experience. It is my experience in business that someone who knows a lot about repairing motor cars can be made into a good librarian, but someone who knows nothing about anything probably cannot be made into a good manager of anything. So specialist expertise is important. That went out of the civil service with the Northcote-Trevelyan reforms. Before then, the Indian civil service had at least required people to learn Indian languages, but as a result of those reforms Haileybury college—it is nothing to do with the school—where the civil servants were taught was closed down and thereafter they learned Greek and Latin in order to go off and govern India. We have suffered from that ethos ever since.

More significant, in my experience, was the paucity of people in the civil service with project management experience and skills. That might explain why so many major projects go wrong: to get promotion in the civil service, staff should want to be a policy adviser, not a manager. Normally, staff in the civil service do a job for only a couple of years before moving on to something else, hopefully higher up and away from actually managing anything to advising Ministers. Therefore, very few people in the civil service have had any prolonged experience of managing anything through to completion. I raised that with the head of the civil service, and now there is at least some attempt to provide for the formation of project management skills, but I suspect that it does not go far enough.

I congratulate my Front-Bench colleagues on introducing this motion, and on focusing on the importance of bringing back to the centre of our debate integrity, truth in information and accountability in terms of Ministers' policies and the actions of their Departments. Driven by the criticisms that have been made of their stewardship for the past 10 years, I hope that the Government will forge ahead and introduce a Bill that will entrench the integrity of the civil service; that should not be necessary, but alas, it is. I also hope that my Front-Bench colleagues will live up to what they are saying now when they are in government after May 2010.

3.15 pm

Kelvin Hopkins (Luton, North) (Lab): I welcome the opportunity to speak in this important debate on a subject that has interested me greatly for a long time, not least because I am privileged to be a member of the Public Administration Committee. That is the most enjoyable, interesting and worthwhile role I have had during my 11 years in this House. I am particularly pleased that the Committee is chaired by my hon. Friend the Member for Cannock Chase (Dr. Wright). He is not merely a competent Chair but a brilliant one; he leads us superbly in the work we do. However, although I congratulate him on his speech, it must be said that we do from time to time have slight differences of view. That is healthy, however, and the civil service should be like that, too.

First, I apologise for not being present for the speech from the Opposition Front Bencher as I was unavoidably detained. I will not be too critical of the motion, even though I shall, obviously, vote with the Government when we divide. I hope that what I say will reflect some of the Opposition's concerns—I certainly think that that will be the case, as I shall be repeating comments I have made in the Committee on more than one occasion.

It is some 150 years since the Northcote-Trevelyan report, so it is not before time that we are talking about putting some of their thoughts into legislation. I am pleased that the Committee put forward a draft civil service Bill, which was highly regarded by Members of all parties, although the previous Prime Minister and his Government were resistant to implementing it. I very much welcome the fact that our new Prime Minister has brought in a new era, one in which we are looking forward positively to a better future.

My purpose in speaking in this debate is to say that we are moving in the right direction. I have had a number of private conversations with Ministers, and I have spoken publicly in the Committee, and I want to

[Kelvin Hopkins]

do what I can to give the Government a small shove to move further in the right direction.

I should also say that I appreciate the speech of the right hon. Member for Hitchin and Harpenden (Mr. Lilley), who is a near constituency neighbour. I agree with almost everything he said. He emphasised that there should be a pervasive sense of honour in government in general, and that people were honourable in the past. We have, perhaps, forgotten that a little. This is not just a game of winning and losing; it is about principles, behaving well and setting examples to the rest of the world.

Without being too high-flown, I should mention that I was recently interviewed for a television programme for the former Yugoslav Republic of Macedonia, and the programme makers wanted to know how to run a civil service. I have not been a civil servant and I do not know much, but I emphasised the points made today about civil servants having integrity, ability and a strong sense of public service to the state, and not being corrupted. They were very worried about how to keep corruption out of newly created Governments, particularly in relatively poor countries where people can be corrupted. I said, "You should start from the beginning by saying that the first principle is that the civil service must not be tainted by corruption, and you must have people running your state who are not corrupt, and whose objective is to help their politicians govern well and to serve their people to the best of their ability." We in this country must remind ourselves of that a bit, too, given the events of recent times.

I welcome the very clear shift of direction under our new Prime Minister and his Ministers, but we have some way to go to squeeze out the remaining toxins particularly of the Blair era—and to some extent the Thatcher era as well. I make no apology for mentioning the previous Prime Minister, who happened to be in the same party as me. I do not care much for labels. Reference was made to "new Labour", which no one has ever called me, apart from one of my Conservative opponents. She mistakenly described me as a "Blairite" one day, which caused a great deal of mirth in my constituency, although no one took the comment seriously and she learned better later on. We had a very civilised campaign, we were good friends and so on, but she realised that I was not "new Labour" and that the word "socialist" did apply to me. If a label is to be used, I am happy to have that one applied to me.

What we saw during the Blair era was what I have described, in a perhaps extreme phrase, as the "Leninisation" of British politics. The essence of Leninisation was to get absolute central control, to smooth out and destroy all resistance in the regime and to have political checks at every level to ensure that what was decided at the centre was carried out at the base. That was the drift. I am not and have never been a Leninist, but interestingly a number of people of Leninist origins, from Leninist organisations—Conservative Members are not so familiar with those, although some Labour Members are—were in the Blair regime. Some of the special advisers and political advisers, and even some Ministers, had such associations, so they understood the process of Leninisation and of control; I believe that Lenin's first slogan was, "Secure control of the party." Control was the essence of the approach, and that is what happened.

The attempt to strip away the opposition went on at every level, and of course it marginalised and pushed to one side the principle that underlies British Government: pluralism. All democratic constitutions must contain checks and balances on power, because power is dangerous. People like it when they get it; they do not want to give it away. They want to have more of it, because it is a bit of a drug. The job of constitutions is to restrain those who like power from having too much of it and, sometimes, to take it away from them, by election or by some other means.

Most constitutions are set up in a way that restrains power, and they contain checks and balances. The American constitution is a classic example of that: it contains the separation and balance of powers. Other constitutions contain restraints within parties. One of Britain's constitutional features that restrained power was the fact that the parties contained a democratic structure that restrained even their leaders. Even that restraint has been stripped out to a large extent from my party and possibly from the Conservative party, and that was damaging. Having healthy debate within parties and restraints on power within parties are as important as having such things within the state.

Other forms of government exist—for example, federalism. America, as well as other countries, depends on such a system, where there are defined roles for central Government and for other parts of government at a lower level—for example, a regional system could be used, as could some form of states system, as happens in America. Federalism is a way of dividing power so that not all of it resides in the centre.

Britain has relied for a very long time on a balance of power between different parts not of our constitution as such, but of our political society. Our system has embodied pluralism and, for a long time, strong local government, strong trade unions, strong independent parties that were quite different from each other and that acted as a check on each other, and the balance of power between the Executive and the legislature. Even the legislature is divided between two Houses, which act as a check on each other. All those checks were built in.

The problem with the recent regime is that it has tried to eliminate all those constraints and checks, so we are examining ways of strengthening them once again. Even within the Executive there were, and I hope that there will be again, strong constraints on power. For example, the Cabinet sometimes acted as a restraining influence on Prime Ministers, but unfortunately that has not been the case in recent times. The papers released after 30 years have told us that back in the days of Jim Callaghan and the 1970s economic crisis, a real debate took place in Cabinet about whether the Government should opt for the International Monetary Fund loan or an alternative economic strategy based on some kind of protectionism. Those on the left wanted the protectionist approach, those on the right wanted the IMF loan and deflation, and there was a balancing group in the middle. A powerful debate went on for some time in Cabinet, but eventually Jim Callaghan got his way because the middle group chose to support the

IMF loan people. We ended up with the IMF loan, the social contracts and so on, but a real debate did take place in Cabinet.

I have heard more recently about a case—I am not talking about under the present Prime Minister, but this certainly applies in respect of the previous one—involving a Minister who had recently joined the Cabinet. He had the temerity to make some kind of critical suggestion in Cabinet, and was taken aside afterwards by a fellow member and told, "That's not done. I'm afraid we don't do that in the Cabinet."

In recent years, Cabinet meetings have been very short. Senior civil servants have told our Committee that back in the Wilson era and before, it was typical for 200 papers a year to be delivered to Cabinet by Ministers, or by civil servants through Ministers, in order to discuss policy. The Cabinet meetings would go on for some time while the papers were discussed. I understand that in a particular year during the Blair era just two papers were put to the Cabinet, so something has gone seriously wrong between that earlier time and now. The suggestion is that Cabinet became a cipher and was not the power that it used to be.

Within our constitution, the civil service was always a rock, although perhaps one did not always agree with it; its independence, impartiality, ability and sense of commitment to the public interest were unquestioned. From time to time, one might disagree with it, but we were certainly aware of it. The idea that civil servants might be corrupt or on the take, or that they might take big jobs in industry later so they might be serving the interests of the companies they were later to work for while they were in government, was unthinkable. There were rules about that, but more important than those were the inner constraints: people had a sense of what was right and what was wrong. It was not the job of a servant of the state—a servant of the citizens—in the civil service to think about lining their pockets as a result of what they did in government. Some doubtless would have done that, but it was not the view held.

Such values have perhaps declined, partly as a result of the interface between the civil service and business outside becoming so much more porous. There is a difference in values between serving the public, the state and the citizen as a public servant, and making money. I am not saying that either is not necessary, but they are different. I would emphasise that serving the public is a superior value to making money. I know people, even some within my own family, who say that they do not want to work in the private sector, that it is fine for those who do and who want to make money, but they want to serve society through public service. That is a noble thing to say, to feel and to do. Many people in the civil service do that today. We should not make light of that, play it down or try to control it; we should respect it. Re-establishing that attitude in our civil service would be a very good thing.

To an extent, I am a golden age-ist and I watched "Yes Minister" and "Yes Prime Minister" with great interest. Although the civil service is portrayed as a rule unto itself and Ministers as doing what they are told by those clever civil servants, that was a better model than we have now. In the end, Ministers make the decisions, but the civil service is there to ensure that things do not go wrong—to speak truth unto power, as the phrase has it. When Ministers have a notion to do something, the civil servants say, "Actually, Minister, that will not work, for these reasons. You may want to spend lots of money and cut taxes, but the sums don't add up. You have to have some kind of fiscal balance."

We have to have civil servants who know what they are talking about because, with great respect to my hon. Friend the Minister, not all Ministers are brilliant, even when it comes to their own portfolios. They have to depend on civil servants—*[Interruption.]* The Minister is obviously a star in his own right. The civil service has to be preserved and reinforced, and its values have to be restored, if they have been damaged.

We have to reconstruct the civil service, if it is not damaged too badly, with the values that the right hon. Member for Hitchin and Harpenden mentioned. It should also contain a range of views. If we comb out opposition to a particular ideology or philosophy, it is bad for government. When I was a student, I knew a lecturer who became a civil servant in the Treasury. He told me that at the time of the Callaghan devaluation in 1967, some civil servants believed in retaining the high value of the pound, but some of those in the back office were considering the possibility of devaluation and had prepared for it. So when the decision was made, someone in the back office could say, "Here's one I prepared earlier." The policy could thus be implemented. What we do not want is civil servants who all believe in a strong currency and would have no idea how to go about devaluation, or its implications, and so would be at a loss.

Many Conservative Members probably now regret the rash and mistaken decision to join the exchange rate mechanism in 1990, as it led directly to their defeat in 1997. That decision was supported by many Labour Members, although I was not among them. I was an economist in the trade union movement at the time and I wrote time and again that it was a mistake. I predicted in 1990 that it would fail in just the way that it did. Everyone thought that I was a bit off the wall, but later I got a lot of credit. I was not alone, as some other economists thought the same way. In any event, I understand that Nigel Lawson wanted people who agreed with him in his private office. He did not want people who would say, "Sorry, Chancellor, but this idea of pinning our currency to other European currencies will not work, the pound will devalue and it will cause a lot of political trouble." It did go badly wrong, but had Nigel Lawson had people around him who warned of the possible consequences, it might not have been quite the tragedy that it was for the economy, the people and, especially, the Conservative party. We might have had a healthier economy later as well.

We are moving in the right direction, and I want to reinforce the Government's arm on this issue. We have made some serious mistakes in the past, but we are now overcoming them.

3.33 pm

Mr. Robert Syms (Poole) (Con): I enjoyed the contribution from the hon. Member for Luton, North (Kelvin Hopkins) as we went back to Victorian times, heard from Lenin and ended up in the Callaghan era. We do not debate the civil service enough in this Chamber. There are 496,000 civil servants who play an important role. How effective our legislation is may

[Mr. Robert Syms]

depend on a 21-year-old clerk sitting in a benefits office somewhere in the north of England dealing with people. That is how the intent of Parliament is delivered in terms of service delivery to people.

The civil service is very important, and my experience of local government as opposed to national is that local government is far better at discussing money, terms and conditions, motivation, promotion and how people actually do things. The civil service, however, almost seems to be in a different pot to us, and the only time we ever see civil servants—who are all fairly good—is when we are serving for hours on a Committee.

As a country, we can be proud of our civil servants. The benefits of having a system that is not corrupt have been mentioned today. One of my observations on the European Union is the cultural difference between northern Europe—the Finns, the Swedes and the Britons—and southern Europe, where the sun shines and people are a little more cavalier. We can be very grateful that we have a system that is honest. If other countries have a problem—I am thinking of Russia and Turkey, for example—it is the corruption in their systems that holds them back.

We should debate our civil service a lot more. If we have a problem, it is probably that we do not recycle people out of the civil service into other careers. I always look to the French system, in which senior civil servants go to work in a bank or for a major institution. As the Minister pointed out, the third sector also offers good examples of people who go out and get experience in the outside world and then come back and work for the public benefit. I know that there are problems with pensions and rewards when people go in and out of the system, but I do not think it would be beyond our wit in this modern age to work out a system whereby those at the top of the civil service would not only be experienced civil servants but would have a much more direct experience of the outside world, on which they so often give advice. That would be an important reform.

I broadly welcome what the Government are doing through legislation. The problem is that we have moved over recent years to a more presidential system as Downing street becomes ever more important. In the years of my youth, Governments changed fairly regularly. In a way, that helped balance within the system. We had Wilson for six years, Heath for just under four, and then the Labour party under Wilson and Callaghan for five years. The Thatcher Government served a record-breaking 18 years and this Government will, I suspect, certainly manage 13 years. Whether they will get beyond that point remains to be seen. It changes the nature and character of the system, because people suddenly realise that the person at the top, who is the one person who can break through for decision making in Whitehall, is very important for posts and patronage. That has an impact on the way government operates.

It is important not only that we legislate through a civil service Bill but that Parliament should move to secure more influence over the way Governments conduct their business. Suspicions about the Government—not only because of the activities of the previous Prime Minister, when Orders in Council were moved to give Alastair Campbell control over press officers, but because of the way business in this House is guillotined so that we often cannot fully discuss Bills and many other matters—lead us to wonder what happens behind the closed doors of Ministries. There is a concern out there.

The Chairman of the Select Committee, the hon. Member for Cannock Chase (Dr. Wright), mentioned trust. If we keep impugning each others' motives in politics, it is no wonder that the great British public start questioning our motives on issues from expenses to everything else. That downgrades the political process, so we have to be extremely careful. Trust is a commodity. Part of the Government's problem is that if one promises a referendum and does not deliver on it, people might impugn their motives on other issues. Trust is very important in terms of what the Government do.

The public see a Government who are spending an awful lot on advertising. No doubt, as the Minister says, some very worthy things are advertised, such as road safety, but there is a question mark over whether there is a political objective for all these things—but perhaps that is because of the sceptical times in which we live.

We have heard that there are 70 advisers. I do not have too much of a problem with advisers, and if we look at most other systems—particularly the American one—we see that we have very few advisers compared with most Governments. They play an important role that allows civil servants to be totally neutral. A lot of the political advisory roles allow links with party political organisations and so on. It depends on their role and whether it involves developing policy or spinning.

Our concern in the Conservative party, after the history of the past few years, is that rather too many people deal with the media and rather too few deal with blue-skies thinking, policy issues and those important matters to do with delivering a particular governmental agenda. The special adviser budget has gone up from just under £2 million to at least £6 million. The number of press officers in some Departments has gone up tremendously, too.

I have the privilege of serving on the Health Committee. I note that the number of press officers in the Department of Health has gone up from 15 to 26. Why are so many needed? Occasionally, nasty bugs come along and kill people, so somebody might be needed to put out information then, but the Government have been lauding the amount spent on the NHS and one wonders whether increasing the number of press officers is necessarily the best use of resources.

I believe that the US and some other Parliaments have better systems than ours. I am not concerned about the number of advisers, but there should be parliamentary scrutiny of who they are, what their role is and whether they are qualified to fulfil it. Parliament should assert itself so that it can see who is being appointed to the various Ministries. There ought to be much more scrutiny by the House.

The change of Prime Minister gives us an opportunity to revisit some of those matters. The Government have made a number of announcements, and I hope that they continue in the direction that they are going. Given the history, we are a little sceptical. A

very important point was made earlier about the need for the parties to find some common ground: any civil service Bill must have the broadest possible support, as its provisions must be sustained and retained for many years ahead.

3.41 pm

Mr. Charles Walker (Broxbourne) (Con): I am pleased to be called to speak in this interesting and wide-ranging debate. I have an admission to make, because I hankered after being a special adviser when I was a researcher here 15 or 16 years ago. The daily grind of casework was not for the special adviser: I imagined leaping into the ministerial Jaguar and jetting off to some exotic and exciting meeting. Given the transport that Ministers now get, I have to admit that the notion of leaping into the Toyota Prius does not generate quite the same excitement.

I accept that special advisers do a very important job but, like my hon. Friend the Member for Poole (Mr. Syms), I am slightly concerned—not overly so, as there are much bigger things to worry about—by the fact that at departmental level their numbers have doubled over the past 12 years from about 34 to 68. They all do much better financially now, as the budget has risen from £1.4 million in 1994-95 to nearly £6 million now.

However, my problem with special advisers is that I think that the House already has some fairly special advisers: they are known as Members of Parliament. Too often, we are bypassed by our political masters in their smart limousines and ivory towers, who tend to seek advice from outside experts and gurus. The Executive are increasingly powerful, with many highly paid supporters and hangers on—I do not want to sound pejorative, as many do an excellent job—while Parliament is seen as a rather tedious nuisance that needs to be managed but not listened to. To some degree, the growth in the numbers of special advisers has paralleled the erosion of Parliament in our society, and the strengthening of the Executive.

I have some questions about special advisers. Are they very special? Who are they? We may have some idea of who they are, but often we do not know where they come from or what they have done to qualify them for their important and highly paid positions.

How do members of Parliament get to know these special advisers? After all, they are paid for out of the public purse. We are told that they have hugely important and influential jobs, and that they have the ear of Ministers, Prime Ministers, Cabinet Ministers and all sorts of powerful people, yet we in the House of Commons very rarely get to meet them. Indeed, the closest I get to those special advisers is when we on the Public Administration Committee are interviewing Ministers. Behind them sit shadowy figures who pass notes to the Ministers and whisper in their ears.

I say to the Minister—and to my party's Front Benchers, as I am sure that we will be in power very soon—that I, as a Back Bencher, would like to meet these special advisers and get to know them. Perhaps there could be a system whereby they came before a Select Committee. We do not want to be hostile to those fine young men and women—or some of them might even be middle-aged. We would just like to introduce ourselves and give them the chance to introduce themselves to us, so that we can have a more fruitful and open relationship.

I have one more important question about special advisers. When they leave Government, where do they go? We need to know. Do they go off into the private sector, never to be heard of again, and do wonderful things and create large profits for shareholders, much though my friend the hon. Member for Luton, North (Kelvin Hopkins) might dislike that? I am pulling his leg gently. Or are they parachuted into quangos, where they do their former masters' bidding?

Kelvin Hopkins: As the hon. Gentleman may be aware, a number of former special advisers are parachuted on to our Front Bench.

Mr. Walker: The question is whether they do a useful job there. I will leave my colleague to answer that question in his own good time. We parliamentarians have a right to know what influence special advisers wield after they leave Government and cease serving Ministers. Of course they have every right to earn a fruitful living in whatever field they choose, but we should keep a close eye on them to ensure that they are not wielding undue influence in an area directly connected with Government.

Moving on to the civil service, I do not want Members in this place to be too po-faced about the idea that promotion is based on merit. Could we honestly look our constituents in the face and say that promotion of a Member of Parliament to the Front Bench is based on merit in all circumstances and cases? Of course in many circumstances and cases it is, but other factors come into play, too. It is the same in political parties, in business and, I am sure, in the civil service. However, we have to be sure that recruitment is based on merit, and that we are getting the very best people into our civil service, regardless of their race, creed, colour or sex. We must make sure that the civil service remains an attractive place in which to build a fruitful and constructive career in public service. Like the hon. Member for Luton, North, I think that public service is a noble thing; that is why we in this place are in public service.

Civil servants must be free to engage constructively with, and to criticise, the politicians for whom they work. I listened closely to the "Yes Minister" stories told by my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley). I found it rather refreshing that he could have that sort of engagement with civil servants, and that they could look him in the eye—he is quite a fearsome chap—and say, "I'm sorry, Secretary of State; you're wrong on this, and I'm right, and I'm executing my duty to the public by providing this information." It is hugely refreshing that that happened 15 years ago; I hope that it still happens today, and if it does not, we must make sure that it does. We want strong, self-confident, robust civil servants who put public duty before all else, and who do not fear for their jobs or careers if they disagree with a Minister or point out the error of his ways.

Kelvin Hopkins: I agree with what the hon. Gentleman says about the powers and qualities that our civil servants should have. Should there not also be a range of views within our civil service, so that civil servants can debate with each other?

Mr. Walker: There should of course be a range of views within our civil service. The hon. Gentleman brings me on to my closing point. I do not want to rake up the issue of the 22p, the 20p and the 10p tax rates, but it was interesting to hear the Secretary of State for Justice say on the radio that the best brains had got it wrong. That was an intriguing statement, because I do not think that the best brains in our civil service did get it wrong.

Mr. Richard Bacon (South Norfolk) (Con): My hon. Friend may be interested to know that the permanent secretary to the Treasury, Nick Macpherson, said as much to the Public Accounts Committee. He said a thorough analysis had been conducted, including what he called a distributional analysis of all the effects before the decision was made.

Mr. Walker: Absolutely. The Secretary of State for Justice chose his words carefully when he said that the best brains had got it wrong, because civil servants clearly explained the ramifications, and the fact that about 5.3 million people would be worse off. However, a political decision was made to go ahead and change the tax rates. We as politicians must be careful to stand up and accept responsibility when we get it wrong. We must make it clear to the public that the decision was ours as politicians alone, and it was a political decision. The Public Accounts Committee must make it clear that civil servants were entirely impartial in their analysis, and that it was a political decision to go ahead and change the tax rates. With those few, rambling thoughts, I will close with a final statement. Civil servants have to be careful how they conduct themselves at every level. I become very nervous when I see Ministers and Prime Ministers being applauded in and out of public office; that does civil servants no favours.

DEFERRED DIVISION

Mr. Deputy Speaker (Sir Alan Haselhurst): I now have to announce the result of a deferred Division on the Question relating to the Temporary and Agency Workers (Equal Treatment) Bill (Money).

The Ayes were 267, the Noes were 196, so the motion was agreed to.

[The Division List is published at the end of today's debates.]

Civil Service

Question again proposed, That the original words stand part of the Question.

3.51 pm

Dr. Julian Lewis (New Forest, East) (Con): Because I was elected on 1 May 1997, which could be described as the mirror image for the Conservative party of the significance of 1 May 2008 for the Government, my experience of direct dealings with civil servants is limited to two periods in my life: first, when I was an academic researcher delving into the civil service archives for the period covering the end of the second world war and the start of the cold war; and, secondly, when I was deputy director of the Conservative research department. Happily, my duties included shining a spotlight on Leninists in the Labour party, helpfully acknowledged in the entertaining speech by the hon. Member for Luton, North (Kelvin Hopkins).

From the first experience, I concluded that the civil service has, in fact, always been highly political—but not party political. That is one of the two themes that I wish to develop. From the latter experience, I can throw some light on the questions asked by my exuberant hon. Friend the Member for Broxbourne (Mr. Walker) about where special advisers come from, and, indeed, where they go—or at least, what happened in the closing years of the Thatcher Administration. We are discussing the perpetual problem of the balance between professional expertise and mandated political leadership. Many years ago, long before "Yes Minister" made the notion of Ministers having to be house-trained by their civil servants almost a byword of popular humour, I remember reading an essay by the late Tony Crosland, in which he spelt out why Minister, were often ineffective in government, or at least, why their policies differed so little from those of their predecessors. He explained that even the most intelligent Minister, on taking up a new position, could probably expect to take a year to 18 months before gaining command of their brief. Within another year or 18 months, they might be moved on to another job.

The problem that Ministers faced, of not having sufficient expertise, has in large measure been addressed by the appointment of special advisers, and I am going to sing their praises in a moment or two. First, however, I want to refer to the period in which I delved into the archives for the period 1942 to 1947, during which Government Departments were trying to work out what the British empire—as it still just about was at that stage—would have to defend itself against when the second world war was over.

Huge arguments erupted between the Foreign Office, which believed that the Anglo-Soviet alliance of 1941 onwards—the treaty was signed in 1942—should be the cornerstone of our post-war foreign policy, and the chiefs of staff and their advisers, who believed that the Soviet Union would probably be the greatest potential military threat facing this country. What struck me at the time was that an argument was raging, effectively, between two Departments of civil servants, and how little the Ministers, let alone the Prime Minister, were involved in the process.

The debate was highly political, but it was not party political. It therefore occurred to me that perhaps the real power in the land lay more with the professional civil servant and the professional expert, rather than with the political leader. I do not think anyone under any Government would dispute that a good civil servant is one with strong opinions about the political issues of the day, who will argue those opinions on their merits, provided that they do not allow themselves unduly to be swayed by party political considerations.

The reverse of that coin is that if a Minister comes into office without a high degree of preliminary expertise, he or she will be somewhat adrift, because at the point at which the Minister wishes to take party political considerations into account, the civil servant, if he or she is doing the job properly, will rightly turn round to the Minister and say, "I really can't advise you on that, Minister. I am not party political and this is a party political matter."

When I was working in the Conservative research department, I used to see a career progression, almost. We would have our individual desk officers, as we still do today, shadowing each Department of state. The young people working at those desks would develop considerable expertise. When they had done that for a few years, and because we were in government, they would be able to apply for, and more often than not get, jobs as special advisers. As I said in an earlier intervention, it was felt quite adequate to have two special advisers in most Departments, one sitting more or less at the right hand of the Secretary of State, and the other being available to the middle-ranking and junior Ministers.

I thought that that was a thoroughly good thing, because it meant that the Minister had someone to whom he or she could turn for advice when party political matters were relevant, and it was a way in which the political party to which the Minister belonged could have a direct channel to the Minister, without being bogged down or prevented from reaching the Minister by the serried ranks of party politically neutral civil servants in between. I thought that that was a good system, and I believe to this day that it is a good system, but we do not require many people to fulfil that role.

On the contrary, the fact that there was just one special adviser for each Cabinet Minister and one more for the rest was a very good thing, because it meant that there was no dithering about who to consult, there was a direct channel of communication, and the Minister had someone on whom to rely to consider the political implications—someone whose time was not taken up with numerous other duties such as an elected politician inevitably must perform, and someone who was party political and also an expert in the field. Such special advisers went on, in many cases, to become Conservative MPs, including the present Leader of the Opposition—and a jolly good thing too.

But there is a different sort of special adviser out there today. That sort of special adviser is not a confidant for a Minister, not a channel of communication for the party, and certainly not someone doing blue-skies thinking—or perhaps red-dawn thinking for the present Government. It is someone whose job it is to go out there and distort the news, or at least massage the news, for the benefit of relationships with reporters. When my hon. Friend the Member for Tunbridge Wells (Greg Clark) winds up, I will be interested to hear how he reacts to this suggestion: that when a Conservative Government next come to power, party political appointees should only be special advisers and no longer be press officers. They would do precisely what their name implies: give special advice, not spin.

4 pm

Greg Clark (Tunbridge Wells) (Con): This has been a debate of light and shade. The hon. Member for Cannock Chase (Dr. Wright) captured some of the crucial aspects of the debate. On the one hand, we are debating the future of the civil service—the successor to the Northcote-Trevelyan reforms of 150-plus years ago. However, as the hon. Gentleman said, at the same time it falls to the Opposition to expose, and hold the Government to account for, some of the excesses that we see in the current arrangement. It is not entirely surprising that the speeches today have covered the different aspects of that.

It is also not surprising, in a week when Ministers have been called on to the airwaves to give the best possible gloss on the Government's difficulties—our side have had to do that in the past—that the question of presentation and spin has been applied to the administration of the Government and those charged with carrying that out. *[Interruption.]* I am pleased that the Minister for the Cabinet Office has come back; he has done great service over the weekend, doing his "Comical Ali" bit and presenting the best possible gloss on the Government's experiences. Incidentally, I noticed that the Cabinet Office website changed mysteriously on 29 April, two days before the local elections. It said, in bold type, that the No. 1 priority for the Minister was now supporting the Prime Minister. It comes to a pretty pass when the Prime Minister needs to give instructions to his colleagues through their job descriptions.

Today's debate has been about three things: spin, waste and incompetence. That is a serious matter. *[Interruption.]* Ministers may laugh, but the noble Lord Butler's report for the "Better Government" initiative pointed to precisely those criticisms and suggested that they should be addressed seriously. We would not expect such words as "spin", "waste" and "incompetence" to be associated with the British civil service, yet this Government have brought the service to such a situation that those words are the subject of debate.

I was a special adviser at the Department of Trade and Industry; I declare that interest. As my hon. Friend the Member for New Forest, East (Dr. Lewis) said, in those days there was only one; now there are three special advisers at the successor Department, the Department for Business, Enterprise and Regulatory Reform. Contrary to what the Minister for the Cabinet Office said, John Major limited the number of special advisers to 38; there are now 68 across the Government.

A question arises that needs to be answered: why do this Government need to resort to so many more special advisers to do more or less the same job as was done under the previous Conservative Government? The example of my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley), who is temporarily absent from

[Greg Clark]

the Chamber, has not been followed at all: according to that example, officials, including special advisers, should see their role as giving the most accurate presentation of information and disclosing it in response to a question. Today, however, their role is often to prevent the disclosure of that information.

Edward Miliband *indicated dissent.*

Greg Clark: The right hon. Gentleman shakes his head, but he should be careful; he himself has experience of withholding information. He and I have been corresponding about whether, would you believe, it is reasonable for me to have sight of the Cabinet Office's staff magazine. That seems a fairly innocuous proposition: it might be useful for a team shadowing the Cabinet Office to know what is going on there, given the hopeful prospect that we might inherit it in due course. Imagine my astonishment when the Minister answered my parliamentary question by saying that it was not in the public interest for me to be given access to that magazine. I was generous to him and assumed that this was a mistake, so I wrote him a friendly note saying:

"I am at a loss to understand why you won't let Members of Parliament see copies of the Cabinet Office staff magazine...Would you mind reconsidering"?

But just in case he did not, I said:

"or alternatively, treat this as a request under the Freedom of Information Act".

I fully expected to get a copy of the magazine through the post, but amazingly the Minister instructed his officials to go through the bureaucracy of denying permission for that. I have a two-page letter from the freedom of information team within the Cabinet Office saying that it will take not just the standard 20 working days but

"an additional 20 days to take a decision on where the balance of public interest lies"

in Members of Parliament seeing the Cabinet Office staff magazine. That is from a Minister who only last week told the Committee chaired by the hon. Member for Cannock Chase that when it came to freedom of information,

"I agree with Gus"—

the Cabinet Secretary—

"that there is a big culture change that FOI brings. I think that overall it is a positive culture change for government."

I am afraid that the culture change seems yet to affect the right hon. Gentleman.

There are important questions, and they are not motivated purely by political partisanship, as the Minister suggested in his reaction to the speech by my right hon. Friend the Member for Horsham (Mr. Maude). In particular, the Government, having set out a course of freedom of information and greater impartiality through the White Paper, are failing to live up to the standards that apply in that document. For example, there is the question of waste. All of us, every day, receive mailbags full of ever-more-glossy, ever-more-expensively produced publications, often from quangos, all with advertising and public relations budgets. I am not saying that all money spent on advertising and public relations is wasted, but there is a question of accountability. How are we to know that the vast sums of money being spent, especially by non-statutory bodies, are being spent in people's best interests? Why, for example, has the Civil Aviation Authority paid in the past five years nearly £500,000 to one single PR company and £700,000 to another? Why has the Meat and Livestock Commission paid out £750,000 to a PR company? The East of England Development Agency has paid one single PR company £500,000. Many businesses instruct PR firms to influence Ministers, but Ministers are instructing PR firms to do their job of communicating with the electorate.

When it comes to incompetence, where to start? This is a Government who take more and more information from citizens and then proceed to lose it. The personal details of 25 million citizens were lost by Her Majesty's Revenue and Customs when Ministers, including those present, knew that there was a systemic problem across government because it was reported to them in the July before the incident was reported. One of my constituents brought to my attention the fact that the online delivery team within the Legal Services Commission in the Ministry of Justice had won the 2007 civil service award for technology. The very next day after the prize was awarded, my constituent received an e-mail saying:

"we are aware that a number of providers have had difficulties being able to sign into the new LSC online and as a result of this we have made the decision to close LSC online from Monday 19 November until further notice."

Why did one of my constituents receive a letter confirming an urgent gynaecological appointment? He was rather baffled by that, as he is a 65-year-old man. That just shows the degree of chaos and confusion in the way that information is held in the Department of Health. It is important that Ministers are held to account for the incompetent handling of the administration of government.

We heard some excellent speeches by right hon. and hon. Members. The Chairman of the Public Administration Committee, who serves with great distinction, made a marvellous speech, with a sweep of history worthy of Melvyn Bragg's programme, "In Our Time", looking back to the origins of the current civil service settlement. The commendation of the 22 pages of the Northcote-Trevelyan report is a lesson to the Government and to the prospective Government on the benefits of economy as regards Government publications.

The hon. Gentleman said that in the previous Conservative Government, the question, "Is he one of us?" would be asked. I can envisage the same question being asked by the current Prime Minister. Indeed, I know from some of my friends and colleagues who have served in the Government in various Departments with which the Prime Minister has been associated that it is almost exactly one that passes his lips. If not expressed in quite such clear terms, it is certainly an assessment that is made. The hon. Gentleman is to be commended for the fact that we have the prospect of a civil service Bill, and I congratulate the Government on making that progress. It is very much down to the work of the hon. Gentleman's Committee, supported by the hon. Member for Luton, North (Kelvin Hopkins), and other Committee members over the years. The prospect of that Bill is a great step forward, and it is important that we proceed to scrutinise the legislation on a

cross-party basis. There is a precedent for that: the Charities Bill proceeded for the most part without political contention getting in the way of proper scrutiny or the achievement of a consensus on what should be a charity, and on how charities should be regulated. I hope that it will be possible to make similar progress on the civil service Bill.

The contribution of my right hon. Friend the Member for Hitchin and Harpenden (Mr. Lilley) reminds us of his distinguished career. He quoted with alarm what he regarded as a departure from the high standards that he enjoyed as Secretary of State. When his officials made a mistake on his behalf and caused him to say things that were inaccurate, he said that he was intemperate in his response. I have only ever seen my right hon. Friend in temperate mode; I cannot imagine the hinted fury that he pointed to. He made an important point about getting specialist skills into the civil service. It is important that there is such a contribution. I cannot understand why it is still relatively unusual for people to move backwards and forwards between the public sector, the third sector and government. We should address the question of why people should not regard themselves as doing particular jobs, and of why those sectors are in silos so that it is relatively unusual and remarkable when people move between them.

The hon. Member for Luton, North made a reasonable contribution. It was not reasonable in terms of its quality because its analysis of some of the drivers of centralisation was quite brilliant. He is right to say that we should avoid making the matter too personal and that we should not ascribe malign motives, but there was a plan. One of the great differences between the parties is that the Government had a deliberate plan to exercise central control over Government—perhaps for the best of intentions. Perhaps it was the case that Ministers thought that by defining a template for how things should be run and making sure that it was implemented without any movement from it, they could achieve high standards. We were always sceptical of that approach. The hon. Gentleman described it as Leninist, and it involved controlling the related information as well as the plans. We were sceptical of that approach, and we can now see that it has not worked and that we should move away from it. The hon. Gentleman's insight into that process was extremely valuable.

My hon. Friend the Member for Poole (Mr. Syms) talked about the longevity of Governments, and he made the point that we should not impugn each other's motivations because it does decrease the standard of respect for all politicians. My hon. Friend the Member for Broxbourne (Mr. Walker) made a passionate contribution. I know that he is a committed member of the Select Committee, and he will be engaged in the scrutiny of the Bill, ensuring that we take a close interest in the passage of the Bill. My hon. Friend the Member for New Forest, East (Dr. Lewis) pointed out in his contribution some of the history of the use of special advisers. He made a point, on which we should reflect, about whether it would be useful discipline to restrict special advisers solely to comments on matters of policy rather than allowing them to brief the press.

Robert Key (Salisbury) (Con): I listened with great interest to the speech of my hon. Friend the Member for New Forest, East (Dr. Lewis). He described the situation in which I was parachuted in during a ministerial reshuffle to be responsible for local government finance, specifically the poll tax, at nil notice. I recognise some of the situations that he described.

Would my hon. Friend the Member for Tunbridge Wells (Greg Clark) confirm that there is a difference between our perception of the civil service as it operates in Whitehall and of the large number of civil servants who do straightforward administrative but absolutely vital jobs in every part of the country? They are formidable in their professionalism and paid far too little. They have great responsibilities in carrying out policies engineered in Whitehall, and we should not necessarily lump them all together.

Greg Clark: My hon. Friend is right to pay tribute to the wider spread of civil servants. They include people who work in local government, and, as constituency Members of Parliament, we all know that they do tremendous work in dealing with some of our constituents' problems.

We have debated the Government's management of the civil service. As the Minister for the Cabinet Office said, one of the ways in which the Government try to manage the civil service is through capability reviews, which they impose on all Whitehall Departments. One naturally assumed that the Cabinet Office, which is responsible for those reviews, should lead by example, especially when No. 10 Downing street is, and I quote

"a management unit of the Cabinet Office."

Being the Minister responsible for assessing the Prime Minister's capability must be terrifying. I therefore read the assessment with interest.

When the questions verge on the impertinent, they go to the heart of the problems at No. 10. The first question may have given hope to the Minister for the Cabinet Office's brother—and perhaps even to him. The question asked:

"Do you"—

No. 10 Downing street—

"have a leadership development/promotion process that is fair and transparent?"

The second question asked:

"How do you manage the performance of everyone—by rewarding good performance and tackling poor performance?"

Mr. Deputy Speaker, I suspect that you share my dismay but not my surprise to learn that No. 10 Downing street falls down in the effectiveness of the processes to ensure that it benefits from competent leadership and roots out poor performance. The inspectors of the capability reviews concluded that that was "an urgent development area" for No. 10.

According to the inspectors, on the leadership of No. 10 Downing street, there are

"significant weaknesses in capability for future delivery that require urgent action".

Sadly, it appears that No. 10 Downing street,

"is not well placed to tackle these weaknesses and needs significant additional action".

[Greg Clark]

The inspectors' conclusion is bleak. No. 10

"is not well placed to deliver improvement in the medium term."

The inspectors, who report to the Minister for the Cabinet Office, have reached the same conclusion that the electors of this country are reaching. The Government have trebled spending on spin and PR but cannot communicate a vision for the future. They have intruded into people's lives far more than any British Government in history, yet display flagrant disregard for the security of the information that has been entrusted to them.

The Government do not only lose confidential data from millions of people, and have not only lost all credibility for their promise to cut waste or end the culture of spin, but have lost their way, lost the trust of their core supporters, lost the control of their local government heartlands and lost the London mayoralty. They are led by a Prime Minister who has increasingly lost the plot—all that is left for them to do is lose the general election.

4.17 pm

The Parliamentary Secretary, Cabinet Office (Phil Hope): I have listened with great interest to the important points made during this afternoon's debate. Unfortunately, it began extraordinarily badly with a contribution from the right hon. Member for Horsham (Mr. Maude) that was irrelevant in content, tawdry in style and persuaded no Conservative Back Benchers, let alone us, to vote for the motion. It ended with the hon. Member for Tunbridge Wells (Greg Clark) talking about spin and waste, which describes his badly used 17 minutes.

I begin by doing what I hope that all hon. Members would support—paying tribute to the professionalism and dedication of our civil service. I want to place on record my gratitude and admiration for the hugely diverse range of activities that civil servants throughout the country undertake, day in, day out, with great professionalism and commitment.

The United Kingdom civil service is deservedly internationally renowned for its high standards. As my right hon. Friend the Minister for the Cabinet Office said, the key is to ensure that we maintain and build on those standards as the service evolves to meet the challenges ahead.

Several speakers have taken us on a history tour, beginning with establishing the basis for our civil service more than 150 years ago in the Northcote-Trevelyan report. It was good to see my hon. Friend the Member for Cannock Chase (Dr. Wright) on such good form this afternoon. He made a thoughtful and serious contribution, which asked the core question about the relationship between the civil service and the politicians who are elected to govern the country. He discussed the dilemmas that that creates and how we move forward. Many members of the Public Administration Committee, which my hon. Friend chairs, spoke about a draft civil service Bill. The principles set out in the Northcote-Trevelyan report—a politically impartial permanent civil service, recruited on the basis of merit through fair and open competition—endure and continue to underpin the service as we know it today. They still form the bedrock of the civil service, even in a profoundly different environment from that in which they were first written. Let me assure the House that the Government are fully committed to maintaining and upholding those principles for the civil service of the future.

Indeed, our actions speak louder than our words in that regard. The provisions of the draft Constitutional Renewal Bill, which Opposition Members seem to have forgotten was published on 25 March, place the core values of the civil service—integrity, honesty, impartiality and objectivity—in statute. My hon. Friend said that we should not make the provisions over-elaborate, but ensure that the civil service is ruled through Parliament, not through the royal prerogative, and that we do the right thing on the right lines. That is exactly what we are doing. The Bill will be taken through a process of pre-legislative scrutiny involving a Joint Committee of both Houses over the next few months. The Bill also provides for a statutory civil service commission tasked with upholding the key principle of recruitment to the civil service on merit, through fair and open competition. The new commission will be established as an Executive non-departmental public body, which will underline its independence as a guardian of that fundamental principle.

My hon. Friend the Member for Luton, North (Kelvin Hopkins) used the word "honour" in talking about people who work for the civil service. That word is not in the Bill—the other words that I mentioned are—but I certainly understand and recognise the spirit that he described. I did not recognise his analysis of the Leninisation that he described, but if there has been a revolution since 1997, it has been in our ability to create full employment and in lifting 600,000 children and 1 million pensioners out of poverty. That is the kind of revolution that this country has been pleased to see over the past 10 years.

The hon. Member for Richmond Park (Susan Kramer) asked a couple of questions about pre-appointment hearings. Let me remind the House that we are introducing pre-appointment hearings to enable Select Committees to take evidence from candidates for key posts. The final decision will remain with the appointing Minister, but they will take into consideration the Committee's views before deciding whether to proceed with an appointment.

The hon. Lady asked why the civil service commissioners will not be appointed by Parliament. Under our proposals for increased parliamentary scrutiny of public appointments, the first civil service commissioner will be put forward for pre-appointment scrutiny by the relevant Select Committee. She also asked whether senior appointments to non-departmental public bodies, or quangos, should be subject to pre-appointment scrutiny by Parliament. I am glad to tell her that we agree with her. We are committed to increasing democratic scrutiny of a range of senior appointments to the boards of non-departmental public bodies. We are currently working with the Liaison Committee to agree a final list of posts that will be suitable for such pre-appointment hearings, which we hope to publish shortly.

The draft Constitutional Renewal Bill contains a number of other reforms, which will underpin and uphold the impartiality of the civil service. The Bill makes provision for a code of conduct for civil servants

and a code of conduct for special advisers, and for copies of those codes to be laid before Parliament. The Bill also makes provision for a report on special adviser numbers and costs, and for the report to be laid before Parliament. We have heard a lot of talk about special advisers, mainly from the Opposition, but I want to remind hon. Members that in his evidence to the Public Administration Committee on civil service legislation only last week, the Cabinet Secretary, Sir Gus O'Donnell, was clear that, with the numbers that we have currently—74 special advisers from a total of 500,000 civil service—politicisation is

"is not a problem at all. Indeed, good quality special advisers around the system, two per minister in general, work well."

Special advisers protect the civil service and prevent politicisation, because they do the things that Ministers want to have done, but which would be inappropriate for permanent civil servants to do.

Mr. Walker *rose—*

Phil Hope: I was just coming to the hon. Gentleman, who revealed his ambition to be a special adviser. *[Interruption.]* Yes, I could offer him a job, as my right hon. Friend the Minister suggests, but I do not think that the kind of advice that he would give us would be that helpful. The hon. Gentleman said that even if he cannot become a special adviser, he would like to meet one. All that he needs to do is have a word with his leader. The hon. Member for New Forest, East (Dr. Lewis) reminded the House that the Leader of the Opposition used to be a special adviser. Perhaps the Leader of the Opposition would like to remind the hon. Member for Broxbourne (Mr. Walker) of the shadowy role that he played as a special adviser to Norman Lamont, when the Tory debacle of crashing out of the exchange rate mechanism happened in the 1990s. The Opposition have conveniently forgotten that, but believe you me, Mr. Deputy Speaker, we have not.

The hon. Gentleman also asked what happens to special advisers when they leave the civil service. He will be pleased to know that the "Code of Conduct for Special Advisers" says:

"All civil servants, including special advisers, are subject to the Rules on the acceptance of outside appointments by Crown servants...for the first two years after leaving office. They are required, in the circumstances set out in the rules, to obtain prior approval to accept an outside appointment."

I hope that that answers his question.

Hon. Members made several points about Government communications. The right hon. Member for Horsham repeated allegations about some kind of impropriety by the Government when they made announcements about neighbourhood policing. I suggest that he should get himself on to the circulation lists of the hon. Member for Brentwood and Ongar (Mr. Pickles) and the right hon. Member for Haltemprice and Howden (David Davis), both of whom have received letters from the permanent secretary that make it clear why the allegations that the right hon. Member for Horsham has seen fit to repeat today are wrong. Such mudslinging will not work, even though he continues to repeat those allegations.

Government spending on advertising has increased since 1997, and we are pleased that it has. It has increased from £69 million in 1996-97 to £154 million in 2006-07. I am pleased to announce those figures because we are saving lives as a result of that Government advertising and marketing. We are on course to meet the 10-year casualty reduction target by 2010, which will mean that there has been a 40 per cent. reduction in the number of people killed or seriously injured.

The hon. Member for Poole (Mr. Syms) complained about the increase in press officers in the Department of Health. Successful advertising and marketing by the Department is helping to achieve a number of important health targets on smoking. The target to reduce the prevalence of smoking among the general population to 21 per cent. by 2010 is a key and essential part of achieving a healthier society.

The civil service and its world has changed dramatically since 1854. That is why important reforms are now taking place, such as the transformation of the Pension Service. Service customers already benefit from a better service that has been designed around their needs. The Department for Work and Pensions pays more than 98 per cent. of its customers by direct payment. That is not only more convenient, but is saving about £1 billion a year between 2005 and 2010.

There have been reductions in the number of civil servants, and more of them have been relocated outside London and the south-east. We are investing heavily in a skills programme for the development of the civil service, and we have a capability review programme that is driving forward the process of change within the civil service.

It is unfortunate that the Conservative party has used this debate not to celebrate the success of the civil service and the challenges ahead, but to make cheap and inaccurate party political points. I am glad that Madam Deputy Speaker intervened on the right hon. Member for Horsham, quite rightly, as he drifted well away from his brief.

We are committed to legislating for the civil service and to safeguarding its impartiality. We have published measures as part of our draft Constitutional Renewal Bill, and we welcome hon. Members' views on that. We are committed to keeping public expenditure under control while ensuring that civil servants have the skills and tools that they need to deliver better services with less. We will continue to undertake a programme of investment and renewal to ensure that Government Departments are in the best possible shape to meet the challenges and demands of the next 150 years.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 230, Noes 302.

Division No. 172] **[4.26 pm**

AYES

Afriyie, Adam	Baron, Mr. John
Ainsworth, Mr. Peter	Barrett, John
Alexander, Danny	Beith, rh Mr. Alan
Amess, Mr. David	Bellingham, Mr. Henry
Ancram, rh Mr. Michael	Beresford, Sir Paul
Arbuthnot, rh Mr. James	Binley, Mr. Brian
Atkinson, Mr. Peter	Blunt, Mr. Crispin
Bacon, Mr. Richard	Bone, Mr. Peter
Baker, Norman	Bottomley, Peter
Baldry, Tony	Brake, Tom
Barker, Gregory	Brazier, Mr. Julian

Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Oaten, Mr. Mark
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Short, rh Clare
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Richard Benyon and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony

Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Ruane, Chris
Ruddock, Joan
Russell, Christine
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and
Mr. Dave Watts

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments):—*

The House divided: Ayes 301, Noes 225.

Division No. 173] **[4.43 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, John
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart

Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hamilton, Mr. Fabian
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moran, Margaret
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mudie, Mr. George
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Sloate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Taylor, David
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Usher, Kitty
Vaz, rh Keith
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Siobhain McDonagh and Mr. Dave Watts

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Dorrell, rh Mr. Stephen
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kaetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mercer, Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Oaten, Mr. Mark
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Crispin Blunt and Mr. Richard Benyon

Question accordingly agreed to.

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House commends the Government's measures to protect the impartiality of the Civil Service, in particular through its decision to legislate for the core principles and values of the Civil Service; believes that this decision builds on previous improvements, including an enhanced role for the Civil Service Commissioners, the publication of a code of conduct for special advisers and an updated code of conduct for civil servants; welcomes the improvements in efficiency of the Civil Service, which have allowed its size to be reduced in line with the Gershon recommendations; further welcomes the Government's continuing commitment to effective public information campaigns; supports the other steps to strengthen the accountability of government, including a new Ministerial Code and a new independent adviser on Ministerial interests, as well as pre-appointment hearings for key public appointments; and believes that all these measures contribute to a more efficient, transparent, accountable and effective government to better serve the people of this country.

Private Business

Broads Authority Bill (By Order)

[Relevant document: The Special Report from the Committee on the Broads Authority Bill, HC 961, Session 2006-07.]

Order for Third Reading read.

4.56 pm

Dr. Ian Gibson (Norwich, North) (Lab): I beg to move, That the Bill be now read the Third time.

Before I begin, I want to pay a compliment to the Members who have turned up to discuss the issue this afternoon—particularly my colleagues from Norfolk who have been in the forefront during discussions on the issue, and members of the Select Committee that met to make the Bill much tighter and sharper than it was on Second Reading. I pay an individual compliment to the hon. Member for South Norfolk (Mr. Bacon), who sadly missed Second Reading owing to tragic circumstances. It is grand to see him in the Chamber today, and I hope that he will have the opportunity to extend his interest in the Bill.

The prime purpose of the Bill is public safety on the waterways of the broads, not only for people from Norfolk and Suffolk who use the broads but for people from across the world, the UK and Europe. The broads are a popular tourist resort, with many boats dodging about during the summer. We are rather concerned about public safety on the waterways. There has been agreement between the Broads Authority and three national boating organisations on the Bill's provisions. I shall say more about that later.

Two specific issues arose from the Select Committee on the Bill, which was chaired by my hon. Friend the Member for North-West Leicestershire (David Taylor). I thank him for the efforts that were put in. The authority has incorporated as much as possible from the legal agreements with the boating organisations in the Bill. If people have looked at the Bill, they will have seen how it has changed since Second Reading.

Following the Committee's comments on direct elections, I am told that the Broads Authority will consider the principle in its meeting on Friday, after we have heard what the Minister has to say this afternoon. The authority believes that direct elections are a matter for the Government and are not appropriate for the Bill.

David Taylor (North-West Leicestershire) (Lab/Co-op): I did indeed chair the Committee, which included the hon. Members for Preseli Pembrokeshire (Mr. Crabb) and for Rochford and Southend, East (James Duddridge) and my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan). There were not extensive concerns from across the spectrum at all, but the key concern that we heard from the people from whom we took evidence was about the accountability and representative nature of the Broads Authority. It was important that our comments to the House covered the suggestion that that concern should be remedied through direct election, such as that which we see in the national park authorities and elsewhere. I hope that what is proposed and what the Minister requires will be adequate to meet the concerns that we heard over the days in which we took evidence. That is very important. I found most of the rest of the Bill to be worth while and understandable.

Dr. Gibson: I thank my hon. Friend for that intervention. I look forward to hearing what the Minister has to say about taking the issue on and about how it will be handled. It not only reflects on the Broads Authority but has implications for other waterways authorities.

Norman Lamb (North Norfolk) (LD): I should be grateful if the hon. Gentleman used this opportunity to give his view on direct elections. It was extremely helpful to hear the comments of the Chairman of the Committee, but does the hon. Gentleman support the principle, too?

Dr. Gibson: I thank the hon. Gentleman for raising that question. The matter has been resolved in Scotland, so it seems to me that there are lessons to be learned there. He and I have had discussions with the Broads Authority, and I believe that the door was beginning to open on this issue. We both said in public, and to the local newspaper, that it would be a good idea to try to find ways forward, as direct elections would allow the many people who want to play a part in the broads to go through an electoral process. There is a public mood for that to happen, and I think it should be encouraged. I hope that the Broads Authority will respond positively on Friday, and that the Minister will give the proposal all the backing that he can.

Some of the issues that arose on Second Reading have been handled in the appropriate way, through open debate. I think that there is much more to come, but I repeat that the House must understand that no provision for direct elections can be put on the face of the Bill. The Bill has implications for other areas of the country, and new legislation may be needed if we want direct elections in other places. If that is the decision of the individuals concerned, I shall give it my support.

Of course, promoting a private Bill was not chosen lightly as a course of action. After many years of discussion with Government officials, it became clear that that was the only route open to the authority if various important matters of safety were to be addressed. With many of the proposals, the authority is following a path already paved by British Waterways and the Environment Agency, and it acknowledges the help and advice that those organisations have given.

It is worth putting it on the record that the authority is also grateful to successive Ministers in the Department for Environment, Food and Rural Affairs: my right hon. Friend the Member for Cardiff, South and Penarth (Alun Michael) and my hon. Friends the Members for Brent, North (Barry Gardiner) and for South Dorset (Jim Knight)—the latter is now Minister for Schools and Learners—and the present Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw).

The Bill includes a number of general provisions designed to improve safety on the broads' waterways, and to ensure that they are managed effectively in the interests of all users. The need for additional powers

has been highlighted by the requirements of the port marine safety code and by specific incidents. The principle underlying them was accepted on Second Reading and in Committee, and I do not intend to repeat the argument here.

The agreements with the national boating organisations have also raised some issues. For the past two years the Broads Authority has been working hard with the Royal Yachting Association, the British Marine Federation and the Inland Waterways Association to develop and refine the Bill. It has reached agreements with them over the Bill's provisions, and they can be seen in schedule 1.

My hon. Friend the Member for North-West Leicestershire mentioned two specific issues arising from the Committee stage. Evidence and arguments from the Broads Authority were considered in July 2007, and four petitioners and their agents were heard at that sitting. The Committee also received a report from the Secretary of State for Environment, Food and Rural Affairs. A full discussion of the relevant issues was held, and the Committee concluded that the Bill should be allowed to proceed, with some amendments. The Broads Authority put forward a number of amendments to deal with concerns raised during the consultation process, while other amendments were designed to meet recommendations from the Secretary of State that included questions about how membership of the Broads Authority came about.

The status of the legal agreements was raised on Second Reading. As is often the case with private Bills, the Broads Authority entered into agreements with interested parties about the operation of certain provisions in the Bill. Following concerns expressed by the Committee, the authority and the national boating bodies gave further consideration to those agreements, with a view to incorporating certain of their provisions in the Bill. In that regard, I invite hon. Members to look at schedule 1, where they will see that words such as "independent", "scrutiny" and so on have been added.

A number of the provisions in the agreements were already covered in the Bill, either specifically or in general terms. It has been agreed that most of the remainder should be included in the Bill, and the amendments made at consideration stage secure that.

I believe that parish council representation should be included in the direct elections, and parish councillors have lobbied all the Norfolk MPs for that. Parish councils have a serious interest in the broads, and given the important work that their members do, they would like to participate in some way if there are to be direct elections.

The authority has 21 members, to take account of the national and local interests and to reflect its duties and responsibilities. Ten are appointed by the Secretary of State, nine by the eight local authorities in the area, and two by the authority from its statutory navigation committee. The local authority members are councillors, who have been elected locally; that is an important link with the local community, but that is not to say that the link could not be furthered and improved. The Bill includes no proposals to change overall membership, but as I pointed out, there may be additions to, or adaptations of, that membership.

Hon. Members will probably recall that the issue of direct elections and parish council representation on the Broads Authority was raised on Second Reading. The report of the Committee on the Broads Authority Bill stated that

> "the National Parks (Scotland) Act 2000 set out in its framework for the constitution of a National Park that a minimum of 20 per cent of members of the National Park Authority were to be elected in a poll by those on the local government electoral register within the Park area. A similar model should be considered for the Broads Authority.
>
> As the Authority has sought to extend its powers, we believe that the Government should now consider the constitution of the Authority."

We will hear about that shortly. The report continued:

> "We are not minded to amend the Bill to include such provisions".

Mr. Henry Bellingham (North-West Norfolk) (Con): The hon. Gentleman is explaining matters succinctly. He has done a great deal of work on the Bill, and I am grateful to him for that. However, does he agree with me that we still have not resolved the issue of parish council representation? What more does he think should be done to make sure that the issue is addressed with real clarity?

Dr. Gibson: As I said, parish councillors are very important, and they should be part of the equation that is considered by the Broads Authority. There are questions to do with parish councils, including whether they cover the whole area of the broads and how much of the broads is in each parish. That is not perhaps as important as having people on the authority who are devoted, enthusiastic, keen, determined, knowledgeable and interested in spending many hours helping to develop the broads.

Before someone asks me whether the broads will be flooded by some agency or other, let me add that I think that the broads will be there for at least 50 years. That commitment was made in a debate yesterday. The broads will not be salinated or deliberately flooded. Of course, we have no idea what climate change will do to them; we cannot greatly control that, but we will make attempts to do so.

We have to think about how we will organise the waterways in the next 50 years. We do not believe that the place to do that is in the Bill. We had discussions on the issue, but the advice that we were given was that some other formal regulatory pathway would have to be used to put that into the equation. That is not an excuse to do nothing; I believe that the sincere intention is to try to use a mechanism, as soon as possible, to ensure that that happens in the broads and in other areas, with the Norfolk broads blazing a trail. The Department for Environment, Food and Rural Affairs is well placed to consider those issues with the Broads Authority, and to bring forward the necessary legislation.

It falls to DEFRA to consider the issue of direct elections and the related matter of parish council representation on the authority. The authority will be considering the principle on Friday. The members will want to take into account the views of the House and, in particular, the Secretary of State for Environment, Food and Rural Affairs. I mentioned the chairmanship of my hon. Friend the Member for North-West Leicestershire; we agree with the Committee that the

[Dr. Gibson]

Bill is not the place in which to seek to make changes to the membership of the authority, but that is certainly an issue to be considered.

I hope that the Bill will successfully complete Third Reading and move on to the other place. Its proposals affect the rights of navigation and would improve safety on the broads, to the benefit of all those who use the waterways. The objective of public safety is a legitimate ground for qualifying what might otherwise be an unhindered public right. Consider, for example, the measures that Parliament introduced for the protection of motorists. It made the wearing of seat belts compulsory—it was predicted that that would be a failure, but it has been an amazing success—and it gave local authorities the ability to regulate the way in which roads are used. So there are parallels setting out how to make effective changes and improve the safety of people who use facilities. Many of the provisions in the Bill are well precedented elsewhere. The authority believes that it has the correct balance, and the Bill incorporates the necessary measure of protection for the private individual. Of course, there will be individuals who do not agree, but in general many people seem to think that the measure should be in place. Like the seat belt regulations, I think that the measure will become part and parcel of people's way of life; it will be part of the way in which they use the broads.

Before the Bill was deposited, the authority spent a year on preparatory work, and on consultation and discussion with DEFRA, national and local boating organisations and other key stakeholders. Discussions with national boating bodies have continued, and resulted in many of the changes that have been made as the Bill has progressed. If we are honest, we know from experience that things evolve and change: the spirit is there, as long as public safety is foremost in those equations and considerations.

There was widespread consultation, and changes were made by the authority to meet the concerns that were raised. No petitions were received from any organisation in the House but, importantly, there were four private petitioners. All the issues pursued by boating organisations have been addressed. The authority has secured agreement with the main boating organisations on the Bill's provisions. It is important to introduce the Bill—the summer is a-coming, and boats will be scurrying around the broads—and we should push the legislation through, although I expect that it will be held up in another place.

David Taylor: My hon. Friend referred to four petitions against the Bill which triggered the witness statements that were given to our Committee. The firm impression that I gained from the petitioners was that they had lodged technical petitions, because they wanted to air their concerns and seek reassurances. As far as I recall, there was no fundamental, dyed-in-the-wool opposition to the Bill's provisions.

Dr. Gibson: I concur with my hon. Friend, and agree that that is true. At the same time, however, those petitions were taken seriously by his Committee, and they are certainly taken seriously by the hon. Member for North Norfolk (Norman Lamb) and me. In fact, we met some of the petitioners, with the Broads Authority in tow, and we discussed the issues. We are always keen to hear what they have to say. As I said, in a year or two years, other changes and differences may arise in that environment that require extra legislation. Who knows what will happen? We need a Bill in place so that we can adapt it for the safety of the people who use the waters.

Norman Lamb: Further to the intervention by the hon. Member for North-West Leicestershire (David Taylor), I suspect that the hon. Gentleman will agree that there are strong views out there about the legislation and the authority. The important thing is how the powers are used by the authority once they have been introduced—that is the test. Does he agree that it is important to rebuild trust between the authority and people who have voiced concerns?

Dr. Gibson: Yes, I am 100 per cent. for trust, confidence-building and making sure that there is firm representation so that if people have a grudge or gripe, they can go to the Broads Authority with their complaint and have it taken seriously and something can be done about it. The spirit of the Bill, and the way in which it has been talked up and discussed, will allow that to happen. When it was introduced, such measures might not have been quite as up front as they are now, but I hope that if we get the Bill through, and if it completes its passage through the other place in the next few months, we will have a new spirit on the broads, and people will be able to enjoy that lively part of the world. It is in everyone's interests to make sure that we agree to Third Reading today.

5.13 pm

Norman Lamb (North Norfolk) (LD): I beg to move,

That the Bill be read a third time upon this day six months.

I am pleased to follow the hon. Member for Norwich, North (Dr. Gibson). Along with the hon. Member for South Norfolk (Mr. Bacon), I have tabled a blocking motion, having learned about parliamentary procedure as the Bill has progressed through the House. I do not know whether this is entirely the case for the hon. Member for South Norfolk, but I tabled that motion because I wanted to secure an opportunity to discuss direct elections and directly elected representation—the issue that the hon. Member for North-West Leicestershire (David Taylor) helpfully raised in his role as Chairman of the Select Committee examining the Bill. The blocking motion has ensured, too, that the Bill has received another airing in the House, which is a good thing. It is important legislation for Norfolk and the Norfolk broads, so it is right that it should receive proper parliamentary scrutiny. It is right, too, that people out there who are concerned about the Bill have their case made. Part of my contribution today will be to highlight some of the continuing concerns. As the hon. Member for North-West Leicestershire pointed out, those concerns are not likely to stop the Bill in its tracks, but the authority will have to address them in its implementation of the Bill and in the exercise of its powers, in order to rebuild trust.

There is a range of views out there about the authority and the Bill. My constituency contains a significant part of the broads area and the area covered by the Broads Authority. There are some, including

some of my constituents, who feel strongly about the Bill. It is easy to dismiss people who have strong views; I dubbed them "the awkward squad" and I think they are now using the label as a badge of honour, but they have legitimate concerns and they should be taken seriously and listened to.

David Taylor: May I reassure the hon. Gentleman and the House that the Committee took the concerns seriously? We went through the evidence in as detailed a fashion as we could. We certainly did not recognise anyone from what he described as "the awkward squad" when we took evidence over the days of our sittings. We tried to do that in a thorough, professional and sensitive way.

Norman Lamb: I entirely agree, and I have no criticism of the work of the Committee.

I shall deal with the issue of direct elections, but first I want to go through some of the continuing concerns. I should be grateful if, in his contribution, the Minister responded to some of the issues. He may want to follow that up with a letter, to amplify those points. I shall repeat as accurately as I can the concerns that have been expressed to me.

On the boat safety scheme, the argument that is put to me is that byelaws are already in place and the Bill is not needed. Byelaws may be slower to implement, it is suggested, but they force the unelected and otherwise unaccountable Broads Authority to enter into public consultation. That is the perspective of the people who have raised their concerns with me. On insurance, they say that compulsory insurance does not need to be introduced via a private Bill. Procedures for submission of current insurance at the time of vessel registration should be sufficient.

General and special directions are a topic that has engendered a considerable amount of debate. It revolves around the extent to which traditional freedoms are constrained by regulation and executive power. It is argued that the directions in the Bill are onerous and costly to implement. It is likely that the authority will fund the entire additional expenditure from the navigation account or toll income, thus further reducing the amount available for waterways maintenance, particularly of those parts of the system in need of dredging.

Built into the constitution of the Broads Authority are three pillars—the three duties of the authority to protect navigational interests, to pursue conservation and to promote tourism. There is inevitably friction between those three interests, and it is self-evidently the job of the authority to manage those tensions and to seek to ensure that they are given proper balance, but it is almost built into the structure of the organisation that there will be suspicions and battles to fight over those competing interests. The particular concern is that if it costs more money, navigation may lose out as a result.

Miss Anne McIntosh (Vale of York) (Con): Before the hon. Gentleman leaves that point, I should say that I was interested in his perception that less money might be spent on the dredging of the waterways. That could have flooding implications; I know that he is worried about coastal flooding. Will he elaborate on his point before he moves on?

Norman Lamb: It is incredibly important that we maintain the resources necessary to continue the dredging work. There are real concerns among navigators, not so much about the flooding issue—although I take the hon. Lady's point—but about the fact that dredging work for navigation purposes could be diminished. The issue comes back to the point that the authority must balance the three interests, but must not neglect any of them. The concern expressed is that navigation could be neglected if we are not careful.

Mr. Anthony Wright (Great Yarmouth) (Lab): To take the issue a step further, I should say that I understand that the people who use the broads would supply up to 30 per cent. of the total budget of the Broads Authority. The danger is that if not enough money is spent on keeping the broads clear of silt, there will be fewer navigable broads and therefore probably less income because fewer people would use them in the end. The Broads Authority might well be forced into increasing the amount of silt dredging in certain parts of the broads.

Norman Lamb: I am grateful for that intervention, which is well made. I agree with the hon. Gentleman's concern.

I turn now to general directions. There is concern about what consultation means and whether public bodies listen to the outcomes of consultations. The point made to me is that the authority might operate the process properly, but in the end it can ignore the result of the consultation and do exactly what it originally wanted anyway. The issue comes down to trust in the authority and whether the navigators believe that their interests are being properly pursued. It is felt that there is a loss of public freedom because of unnecessarily increased control. Specific reference is made to general direction 4.6, which, it is said, allows revocation of or change to any general direction. I am told that that is an unacceptable and inappropriate additional power.

I have been informed that the special directions restrict or prevent the free movement, anchorage or mooring of vessels. That affects the rights of the master of a vessel, the right to navigate the current extent of the navigation area, yacht racing in windy conditions and the rights, granted by the Magna Carta to all common men, to free navigation and fishing on tidal waters. Furthermore, it is said that the Bill allows a navigation officer—it may not be the particular navigation officer, but the one who happens to be on duty on any particular occasion—to "revoke or amend" a special direction at any time for any reason without justification or consultation. Again, the concern is about the potential abuse of the power that the Bill could provide.

I have also been told that the Bill gives power to the Broads Authority to appoint a navigation officer without specifying the qualifications needed to discharge his or her duties properly. It also provides the power for any "authorised person" to declare any vessel unsafe without specifying the qualifications that that

[Norman Lamb]

person must hold. There are also concerns about the powers in relation to adjacent waters: to be effective, the Bill must clearly define "adjacent waters", but that is not attempted. There is no such definition in the Bill; it is down to the interpretation of officers.

I am told that the Bill sets out to transfer responsibility for Breydon Water to the Broads Authority without provision for additional funds. There is a potential liability for substantial and ongoing maintenance costs, but the authority freely admits that today it does not have the funds for essential maintenance within its existing area.

The hon. Member for Norwich, North referred to the agreement, which appears already to be in place and stipulates the circumstances in which and processes by which the navigation committee will be consulted by the authority. People are concerned about that. They say that the Broads Authority should be adhering to it, but at its first opportunity has failed to do so. Under the agreement, the proposal to change the navigation committee appointments system should have been referred to the committee, but it was not. Again, that comes down to the question of trust between the two sides. The navigation committee wants to ensure that there is a clear continuing statutory duty to consult it. During the Bill's evolution, the original section of the legislation that places a duty to consult the navigation committee has been removed. When the Minister winds up, I want to be absolutely sure that a clear duty to consult remains in the Bill.

On the amendments put forward by the Department for Environment, Food and Rural Affairs, there is concern about the merging of the navigation account with the general account. People say, with some justification, that that removes transparency of accounting for toll payers' funds and leaves several important points undefined, such as the year-end surplus or deficit in the navigation part of the merged account. Transparency on the use of funds, particularly toll payers' funds, is very important. People also say that changes imposed by DEFRA mean that the additional national park grant funding can no longer be directly applied to maintenance of navigation, which is unacceptable.

People say, in summary, that the Bill changes the remit of the Broads Authority from a management role to one of controlling and restricting navigation. They also refer to the Norfolk and Suffolk Broads Act 1988. That is similar to the National Parks Acts, but in addition to their two primary purposes, it includes a third—to protect the interests of navigation without, as with the National Parks Acts' Sandford principle, a mechanism for conflict resolution across all three equal responsibilities. Toll payers object to the Bill because it provides the means for an unscrupulous future Broads Authority—they do not make that charge against the current authority—to resolve conflict by use of general and special directions to the detriment of the right to navigate: in other words, "Sandford by stealth".

Those are the continuing concerns, and it is important that they are placed on the record.

Dr. Gibson: Could the hon. Gentleman tell me how many people those views represent?

Norman Lamb: I think the hon. Gentleman knows the sort of numbers we are talking about following the meeting that we held with the Broads Authority. As I said earlier, there is a range of views on the Bill. There is a body of people he knows of, and they are represented in several of our constituencies, including those of two of the Conservative Members present. A number of people care passionately about this, have ultimately good motives and have the right to have their concerns heard.

One assumes that the Bill will become law, and it then becomes a question of the Broads Authority proving that it was wrong in its concerns—that the powers will not be abused, that they will be used properly and proportionately, and that there is an opportunity to rebuild trust between the two sides. That is why I called the meeting, and I was grateful to the chairman and chief executive of the Broads Authority for agreeing to it. It is in everyone's interests, including the objectors and petitioners, that we get to a point where trust is re-established and they feel, despite the tensions that will always exist, that the Broads Authority is doing its work properly in protecting the interests of the navigation community. One of the things that could go a substantial way to rebuilding trust is the holding of direct elections. That would create a sense of accountability for the organisation, and I shall go on to address that issue.

I begin by quoting the Prime Minister. When he became Prime Minister, he said:

> "I want to build a shared national consensus for a programme of constitutional reform that strengthens the accountability of all who hold power".

I completely agree with that sentiment, and we could start by addressing the powers of quangos. Those bodies are ultimately not accountable to the public whom they serve. The Bill provides us with the opportunity to promote the idea of establishing greater accountability for organisations that are currently unelected and ultimately not answerable to the people whom they directly serve.

That issue was first raised on Second Reading, and reference was made to the Scottish experience. Two national parks were established in Scotland with direct democratic representation from the start. Interestingly, they appear to be working very well. The wheels have not come off, there has not been a revolution and there appears to be a reasonable degree of interest and participation. In a report to the Broads Authority Board, at its meeting on Friday, the chief executive referred to the Scottish experience. He said that the practical arrangements for the elections appear to have worked well. Turnout in one of the two national parks was 60 per cent., and in the other it was 40 per cent., which was still above the turnout in local elections in many parts of the country. In my experience, people do care about the parks that cover their areas, particularly in Norfolk, although we must be clear that the Norfolk broads are not formally a national park.

Mr. Bellingham: The hon. Gentleman's argument has a number of attractive aspects, although I feel that we need fewer elections in this country rather than more. On the other hand, we will have unitary reorganisation in Norfolk whether we like it or not, and that may well result in fewer local authorities being voted for. Even

though we do not want that in my party, we may have to live with it, and it might, therefore, make sense in that context to ensure that the authority has directly elected members.

Norman Lamb: I am grateful to the hon. Gentleman for that intervention. I agree that what he describes may well prove to be an opportunity to address the issue properly. It may not be the only opportunity to do so, but it certainly is one of them.

I should also refer to the fact that the regional newspaper, the *Eastern Daily Press*, was very clear about the matter in its opinion column. It said that I was absolutely right about public disquiet, and I am sure that Conservative Members will appreciate that—

Dr. Gibson: Who elects the editor?

Norman Lamb: If I could have a little less abuse from the promoter of the Bill, it would be helpful.

The editorial said that I was

"absolutely right about public disquiet over unelected quangos with members of the Broads Authority drawn from local authorities and by government appointment. This system though neat and cosy for those who oversee it does not greatly inspire confidence among local communities and user groups who may have little idea what (or who) is going on. And it is essential that the Broads Authority can demonstrate the broadest possible support...it would be very good indeed if as far as England's most beautiful wild places were concerned the representative principle could be pioneered here in East Anglia."

I hope that the Under-Secretary takes on board the wise words of the *Eastern Daily Press*.

James Duddridge (Rochford and Southend, East) (Con): Although it is laudable to undertake pilots, much democratic representation on national parks is already happening in Scotland. Following our proceedings in Committee, I was contacted by several people in Scotland who said that that was working well. In many ways, such an exercise would not be piloting something new but following best practice in other parts of the country, where it has been successful.

Norman Lamb: I am not sure whether the hon. Gentleman has just arrived, but I had made the point about Scotland. However, I am grateful for the intervention and he is right to say that the experience appears to be positive. The critical issue from the authority's point of view is that it has not caused problems in the administration of those national parks, but given local communities a direct say in it.

It is fair to point out that there are several different interests in a national park. One is a broad national interest. I fully accept the case for national nominees on a national park board or the Broads Authority board. That is legitimate. However, it is also legitimate for the communities in the area of a national park or the Broads Authority to have a direct say in the decision-making process. The interests that they want to promote may be parochial, but they should be considered as part of the overall mix in making decisions.

Miss McIntosh: The problem exists in all national parks, where there is a conflict of interest between those on the national park authority who have a business in the park and those who have a business outside the park, and may therefore have a vested interest in willing a business in the park to succeed or fail. Is the hon. Gentleman happy with the 20 per cent. figure? Does he believe that it is a step in the right direction? Is he happy to leave it to the House and the other place to decide whether to adopt the Scottish scenario? What has he concluded?

Norman Lamb: Is the hon. Lady referring to 20 per cent. of the board being directly elected? Perhaps she could clarify what she meant.

Miss McIntosh: I understand that one of the recommendations of the little Select Committee report of the hon. Member for North-West Leicestershire (David Taylor) is that 20 per cent. of the national park authority will be up for election.

Norman Lamb: I am afraid I am not in a position to respond to that. However, I believe that 20 per cent. of the boards of the national parks in Scotland is directly elected. I have an open mind about the exact percentage to be directly elected. I realise that the local communities are just part of the group of interests that should be properly represented in the democratic process. I have suggested that two or three members of the board should be directly elected, but of course that depends on the size of the board.

Miss McIntosh: For hon. Members' information, paragraph 11 of the special report, which the hon. Member for North-West Leicestershire and others drafted, states:

"We note that the National Parks (Scotland) Act 2000 set out in its framework for the constitution of a National Park that a minimum of 20 per cent. of members of the National Park Authority were to be elected in a poll by those on the local government electoral register within the Park area."

I am simply asking whether the hon. Gentleman agrees with that recommendation.

Norman Lamb: Absolutely. We are talking about the same thing—20 per cent. of the board of the two national parks in Scotland is directly elected. I would like something along those lines to be established in the Norfolk broads.

We have developed quite a consensus on the issue. It is interesting that the principle of direct elections is supported by both the promoter of the Bill and the Conservatives. Indeed, the principle of introducing direct representation on the board is supported throughout the House, and I am not aware of anyone opposing it when it was raised in Norfolk.

The Broads Authority board meets this Friday and will consider a paper from the chief executive that deals with the principle of direct elections, as I mentioned earlier. There is no specific recommendation to support the principle; rather, there is an open recommendation to consider the report. However, I hope that the board will send out a clear signal on Friday that it supports the principle of direct elections, which, above all else, it would be in its own interests to do. Doing so would be a demonstration of self-confidence rather than defensiveness and would remove from the board the slur that it is an unaccountable quango.

[Norman Lamb]

The Minister has an opportunity today to indicate whether he supports the principle. I suspect that we might risk entering into a long-winded consultation with all the other national parks before any decision is taken. I urge the Minister to consider whether it is worth experimenting in England. We have an ideal opportunity to do so through the Broads Authority, which can be distinguished from the national parks, because it is not in fact a national park. We can try the principle of direct democratic representation on the Broads Authority and see what lessons are learned in a few years' time. At that stage it might be appropriate to extend the principle to other national parks. They might choose to proceed earlier than that. If they did so, I would be delighted. However, I do not want inertia on the part of other national parks to delay the opportunity to develop an important principle.

How can we achieve that? The first option, which I favour, is to achieve it through the Bill. I am told that it is impossible to amend the Bill at this stage to introduce direct elections. If that is the case, regrettably I must accept that. However. I should also like to ensure that the idea does not disappear into the long grass, never to be seen again. I want the principle to be pursued.

There are two other options that I should like the Minister to consider and respond to. First, is it possible by way of an order, rather than primary legislation, to introduce a principle whereby a proportion of the Secretary of State's nominees would be elected by local people and would then become the appointees of the Secretary of State? Could we use the existing mechanism to introduce direct elections? The attraction of that option is that it could be done much more speedily than having to wait for primary legislation.

The other option is that which the hon. Member for North-West Norfolk (Mr. Bellingham) put forward in his intervention, whereby we use the opportunity of local government reorganisation, which we are told is likely to be imposed on Norfolk in a couple of years' time, to introduce direct elections. Local government reorganisation would inevitably result in a change to the make-up of the Broads Authority board, because there will be fewer local authorities, and would therefore be an ideal moment. That would create a massive challenge for the Government, because it would require two Departments to work together, but I am sure that the challenge can be met and the opportunity seized.

In summary, the Bill contains important elements that should go on to the statute book. No doubt it will proceed to the House of Lords today, where it should be scrutinised. It is important that those who oppose it have the opportunity to continue their case, but let us use this opportunity to progress the case for direct representation.

Would a move towards direct elections provide an opportunity to streamline the board? I understand that the board is larger than those of other national parks, but that might not be the case. It has been suggested to me that a new board could be made up of 15 people, with seven being appointed nationally by the Secretary of State. The rest of the board could be made up of three representatives from local authorities, three directly elected representatives—one of those local representatives should, perhaps, be a direct representative of the parish councils within the area, because they have a stake—and two representatives of the navigation interest. That is one possible model. I do not particularly favour it, but it should be considered. We want a board that is workable and of a reasonable size, but we want the mix to be right. There should be local democratic representation, and other relevant interests should be represented.

It has been good to debate these issues further, and I very much hope that the Minister will give a clear signal that he supports the principle of direct elections to the board.

5.46 pm

Mr. Richard Bacon (South Norfolk) (Con): The hon. Member for North Norfolk (Norman Lamb) has covered these matters in exhaustive, not to say exhausting, detail, so I shall try to be brief. I placed a blocking motion on the Order Paper because, like him, I thought that these issues should be aired. Matters that are important to our constituents should not simply go through the House on the nod.

I feel at best lukewarm about the Bill, partly because of the local government review, which has been mentioned. If restructuring is being considered, which it is—I hope that that does not happen, and I do not believe that it is inevitable—there is a strong argument that we should just wait to see what happens and incorporate the Bill into that. The authority's composition is obviously going to change at some point, and Parliament will need to return to this issue either through that local government legislation or through other means, such as a specific piece of extra legislation, so there is an argument for waiting until then.

The Committee has done good and thorough work on the Bill, and I congratulate the hon. Member for North-West Leicestershire (David Taylor) on that. I also congratulate the hon. Member for Norwich, North (Dr. Gibson) on promoting the Bill as he has done. I shall not oppose its Third Reading, and I think that the House should allow it to proceed. However, it is important that we allow the views of those who oppose it to be aired and placed on the record, not least so that if those views, however alarmist or lurid they might seem, should later prove to have been justified, there will be something to refer back to. If necessary, we could revisit the issue with new legislation.

It is worth stressing the point about national parks, because several hon. Members have talked about national parks as though the broads area were one, but it is not—as the hon. Member for North Norfolk correctly pointed out. There is a reason for that, which is clear from looking at the National Parks and Access to the Countryside Act 1949 and Lord Sandford's review of national parks in the early 1970s. National parks have two basic purposes: conservation of the natural environment and providing the public with access to those areas. If there is a conflict between those aims—or, I should say, if it is not possible by skilful management to reconcile them—conservation should come first. However, the Norfolk and Suffolk Broads Act 1988 makes it clear that there are three purposes for the authority:

"conserving and enhancing the natural beauty of the Broads...promoting the enjoyment of the Broads by the public...and protecting the interests of navigation."

So, from the Act's inception, it has always been agreed that protecting the interests of navigation was an explicit statutory principle that, because of the Sandford principles, excluded the possibility of the Broads Authority being a national park.

The central fear underlying the concerns that have been expressed to us and to the Committee by petitioners, is that, as a result of the Bill, navigation could be compromised and could end up taking a back seat to conservation and wildlife, when in fact the ever-present need to balance all these factors is precisely why the broads are not a national park.

Dr. Gibson: What is the hon. Gentleman's view of the strength of the navigation committee to advise and to promote ideas about navigation to the Broads Authority?

Mr. Bacon: The navigation committee has an extremely important role to play, and I fear that the Broads Authority has not exactly covered itself in glory by the way in which it has proposed changes to the committee's membership. In fact, it is fair to say that the Broads Authority was a little careless, to put it kindly, to have acted in such a way that it now finds that many navigators do not trust it. I know that the authority has gone some way towards allaying the navigators' concerns. The hon. Member for North Norfolk mentioned the Royal Yachting Association, the British Marine Federation and the Inland Waterways Association.

However, the hon. Gentleman did not mention the Norfolk and Suffolk Boating Association or the Norfolk Broads Yacht Club—and for good reason. Although discussions took place with the Norfolk and Suffolk Boating Association, it has expressed certain fears since the Committee chaired by the hon. Member for North-West Leicestershire met. I should like to quote one of the petitioners, Mr. Philip Ollier, the executive secretary of the Norfolk and Suffolk Boating Association. In an e-mail this year, he wrote:

"In September 2007, the Broads Authority Chief Executive brought forward proposals to alter the way appointments are made to the Navigation Committee".

It is worth noting that that was written in September, after the Committee of the House had considered the Bill. Mr. Ollier goes on to say:

"Previously eight places on the committee were allocated to persons nominated by bodies representing the various navigation interests."

The charge made is that

"The process will be open to manipulation by the BA Executive and follows similar changes that have been implemented to reduce the representation of navigation interests on the Broads Authority itself. Given the changes to the composition of the Navigation Committee, the assurances obtained in the negotiations about the Bill start to look less reliable."

A constituent of mine, Mr. Graham Trimmer from Poringland, has expressed his fears in even more colourful terms. Referring to the issue of public safety, he said:

"the Chairman of the Broads Authority appears to suggest...that the Bill is only about public safety. This is a smokescreen, since adequate byelaws were enacted and came into force in April last year, allowing for the enforcement of a comprehensive boat safety scheme."

I have spoken to some of the people in my constituency who own boats, and some of them have told me that they would not be able to get a licence from the Broads Authority had they not already been through the process of getting a boat safety certificate.

These are examples of people's concerns about the Bill. I fear that the way in which the authority has conducted itself—even to the extent of supposedly entering into legal agreements with the concerned bodies—has, in the words of the Committee, created a legal ambiguity, and perhaps created more problems than it has solved. When I first heard about the legal agreements that were being entered into, I wondered how it was possible to enter into such an agreement with a third party in relation to a Bill that had not yet been passed. I wondered what possible effect those agreements could have in law, in terms of the subsequent powers of the authority, given that the Bill had not yet been passed. Indeed, the Committee appears to agree about that. Paragraph 9 of its report to the House states:

"It is our view that such agreements would not have any legal effect as they could not be seen to fetter the discretion given to the Authority in the legislation once the Bill was enacted."

I will not dwell on the issue of direct elections, as it has already been referred to, save to comment that it is a sensible principle to explore. Where an authority has planning powers, as this one does, it seems quite wrong that there should be no directly elected input if a way can be found to achieve that.

I fear that the authority's approach has not enabled the House to give it the warm cross-party endorsement that it might otherwise have had, and serious concerns among our constituents remain. That said, there will be further opportunities in the other place. As the hon. Member for North Norfolk said, the ultimate test will be the behaviour of the authority in interpreting and using its powers in the years ahead. If the fears of the navigators prove justified, we will know soon enough, and we will have the opportunity to do something about it in due course.

5.55 pm

Mr. Keith Simpson (Mid-Norfolk) (Con): I will try to keep my comments brief. The Bill was blocked last year by my hon. Friend the Member for South Norfolk (Mr. Bacon) and myself—not to destroy it, but to enable the fears of some of our constituents to be aired on the Floor of the House. Many of the issues have already been well presented by the hon. Member for North Norfolk (Norman Lamb), who steered the Bill through the Commons, and by other colleagues. I shall not go over all the detail again.

It is ironic that we are now 20 years on from the Norfolk and Suffolk Broads Bill—I emphasise the term Suffolk—that was steered through the House by my predecessor, Richard Ryder, now Lord Ryder of Wensum. As a consequence of our previous debates, the first and now the second blocking motion, the work of the Committee and the Bill's consideration in the other place, it is hoped that the relevant issues will be addressed. I remind you, Mr. Deputy Speaker, that the very nature of the Bill has changed. The original conception was to establish the broads as a national park, but that Bill had to be withdrawn for lots of reasons. One is that the Norfolk and Suffolk Broads Act 1988 was legislation for navigation, so establishing the broads as a national park would cause all kinds of problems, as my hon. Friend the Member for South Norfolk said.

[Mr. Keith Simpson]

The Norfolk and Suffolk broads are a hybrid. That is the key issue; in many respects, they are a one-off. I shall not deal with detailed issues of navigation, as my hon. Friend the Member for South Norfolk has already done so. We aired those issues widely in our debate of a year ago. I want to touch on another issue that was raised then and has been raised again today by the hon. Member for North Norfolk—the whole business of having some directly elected members on the board. I am not going to go into the different permutations of how it might be done. I am almost surprised that an alternative vote system was not proposed, but the key issue is a matter of principle. Ironically, it is more important today than it was when we debated it in April. It is crucial, because local people feel that they should be represented on a board and able to affect their communities, their livelihoods, and the nature of the broads itself, directly.

Many of us were in Westminster Hall yesterday morning to participate in a debate that I was fortunate enough to obtain on flood defences in Norfolk. One of the issues raised there was that various Government advisory boards could put forward proposals that would have a direct impact on communities in north and mid-Norfolk. Ultimately, actions over the next 50 years or beyond could change the very nature of the broads, but I am not going to go down that path in any more detail. However, the fact that local communities feel they do not have a say is of fundamental importance, and all Norfolk Members seized upon that.

Two Members raised another important point. The boundary committee is looking into unitary authority reorganisation in Norfolk. The hon. Member for North Norfolk and my hon. Friends the Members for South Norfolk and for North-West Norfolk (Mr. Bellingham) suggested that as a consequence of the committee's work there could very well be changes in the make-up of local government in Norfolk. Interestingly, paragraph 3.1 of the proposals that will go before the committee later this week says:

> "Although the Broads Authority is not included in the review, clearly the likely reduction in the number of constituent local authorities will lead to a further change".

The assumption that this will go through is a big assumption, not least because—this directly relates to the representation on the Broads Authority—there is no way in which the people of Norfolk can make their views clear about any possible reorganisation of local government in Norfolk. Consultations and stakeholders are mentioned, but there is no way in which the people can make their views clear. Whatever line one takes on whether there should be unitary authorities, it is unarguably the case that there has been no test of public opinion. That reinforces the view of many people in Norfolk that there should be directly elected representatives on the Broads Authority. I agree with the hon. Member for North Norfolk that all the advice we receive is that the Bill cannot be amended to provide for that. We know that the Minister will consider this issue, and, given that the Norfolk and Suffolk broads are a hybrid, I urge him to think of a way in which the natural concerns of Members and our constituents can be met.

Mr. Anthony Wright: Is there not an opportunity, however? The test will come on Friday when the Broads Forum meets to discuss this point. It will then have to be discussed in the other place, and this House could send a strong message to the other place that we have a watching brief on this particular point, and we hope that it will listen.

Mr. Simpson: I thank the hon. Gentleman for his comment—he, too, has a direct interest in this matter—and he is right. There is no doubt that several Members in the other place will take note of this, and will raise it. The Broads Authority has had to take note of our previous debates, and I hope it will also take note of the issues we have raised today.

Dr. Gibson: Is the hon. Gentleman aware that although it is true that the Norfolk and Suffolk Broads Act 1988 does not allow for direct elections, there are—I am told—provisions within it whereby local authorities can change, which would take away the heat about unitary status?

Mr. Simpson: Yes; as I have said, there are different permutations for doing that. One of the depressing aspects of the debate on this issue, dating back now over a year, is what appeared to be the reluctance of the Broads Authority to go down this path on the grounds that it would all be too difficult. That is key. The Broads Authority—and politicians in opposition and in government—ought to recognise the following point, in relation not only to this subject but to many others: the public are no longer prepared to have largely unelected bodies telling them what to do in matters that directly affect their local communities. They want direct representation on such bodies. I agree that we can look into how to achieve it, but that is the major point I want to put to the Minister. Although there are slight differences within the Norfolk political community about how to get there, we all agree upon that.

I recognise that the Bill will go through to the other place, and I hope that when the Minister winds up he will take note of what I have said and what colleagues have said, in the knowledge that when it reaches the other place, many of their lordships may display strong feelings about it.

6.4 pm

Miss Anne McIntosh (Vale of York) (Con): It is both interesting and an honour to participate in this good and stimulating debate. I congratulate the hon. Member for Norwich, North (Dr. Gibson), on promoting the Bill, and the hon. Member for North-West Leicestershire (David Taylor), although he is absent. Obviously, the hon. Member for North Norfolk (Norman Lamb) has been the most affected by this matter, but I took some comfort from the clarity with which my hon. Friends the Members for South Norfolk (Mr. Bacon) and for Mid-Norfolk (Mr. Simpson) explained some of the issues.

My hon. Friend the Member for South Norfolk, in particular, set out most clearly what the purposes and functions of the Bill and the Broads Authority are. I believe he said that there are three purposes: to conserve and enhance the natural beauty of the broads; to enhance the enjoyment of the broads; and to protect the interests of navigation on the broads. I congratulate my hon. Friend the Member for Mid-Norfolk on securing yesterday's

excellent Adjournment debate in order to discuss what an amenity the broads are, and what enjoyment they provide nationally; we are not just talking about the community of Norfolk and Suffolk—predominately Norfolk—but the larger community. Those things could be put at risk.

The Bill will update the Norfolk and Suffolk Broads Act 1988, giving the Broads Authority various new powers. The Bill will combine the navigation and general accounts into one. It will enable the authority to do, among other things, the following: to apply effectively the national boat safety scheme to reduce the risk of fire and explosion; to introduce compulsory third-party insurance for boats in its area; to license hire boats; to give the Haddiscoe Cut a public right of navigation; to make possible the transfer of responsibility for the navigation on Breydon Water from the Great Yarmouth port authority; to make a voluntary agreement to manage water skiing and to distinguish between water skiing and wakeboarding so they can be managed separately; to control pollution from boats; to remove the requirement for a separate Norwich navigation officer; and to widen the range of bodies involved in the appointment of members to the authority by the Secretary of State. As the hon. Member for North Norfolk said, real safety issues are involved.

Perhaps this is an opportune moment to record my interest in this matter. I always try to attend boat shows whenever possible. Two years ago, I was fortunate enough to go to the Southampton boat show, and over the past year or two I have been fortunate enough to attend the London boat show. It is magnificent to see some of the vessels that ply the broads and the impact that boat building has on the whole of East Anglia. As I represented Essex North East and Essex North and Suffolk South in the European Parliament for 10 years, I regularly visited some of the boat builders, who contribute hugely to the local economy. We should not lose sight of that fact.

This is a good opportunity not only to congratulate the sponsor of the Bill, who moved the Third Reading eloquently, but to have regard to a number of the issues that have been raised and were objected to earlier. I pay tribute to colleagues who served on the Committee on the Broads Authority Bill, not only the hon. Member for North-West Leicestershire, whom I mentioned, but my hon. Friend the Member for Preseli Pembrokeshire (Mr. Crabb), my hon. Friend the Member for Rochford and Southend, East (James Duddridge), who has become quite an expert in these matters, and the hon. Member for Paisley and Renfrewshire, North (Jim Sheridan). As a number of hon. Members have said, we should recognise that many of the concerns have been translated into amendments that have been incorporated into the Bill.

All hon. Members who have spoken mentioned democratic accountability. I represent only a small section of the North Yorkshire Moors national park, so I am not a great authority on it, but—as the hon. Member for North Norfolk said—on some occasions those who serve in the public interest in that regard plough a lonely furrow.

The special report concluded that while the Bill should be allowed to proceed, several caveats were raised in Committee and were set out in the report. The promoter of the Bill tabled several amendments, and the one that is outstanding relates to the lack of democratic accountability. In paragraph 10, the Committee concluded forcefully that, in its view

"the Broads Authority and local people would benefit from the provision for direct elections to the Authority with a view to ensuring that the principle of direct representation of local community interests should be guaranteed. This would ensure that the Authority could be held to account and that there was a democratic means of moderating the powers enacted within the Bill."

I listened carefully to what my hon. Friend the Member for South Norfolk said. My hon. Friend the Member for Mid-Norfolk also recorded his view that the public will have no truck with bodies that do not have some form of electoral representation and democratic accountability. We cannot emphasise that forcefully enough.

My main question for the Minister, with regard to paragraphs 10 and 11 of the special report and having heard the views expressed so eloquently today, is whether he will give the House an assurance that the Government are minded to table an amendment in the other place at an early stage to address that omission from the Bill. We have heard about that omission from the sponsor and from other hon. Members in this debate. The sponsor—the hon. Member for Norwich, North—said that a compromise appears to have been reached on the model in Scotland. Is that the model that the Minister will follow?

We wish to give the Bill a fair wind today, but we respect the caveats that were raised by the Committee. We take heed of those issues that have been raised today, and we should have regard to the fact that the broads have a unique place in the affections of the British, as well as in the local economy. Does the Minister believe that all three functions—the general and special directions to vessels, the insurance questions and the appeals procedure—are all set out clearly in the Bill? Is he satisfied that there is a balance between the three functions I mentioned earlier—to conserve and enhance the natural beauty of the broads, to enhance the enjoyment of the broads, and to protect the interests of navigation?

One final issue concerns the licensing of rescue boats. While the Committee was agreeable to that being removed from the Bill, for the reasons of safety that several hon. Members have mentioned, could the Minister put our minds at rest about whether that issue will be considered in the other place?

I take great heart from the debate today, having seen in my own area how planning issues work in national parks. It is absolutely right that democracy should be seen to work. People should be seen to have a voice and a say. If they were to elect a proportion of those who serve on the Broads Authority, and if they did not like what they did, they could remove them when they were due for re-election. At the moment, that is not possible. If the Minister could explain to us where he and his Department think that they are going on that, we would make great progress.

I have enjoyed listening to the arguments, as I did not participate in previous proceedings. In its own way, the Bill is important. I completely understand the reasons for which my hon. Friends sought to object to the Bill. I understand not only that proceedings have been going on since the original Bill in 1988, but that people have been trying to move proceedings forward on this Bill since 2003. It is incumbent on us to make progress

[Miss Anne McIntosh]

today, as the hon. Member for Norwich, North said, but it is also incumbent on the Minister to set out how he will proceed, particularly on the question of direct elections to the authority.

6.15 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Jonathan Shaw): I begin by congratulating my hon. Friend the Member for Norwich, North (Dr. Gibson), the sponsor of the Bill, on how he put the arguments and presented the discussions, both in the House and outside it in the various communities in and around the Norfolk and Suffolk broads. I thank all hon. Members from both sides of the House, as it has been a measured debate in which people have expressed concerns on behalf of their constituents, as is right.

It is also important for us to appreciate the general nature of the broads and of national parks. The broads are part of the national parks family and every citizen in this nation has a stake in those wonderful areas. The work undertaken by many members of those authorities is appreciated. People work hard in the interest of those authorities, and they take their responsibilities seriously. We are grateful for their efforts.

I endorse the comments made by my predecessor on Second Reading. As the Minister responsible for the national parks and the broads, I confirm that the Government remain firmly supportive of the aims of the Broads Authority Bill. Let me emphasise the wider support given to the broads. The Department for Environment, Food and Rural Affairs was able to announce a three-year funding settlement in 2008-09, which gave the Norfolk broads £4.304 million pounds—a cash increase of 115 per cent. over the past 10 years. Our commitment is on the record. That amount will rise to £4.4 million by 2010-11 and further in the future. We will also provide special grants of £500,000 for 2008-09 and £400,000 for 2009-10 and 2010-11, which will specifically enable the authority to implement its sediment restoration strategy and restore the broads' ecosystems. The authority has taken direct control of dredging the rivers and broads, a move that it is anticipated will enable it to achieve 25 per cent. more dredging than last year for the same amount of money. That is good news for toll payers and for taxpayers.

I am aware that the Bill has already been the subject not only of an earlier debate but of scrutiny by the Select Committee. My hon. Friend the Member for North-West Leicestershire (David Taylor) is no longer in his seat, but all hon. Members have paid tribute to him and to the members of the Committee for the good service that they gave to the House through that process. It is not surprising that any changes to our most protected landscapes will invariably raise concerns, but I am delighted that we are in general agreement on both sides of the House. It is right, is it not, that we should raise concerns about such wonderful landscapes? Hon. Members have said that the Bill should be subject to scrutiny. I endorse those remarks.

The main aim of the Bill is to improve safety on the broads, through measures that include the licensing of hire craft, compulsory third-party insurance and improvements to the way in which the Broads Authority operates. The introduction of the boat safety scheme is already ensuring that vessels are properly maintained. British Waterways and the Environment Agency already operate the scheme successfully, and I congratulate the Broads Authority on the measures that it has taken to bring the broads into line with the other major navigation authorities.

I am aware that some people consider that the Bill's safety provisions could be dealt with through byelaws, but I do not agree. It would be impossible to use byelaws to introduce compulsory insurance, as it would be too cumbersome to amend them each time there was a change in standards.

I turn now to some of the questions raised in the debate, after which I shall deal with the subject of direct elections. The hon. Member for North Norfolk asked various questions about insurance, but I think that I answered them all earlier. The proposal to merge the general and navigation funds is a technical measure, and the Bill ensures that the Broads Authority will give a clear account of what has been spent on navigation and on other purposes.

The hon. Member for North Norfolk also asked about the duty of the Broads Authority to consult the navigation committee. In its latest form, the Bill does not remove that duty. He also asked about the right of free navigation. That was included in one of the petitions to the Committee, which considered that the powers were necessary. The hon. Gentleman was concerned that protecting the interests of navigation could result in Sandford by stealth, but it will not. The broads' three purposes remain as set out in the 1988 Act, and this Bill does not change that.

The hon. Member for North Norfolk also asked about the boat safety scheme. As I said, it would be too cumbersome to use byelaws for that purpose, as the Department would have to approve each amendment to them. He asked about changes to the navigation revenue account, which now returns to what it was before 2005-06. Some dredging can be for purposes other than navigation.

Some concern has been expressed about the relationship between the Broads Authority and communities in the area. The hon. Member for Mid-Norfolk (Mr. Simpson) was especially interested in that and, as he said, the true test will be how the Broads Authority is judged to have used that relationship. Important safeguards in that respect are in place: the Broads Authority is accountable to the Audit Commission and to the local government ombudsman, and the broads forum is another way of keeping it in touch with local user groups.

The hon. Member for North Norfolk began his discussion of direct elections by quoting a newspaper that agreed with him. Perhaps he issued a press release saying that the *Eastern Daily Press* agreed with him and the newspaper printed that, but it was interesting to hear a Liberal Democrat speaking in favour of a first-past-the-post system. I hope that the hon. Gentleman will clarify whether he is in favour of that system for the Broads Authority. It is a very important point.

Norman Lamb: I am grateful to the Minister for giving way, although there is a danger of my going off on what is a hobbyhorse of mine. The principle is that a

direct election should be held for the Broads Authority, but how it is done is a subject for a separate discussion. I always favour a fair voting system—unlike those who belong to the other two main parties here.

Jonathan Shaw: There we are; that did not take a great deal of scratching beneath the surface, did it? So the Liberal Democrats want proportional representation to be used in elections to the Broads Authority. That is a perfectly honourable position to take, and it is consistent with his party's line. Some Members in my party support proportional representation, too. I do not, and I do not think that anyone in the Conservative party does. That shows that we will need to look at the issue and reach a conclusion.

James Duddridge: Will the Minister give way?

Jonathan Shaw: Perhaps the hon. Gentleman is in favour of proportional representation.

James Duddridge: I think the Minister will find that I am not. This is interesting banter, but the use of proportional representation would imply that the voting will be partisan, and that is certainly not my impression. Is the Minister expecting parties to put up candidates for the elections? Surely that should not be encouraged, and I am not sure that that has been the experience north of the border.

Jonathan Shaw: We have opened a can of worms. I will come on to the detail, but I point out to the hon. Gentleman that I have discussions with members of authorities from across the country. I would not know which political party they belonged to unless I asked them directly, because they put their park, or the broads, first. People put being an authority member first. I have never heard of party politics coming into the situation in relation to either the Broads Authority or one of the park authorities.

Norman Lamb: I completely agree with the point that the hon. Member for Rochford and Southend, East (James Duddridge) made; one would expect the elections to be entirely non-party political. That has been the experience in Scotland. I would like a clear indication of whether the Minister supports the principle of direct elections to the authority.

Jonathan Shaw: I am coming to that point. In the case of the two national parks in Scotland—the Cairngorms national park and the Loch Lomond and the Trossachs national park—a percentage of authority members are directly elected. That appears to work well. I do not want us to lose the opportunity to have that discussion. It has been suggested that such a scheme be piloted in the broads, but we know that the process has worked well in Scotland, so one could say that there has already been a pilot.

I want to look at the issue across the piece, because it is not only the Broads Authority that is affected. I want to understand the views of the other park authorities in England, and the views of the many people who have an interest in our national parks. The parks are not just local; they are national treasures. My constituents in Chatham have as much right to a say on how the parks are formed as someone who lives in the Lake district, for example.

Miss McIntosh: I hope that the Minister is not procrastinating. A simple way forward would be to have a short consultation, and for the results to be published. I do not want to pre-empt what he has to say, but I am sure that all the national parks would wish to be consulted, as he rightly says. Having sensed the mood of the House this afternoon, I detect that there is strong feeling. I think that hon. Members would like to know what will happen when the Bill leaves this place today.

Jonathan Shaw: As a number of hon. Members have said, the Bill is not the appropriate vehicle to change the constitution of the Broads Authority. As I have signalled, I want to look at this across the piece to take account of the other national parks in England. I will therefore issue a consultation on the future of the constitution and the composition of the Broads Authority and other park authorities in England. I will advise the House when I intend do so. There will not be long delays, and I hope that I can issue something over the summer period.

Mr. Keith Simpson: Following the point made by my hon. Friend the Member for Vale of York (Miss McIntosh), I hope that that can be done reasonably quickly, because we have been debating the measure for over a year. I recognise that the Department's views have changed and moved, which I welcome, but will the Minister bear two things in mind? First, at the end of the day, the Norfolk broads are not a national park: they are a strange hybrid. I accept that, from his point of view, it might set a precedent, but I urge him to move as quickly as possible. Secondly, the broads are a national treasure, and his constituents have every right to be represented, but my constituents and those of other hon. Members from Norfolk have an extra right, because this directly affects them, their livelihoods and, indeed, their future. If there is a wait—and we could end up discussing numbers—may I remind the Minister that we are not talking about such representation having anything more than a small minority on the board?

Jonathan Shaw: The hon. Gentleman is absolutely right. The broads are a national treasure, and the people who live around them are affected, as are their livelihoods and businesses. The same applies to all the national parks. The Peak district has the largest population of any national park within its boundaries, and 20 million people visit the Lake district. I want to look at this in the broadest sense.

Mr. Bellingham: A Freudian slip.

Jonathan Shaw: It was not a Freudian slip, or an attempt at a joke, but I am glad that it has amused the hon. Gentleman—*[Interruption.]* He is a fine fellow. I visited his constituency, and he was a gracious host.

Miss McIntosh: I am sorry to test the Minister's patience. The news of the consultation is welcome, but will he consult on the proportion of representatives who will be up for election? There is a ballpark figure in the paragraph to which I referred of 20 per cent., but

[Miss McIntosh]

will he consult on whether it should be 20 per cent. or 30 per cent., and what the composition of the elected body should be?

Jonathan Shaw: I cannot tell the hon. Lady the detail of the consultation, but the percentage of directly elected members is clearly something that we will consider carefully for inclusion in the consultation. I hope that that provides hon. Members with some comfort.

Mr. Bacon: Will the Minister clarify his view on paragraph 9 of the Select Committee report, in which the Committee members state that in their view the legal agreements would not be binding?

Jonathan Shaw: I do not have the details to hand, but I will drop the hon. Gentleman a note, and we will make sure that a copy is placed in the Library so that Members considering the Bill in another place are aware of the answer.

Norman Lamb: I am grateful to the Minister for giving way yet again. Will he look specifically at the possibility of using local government reorganisation in two years' time as a mechanism? Primary legislation will be in place at that point. I appreciate that a different Department is involved, but it is an obvious opportunity to achieve reform, which would be very much welcomed in Norfolk.

Jonathan Shaw: The hon. Gentleman knows that I cannot give him that commitment, but his comments are on the record and I am sure that my hon. Friends in the Department for Communities and Local Government will take note.

I hope I have provided hon. Members with some comfort. There will be a consultation. I am relaxed about the proposal. As hon. Members noted, similar projects have been successful in Scotland and I have had discussions with various members of the boards of national parks and the broads. We all treasure the broads and our national parks. We need to get the arrangements right, and as was pointed out, things change over time. It is important that we respond to the concerns and the accountability wishes of the people of this country.

I congratulate my hon. Friend the Member for Norwich, North, the proposer of the Bill. It is a reasonable and proportionate Bill. I congratulate the authority. There has been extensive consultation and although not everyone agreed, great efforts were made over a considerable time. I hope that we have been able to address people's concerns, particularly on the issue that has preoccupied the House most this afternoon—elections. I commend the Bill to the House.

6.36 pm

Dr. Gibson: May I associate myself with many of the remarks that have been made—

Mr. Deputy Speaker (Sir Michael Lord): Order. The hon. Gentleman needs the leave of the House to contribute again.

Dr. Gibson: With the leave of the House, Mr. Deputy Speaker. The only reason that I took up the Bill was that it involved safety issues. It is so important that we have legislation covering the safety of the public across the nation who use facilities such as football grounds, shopping centres or the broads.

During the debate on the Bill we have developed some good ideas, which are beginning to circulate. I am glad that support is coming through, and I have no hard feelings towards those who objected for so long. When they have had the chance, they have been quite positive about some aspects, and we should be grateful for that. One or two issues have been misunderstood and I hope they will be ironed out in the other place. For example, there has been agreement that navigation money from river tolls or broads tolls cannot be used other than for navigational purposes. Such matters need to be clarified.

Another important feature of the Bill is that an independent arbitrator can be set up, with an appeals process to deal with complaints such as those that we heard from hon. Members on the Opposition Benches.

I am pleased that there has been interaction. There is no doubt that when Norfolk people get together, things begin to happen. That is Norfolk soul, and we have seen evidence of that over the past year. Hopefully, the Bill will proceed quickly through the other place and we will maintain a broads facility that is second to none. When people use the facilities there, they will do so in safety and we will have none of the calamities and deaths that we have seen over the years.

I thank everybody who has participated—colleagues in all parts of the House and the Minister. I particularly thank the DEFRA officials who advised us on how to change some of the complicated provisions, and I am sure they will continue to do that.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

6.39 pm

Sitting suspended, pursuant to Order [29 April].

7 pm

On resuming—

BUSINESS OF THE HOUSE

Motion made, and Question put forthwith, pursuant to Standing Order No. 15 (Exempted business),

That, at this day's sitting, consideration of any Lords Messages that may be received may be proceeded with, though opposed, until any hour.—*[Mr. Alan Campbell.]*

Question agreed to.

DELEGATED LEGISLATION

Church of England Marriage Measure

Ordered,

That the Church of England Marriage Measure, which was laid before this House on 30th April, be referred to a Delegated Legislation Committee.—*[Mr. Alan Campbell.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put together the motions relating to trade descriptions and consumer protection.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118 (6) (Standing Committees on Delegated Legislation),

TRADE DESCRIPTIONS

That the draft Business Protection from Misleading Marketing Regulations 2008, which were laid before this House on 3rd March, be approved.

CONSUMER PROTECTION

That the draft Consumer Protection from Unfair Trading Regulations 2008, which were laid before this House on 3rd March, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

Mr. Deputy Speaker: I must now suspend the sitting of the House until such time as will be advised on the Annunciator.

7.1 pm

Sitting suspended, pursuant to Order [29 April].

Criminal Justice and Immigration Bill

Lords Message considered.

Mr. Deputy Speaker (Sir Alan Haselhurst): Under the order of the House of 6 May, any message from the Lords relating to the Criminal Justice and Immigration Bill may be considered forthwith without any Question put.

I have to acquaint the House that a message has been brought from the Lords as follows. The Lords insist on certain amendments to the Criminal Justice and Immigration Bill to which the Commons have disagreed for which insistence they assign their Reasons; they do not insist on the remaining amendments to which the Commons have disagreed; they agree to the amendments which the Commons have proposed to the words restored to the Bill; they agree to the consequential amendment which the Commons have proposed; they agree to the amendments which the Commons have proposed in lieu of certain of their amendments; and they agree to the amendments which the Commons have proposed to certain of their amendments.

Lords reasons: 9B, 301B and 327B.

8.20 pm

The Minister of State, Ministry of Justice (Mr. David Hanson): I beg to move, That this House does not insist on its disagreement with the Lords in their amendments Nos. 9, 301 and 327.

We had a full debate yesterday on the question of suspended sentence orders, and there was some discussion between the main parties and the Liberal Democrats on this matter. Obviously, I regret the fact that the other place has voted in the way that it has, but there is clearly a big disagreement between the two Houses.

I am firmly of the view that the impact of the clause was positive, but a number of points have been made by the hon. and learned Member for Harborough (Mr. Garnier) and the hon. Member for Cambridge (David Howarth), and also by such august bodies as the Magistrates Association, and what they have said, coupled with the reflection we have had from the Lords, means that we will not press this issue to a Division this evening.

Members know that we are addressing key issues in relation to the prison officers' right-to-strike provisions, which expire under the joint industrial relations procedural arrangement tomorrow—8 May. I have always had the intention of getting this Bill to Royal Assent by 8 May, and I feel that if we press this issue this evening we will severely complicate those matters. Therefore, I propose that we do not insist on the disagreement with the Lords, and I hope that the hon. and learned Member for Harborough, for whom I have had great regard during the passage of the Bill, and the hon. Member for Cambridge, will accept that with the good grace that I know they have within them.

Mr. Edward Garnier (Harborough) (Con): I am delighted that the Government have accepted the advice of the other place. I know it is not always easy for a Government with a majority in this House to accept such advice on all occasions, but the other place can proudly claim to have exercised its constitutional

[Mr. Edward Garnier]

role properly on this occasion, by inviting a Government to take advice. They have clearly listened to the advice of the other place. I claim no credit for any part in the Government's decision making; we have all had to do what we have had to do. It happens that the House of Lords' advice coincides with the remarks that I have been making, but that is a coincidence.

I thank the right hon. Gentleman, the Secretary of State and the Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle), for the constructive view that they have taken on this proposal, and I invite the House, including my right hon. and hon. Friends, to accept the concession that the Government have made this evening in the face of the advice of the other place. I ask us all to allow clause 10 to be deleted from the Bill.

David Howarth (Cambridge) (LD): Earlier in the day, I had the intense embarrassment of hearing the remarks I made on this matter yesterday cited with approval by not only the Liberal Democrat spokesman in the Lords but the Minister there.

I should reiterate what I was saying yesterday just for one purpose. Clause 10 was trying to deal with a problem that exists not just in respect of summary offences in the magistrates court, but in the Crown court—perhaps to an even greater degree—and in the magistrates court in respect of offences that are triable either way. The Government need to think about a holistic solution to the problem, not just a solution to one particular part of it, because by trying to resolve the problem in parts they threatened to cause a certain amount of confusion in the courts.

Another problem was raised in the Lords, where a fair point was made by Lady Butler-Sloss. The Government's solution was to say, "Perhaps we will implement this clause and then unimplement it." However, that would mean excessive change for the magistrates courts, in particular, to be able to follow. There has been too much change in the criminal law, one way or the other, for that ever to have been a plausible way out. I thank the Government for their concession on this matter, but I hope that they will keep thinking about how to resolve the problem, which they have rightly identified, in a more comprehensive way.

Question put and agreed to.

Lords reason: No. 285B.

The Parliamentary Under-Secretary of State for Justice (Maria Eagle): I beg to move, That this House does not insist on its disagreement with the Lords in their amendment No. 285.

I am pleased that at least we will have an offence of inciting hatred on the grounds of sexual orientation on the statute book. That is very positive, and everybody in the House should be pleased about it, as I am. It is a necessary provision.

The other place has insisted on its amendment, and I can advise the House that the Government will not resist it. We had a full debate yesterday, when there was a frank exchange of views. Perhaps not as much consensus emerged at the end as we might have hoped, although the vote was quite large—there was a 202 majority. We remain of the view that the amendment is undesirable and unnecessary; it does not add anything to the law as it would stand without its inclusion. However, as the Minister of State, Ministry of Justice, my right hon. Friend the Member for Delyn (Mr. Hanson), has explained, there is an urgent need for the Bill to receive Royal Assent.

I say to the House that between now and commencement we will prepare guidance—we had an extensive debate yesterday about guidance and its importance—explaining the operation of the new offences, taking into account the views and concerns expressed across this House and in the other place. Of course there will be an opportunity—doubtless there will be frequent opportunities—to revisit the issue in due course if it is the will of this House or the other House to do so. On that basis, I would like to propose that we do not disagree with the Lords in their said amendment.

Mr. Garnier: I congratulate the Government or, at least, this part of the Government, on having some connection with rationality; I congratulate them collectively and as individual Ministers on the part that they have played in brokering this sensible solution. I know that it is not easy for Ministers to have to accept alterations to legislation that they have so carefully thought about over many months, but the facts of life have returned to haunt them. I do not wish to crow about that for a moment. It is worth pointing out that of those who supported Lord Waddington—to whom considerable praise is owed—13 took the Labour Whip and two were bishops.

8.30 pm

I hope that every party will now coalesce around this solution and that those who are concerned about issues of detail will suppress those concerns for the greater good of the legislation as a whole so that the provision that is most central to this extraordinary Bill—the right to strike of prison officers—can be put on the statute book as quickly as possible. My hon. Friend the Member for Arundel and South Downs (Nick Herbert) is at the Prison Officers Association annual conference, and I know that the Secretary of State will be there tomorrow, to read the speech that my hon. Friend has made and to make his own.

I congratulate the Government on their magnanimous approach to this aspect of the Bill and also those of my hon. Friends who have supported Lord Waddington so doughtily in the stance that he has taken—*[Interruption.]* I hear a squeak, probably from the Liberal Democrats, suggesting that this is a free vote. It is a free vote, but we are making public law, and I would hope that all of us could sensibly agree that the position at which we have arrived, while not wholly satisfactory to everybody, is sensible and one that the rational elements among us can agree is the right way forward. I thank the Minister for her remarks and hope that we can now move forward.

David Howarth: I regret the announcement that the Minister has felt constrained to make. I accept that the Government do not want to take this route, but feel forced to do so by the political and industrial relations conditions, but the House should not let this Lords amendment through without some form of protest.

The Waddington amendment remains unacceptable to me for all the reasons that I gave yesterday. It claims that there is doubt about a statutory provision about which there is no doubt. The new offence of stirring up homophobic hatred is clear. It can be committed only by threats or with intent. There is no doubt about its content. To put into the statute a section that says

"for the avoidance of doubt"

implies doubt where there is none and, by its very existence, throws into doubt the rest of the section.

The second point is one that I return to without any regret. The Waddington amendment relies on a vague phrase—"of itself"—that is without clear meaning. It assumes that words can be spoken outside their context. We were told yesterday that the problem was that the police believe that words by themselves can be threats. That is nonsense. It is a bad argument that because someone else believes in nonsense, it should be put into a statutory section. If ever a problem would better be dealt with by guidance than by statute, this is it.

I stick to the third point that I made yesterday, which is my most serious point. The part of the Waddington amendment about urging people to change their sexual behaviour is inherently dangerous, because it is about not only words but action—action in a context that means it might well amount to threats. The exemption might be interpreted as creating a loophole, and not only that: in the longer term, people of ill will will be tempted to use the phrase as a euphemism—a code—for behaviour that is inherently threatening in its context and intention.

John Bercow (Buckingham) (Con): I entirely agree with the hon. Gentleman's assertion that the Waddington amendment is both superfluous and undesirable. The Government are conceding this point for entirely understandable, tactical reasons, but that does not affect the issue of principle. Does the hon. Gentleman agree that there is some significance in the fact that the most vociferous supporters of the Waddington amendment are people who have consistently opposed the creation of the offence of homophobic hate crime?

David Howarth: I fully agree. Anyone who was standing at the Bar in the Lords today, as I was, will fully accept that point and agree with the hon. Gentleman. If there was ever a circumstance in which people's words were different from their meaning, it was in the other place this afternoon.

I accept that there is a problem that has to be dealt with. It is the problem of the misinterpretation by the police of existing law, which has led to some ludicrous investigations. It should be said that those investigations took place under the Public Order Acts, which use completely different words—they talk about "threatening, abusive or insulting" language rather than threats alone, which are the words of the proposed offence.

Nevertheless, there might be a problem. The question is about the right way to deal with that problem. The Government offered a way to do that today through the use of statutory guidance—a proposal, as I said yesterday, with a good deal of merit. It was rejected by the House of Lords when they accepted the Waddington amendment. It is a sensible way of approaching the question.

In addition, a proposal was put forward yesterday by the Liberal Democrats and, in a different way, by the Conservatives, to add some procedural protection under which the Attorney-General or the prosecution authorities, whoever they might be in the future, would have to have special regard to freedom of expression or, in the case of the Conservative proposal, to quite a few other human rights, too, before deciding to bring a prosecution. As I said yesterday, that is an important protection. It is not merely meaningless words, and it provides at least some hope of judicial review in some circumstances.

Our view is that the right way to deal with the problem of the absurd investigations would be a combination of the Government's proposals on guidance and one of the procedural protections proposed by my party and the Conservative party. I deeply regret the fact that the Government have not chosen to go down that route. They had the opportunity to accept that route tonight, at this late stage. They chose not to, because of the lateness of the hour and the political circumstances in which they find themselves. I should remind the Government that they decided to add to the Bill the provisions about industrial relations in the prison system. They could have chosen a different way to do things. The Bill is full of far too many clauses on different issues that have been in the process of being dealt with for far too long. In terms of good legislative practice, it is near to being a disaster. On the offence that we are discussing, my party believes that tonight the Government have caved in to forces to which they should never contemplate caving in.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I should like to support my hon. Friend's amendment (a), which he wishes to pursue, and to identify and discuss the three reasons the Government find themselves in an unsatisfactory position. Two of their problems are self-inflicted, but one is a genuine problem that we discussed yesterday.

The first self-inflicted problem relates to the timetable that they set themselves with regard to the prison officers issue, which has already been discussed. There were alternative ways of going about the matter. It is unfortunate that the Government are accepting a good offence being made worse because of the timetable. The second problem concerns their failure to win the vote in the House of Lords. If Members read the *Hansard* of both occasions, they will see that the argument was won, but the vote was not.

The first time that the amendment tabled by Lord Waddington and his colleagues saw the light of day, the Government insisted on the House of Lords sitting late into the night, but regrettably they could muster only 57 people when the vote came. They lost by 81 votes to 57. The turnout was better tonight; I understand that the vote was 178 to 168, and that a significant number of Government Members were there. That is laudable, but as the hon. and learned Member for Harborough (Mr. Garnier) said, 13 Government Members still voted for the amendment. I am pleased to say that the Liberal Democrats in the other place were far more cohesive. I understand that none of them voted for the amendment. Given the numbers, the matter was in the

[Dr. Evan Harris]

Government's hands; they could have prevented us from being in this position, and it is regrettable that they failed.

The issue of significance is the widespread concern, which I and other colleagues yesterday accepted exists, about the misapplication by the police of existing offences that threaten freedom of expression. The Under-Secretary of State for Justice, the hon. Member for Liverpool, Garston (Maria Eagle) kindly offered to meet us to discuss whether guidance could be provided, not just on the new offence that we are discussing—I was pleased to hear her say that she still intends to produce guidance on that offence—but on sections 4A and 5 of the Public Order Act 1986, which have caused widespread concern.

It is acceptable and understandable for Members of this House to express concern about whether freedom of speech is unreasonably threatened by legislation, but as my hon. Friend the Member for Cambridge (David Howarth) set out, the offence of hatred on the ground of sexual orientation is very narrow. There is no doubt about the offence; the only doubt is introduced by Lords amendment No. 285. It will create more problems than it seeks to solve. The lesson is that although we must be vigilant about free speech, we must go about things in a more deliberative way.

I ask the Government to consider thinking more deeply about freedom of expression and whether there could be a review of where we are now, so that we can ensure that the police, the prosecutors and the public know what they can do, and so that concerns are not expressed, as they were yesterday, about whether strongly held views that are offensive will be subject to the criminal law. I hope that the Government will recognise that the problem may come back again, unless there is clarity on that point; this is the second time that they have found themselves in difficulty on the issue.

I make one final point. We Liberal Democrats are keen to preserve freedom of expression, as can be seen in our amendment (a). I recognise that there is support among Conservative Members for freedom of expression. However, I note that more than 50 Conservative Members voted last night to maintain our blasphemy laws. That is inconsistent of them. I regret the fact that we are in this position, and I will certainly vote in protest at the fact that we have not had the opportunity to register that regret.

Question put, That this House does not insist on its disagreement with the Lords in their amendment:—

The House divided: Ayes 324, Noes 46.

Division No. 174] **[8.44 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Armstrong, rh Hilary
Atkins, Charlotte
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benton, Mr. Joe
Beresford, Sir Paul
Berry, Roger
Binley, Mr. Brian
Blears, rh Hazel
Bone, Mr. Peter
Brazier, Mr. Julian
Breed, Mr. Colin
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Burden, Richard
Burns, Mr. Simon
Burt, Alistair
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cooper, Rosie
Crabb, Mr. Stephen
Crausby, Mr. David
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dean, Mrs. Janet
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Djanogly, Mr. Jonathan
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Dowd, Jim
Drew, Mr. David
Duddridge, James
Eagle, Maria
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
George, rh Mr. Bruce
Gibson, Dr. Ian
Gilroy, Linda
Goodman, Helen
Goodman, Mr. Paul
Gray, Mr. James
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, John
Heathcoat-Amory, rh Mr. David
Hendrick, Mr. Mark
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howarth, rh Mr. George
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hunt, Mr. Jeremy
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael

James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Mr. Kevan
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Kelly, rh Ruth
Kennedy, rh Jane
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, rh Mr. Greg
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mahmood, Mr. Khalid
Main, Anne
Malik, Mr. Shahid
Malins, Mr. Humfrey
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
Meale, Mr. Alan
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Penning, Mike
Penrose, John
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Pritchard, Mark
Prosser, Gwyn
Purnell, rh James
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Mr. Keith
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Turner, Mr. Andrew
Turner, Mr. Neil
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Waterson, Mr. Nigel
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Winterton, Ann
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Yeo, Mr. Tim

Tellers for the Ayes:
Mr. Bob Blizzard and Liz Blackman

NOES

Bercow, John
Betts, Mr. Clive
Brooke, Annette
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Corbyn, Jeremy
Featherstone, Lynne
Foster, Mr. Don
Hancock, Mr. Mike
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Kramer, Susan
Lamb, Norman
Leech, Mr. John
McDonnell, John
Price, Adam
Reid, Mr. Alan
Rennie, Willie
Rogerson, Dan
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Taylor, Dr. Richard
Teather, Sarah
Thurso, John
Weir, Mr. Mike
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wishart, Pete
Younger-Ross, Richard

Tellers for the Noes:
Jenny Willott and Paul Rowen

Question accordingly agreed to.

Road Safety (Hertfordshire)

8.57 pm

Mike Penning (Hemel Hempstead) (Con): It is a great pleasure to present to the House a petition on behalf of my constituents in Nash Mills parish, as well as the constituents of St. Albans, into where Lower Road bridge runs from my constituency. The petition is signed by 550 residents. That does not sound a particularly large number, but they represent nearly all the families who are having their lives blighted by the dangers of Lower Road bridge in Nash Mills. The Victorian bridge and tunnel has no footpath and was designed for the horse and carriage, not the 40-tonne lorries, buses, cars and motorcycles that go through the tunnel today. Some 2,217 movements were recorded in three hours through this tunnel, with no public footpath whatsoever.

The petition states:

The Petition of those concerned about the safety of Lower Road bridge in Nash Mills,

Declares that a safety crossing and traffic calming system is urgently needed for the Lower Road bridge in Nash Mills; that the Victorian bridge and tunnel has no footpath or alternative safe route being designed for horse and carriages rather than

[Mike Penning]

40 tonne lorries; that a local traffic survey found that on 24th October 2007 between 2pm and 5pm there were 2,217 movements through the bridge including HGV lorries, buses, vans, cars, motorbikes and pedestrians; that a large proportion of the pedestrians crossing the bridge are children; that 50 children live in the 150 dwellings in what is known as "no mans land" (Lower Road, Hyde Lane and Woodlands Road) and have to cross the bridge to access the local park; that further planned developments nearby (residential and business) are likely to exacerbate the problem on this bridge which has three junctions on its south side; and that if the Government is encouraging children to walk to school it should ensure the environment for them to do so is a safe one.

The Petitioners therefore request that the House of Commons urges the Secretary of State for Communities and Local Government to instruct the local authority to look into solutions to the problem which should include the introduction of pedestrian lights; reducing the height restriction on the bridge to 11 ft 4 in; adding a footpath and sensor light; painting the inside of the bridge white and lighting it 24 hours a day;—

because during the day pedestrians cannot see inside the bridge at all and are completely blind—

putting a speed camera in the Lower Road on the bend; providing islands to assist pedestrians in crossing the road and to consult further with the local community to ensure everybody's safety.

And the Petitioners remain, etc.

[P000145]

South West Regional Spatial Strategy

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Watts.]*

8.58 pm

Mr. Laurence Robertson (Tewkesbury) (Con): I am pleased to have secured this debate. I am very grateful to the Minister for staying behind to reply, particularly as we did not know what time it would be when we got to this stage.

The subject of this debate—the implications for Tewkesbury of the south west regional spatial strategy—is especially important. Not only do we have green belt, green fields and beautiful areas in my constituency that we wish to protect, but, as the world knows, we have a problem with flooding. I say "as the world knows" because it is true. On recent trips to three countries in the far east and four countries in the Caribbean, my constituency of Tewkesbury was known about for the wrong reason—the terrible floods of July 2007. It is worth remembering that as a result of those floods, three people lost their lives and thousands had their homes and businesses flooded. Hundreds of thousands lost mains water supplies—some for up to three weeks—and power supplies were affected. The effects of the July 2007 floods remain with us. Even now, almost 10 months on, approximately 385 households in my constituency are still displaced from their homes, and some are probably still months from returning to them. Business in certain parts of my constituency remains depressed.

I have held two Adjournment debates on flooding and on each occasion—and on many other occasions—I have said the following. People in my constituency accept that living at the confluence of two rivers means that the area will flood every so often. Fields in the area flood a number of times each year. Although we all accept that the rainfall of 20 July 2007 was exceptional, we believe that certain factors made the flooding worse than it needed to be. One factor was the poor maintenance of the culverts, sewers, drains, ditches and waterways, but the other factor was that too many houses have been built in flood risk areas. People accept that the area will flood, but the one overriding message that people give to me, which they want me to pass on to the Minister, is that we should not be making the situation any worse than it needs to be. We should mitigate, rather than escalate, the problem. Imagine, then, the disappointment and anger at the contents of the regional spatial strategy, which proposes the building of thousands of houses in my constituency, in areas that have to be classed as at risk of flooding.

Before I go any further, let me state what should be the obvious. This is not just a matter of whether the new houses flood. Houses built in the wrong place take up field space that would otherwise have soaked up water, thereby preventing that water from resting on those fields. Water will be sent into other areas, causing terrible flooding. In other words, the run-off of water from one development causes other developments to flood. That fact should be obvious, but certain people just focus on whether the new houses flood. That is missing the point, either deliberately or otherwise. Those people also state that houses built in those areas should be flood-resilient. Again, that is missing the point, because the presence of these houses causes

other houses to flood. It is my submission, therefore, that to build thousands of houses in or around my constituency would be madness. What further evidence, other than three deaths, people still being out of their homes and business still being flat 10 months on, do those taking the decisions need to persuade them to build houses elsewhere?

In the RSS, the required number of houses for the whole housing market area is about 56,400, with 23 per cent. of these—a total of 13,100—proposed for the Tewkesbury district. If we want to talk about constituency boundaries, 27.7 per cent.—15,600 houses—would be within my constituency, much of which is a flood risk area. If we analyse those figures, we see that the RSS proposes the building of many houses at Longford and Innsworth, close to the Walham power station, which, as everyone knows, almost went under during the 2007 floods. If the water had risen much higher at that power station, hundreds of thousands of people would have lost their mains power supply, and that was almost the case. If that area is not at risk of flooding, what is? How can it make sense to propose to build houses in such an area?

Houses also flooded in Bishop's Cleeve, but the RSS proposes the building of thousands of houses close to that village. Uckington floods, and flood alleviation schemes are being built to contain the River Chelt in that area. Yet again, thousands of houses are being proposed for that area, and 2,900 houses are proposed for the rest of the Tewkesbury district. From conversations that I have held with planners, it appears that those houses might have to be built close to Tewkesbury town, which was badly affected only last year, and remains so. No one can forget the television images of the town surrounded by water.

The evidence of the problems of excessive building is already there for all to see. For example, in Bredon road in Tewkesbury, houses in the process of being built flooded, and houses that were built in Noverton lane worsened the flooding in the village of Prestbury, where in June—never mind July—houses flooded for the first time in people's 40-year memories. They flooded again in July of course, and the streets became like rivers. Who can say that those extra houses did not worsen matters?

The Government often say that they have strengthened the case against building in flood risk areas through planning policy statement 25. However, a glance at that document, which was published in December 2006—months before the terrible floods in 2007—shows that the guidance on building outside flood risk areas is qualified by "wider sustainability objectives". The "exceptional test" allows building in flood risk areas.

So what is the principle that underpins PPS25? Is it avoiding inappropriate development in flood risk areas or ensuring that housing targets are met? In other words, the exceptional test undermines the principle of the whole document and disregards the dangers and major disruptions experienced by people who live in flood risk areas.

As Sir Michael Pitt says in his interim report:

"Some respondents felt that the introduction of this test could be interpreted as a get-out clause for local authorities"—

or, in this case, the RSS. Crucially, he continues:

"A decision to permit development should not be taken lightly by the planning authority, not least because a prospective purchaser will generally assume that the granting of planning permission signals that the local authority does not perceive there to be a problem with flood risk".

That is a good point. Who will buy those houses if they are perceived to be likely to flood, and if there are problems with insuring them? Earlier today, the Association of British Insurers told me:

"We want to ensure that wherever possible new homes are not built in high flood risk areas. If they are, then insurers cannot guarantee to offer cover."

Planning policy statement 25 calls for flood risk assessments to be made at all levels of the planning process. However, what flood risk assessments were made during the compilation of the RSS, a document that was largely drawn up before the floods of July 2007? Does not that in itself make it incumbent on the Secretary of State to require the authors to go back to the drawing board on their housing proposals?

What constitutes a flood risk area? If the definition is based on annual likelihood of flooding, how can that be assessed if we accept that climate change is taking place? In other words, a place with a one in a 100 chance of flooding in the past can no longer be assumed to be in that category if the climate is changing as the Government tell us it is.

We are, of course, supposed to be protected from inappropriate development by the Environment Agency. However, an appeal to build 600 houses near Longford in my constituency, close to Walham sub-station, is currently being considered by the Secretary of State. I have submitted photographs of at least part of that site when flooded, yet the Environment Agency did not even submit an objection to the application. Even worse, the Environment Agency said that the area did not have a monitoring station on the site, but it does. That station indicated flooding, so I hope that the Secretary of State will take that error into account when assessing the appeal.

I suggest that the fact that the Environment Agency has not objected to the proposed building at Longford is evidence that, as currently constituted, it is simply not up to the job and its role should be reviewed. How can the Environment Agency, when it has seen the effects of the flooding in my area, fail to object to the proposals to build thousands more houses there? It defies belief. Of course, some might describe my objection to those houses as an example of nimbyism—but if it is, so be it. I am paid to represent the people of my constituency, and I do not believe it to be in their best interests to have those houses.

Let us consider the situation somewhat more widely. Village post offices are closing, including a further six in my constituency, pubs are closing at the rate of an estimated 27 a week, and village shops are struggling. So why not top up the housing stock in villages throughout the country? Many villages are calling for such development, partly so that their own people can continue to live in the villages where they were born.

Why is the concentration on principal urban areas? Why are so many houses needed in the first place? What is the science used to calculate the need for such housing stock? It cannot be that the divorce rate and the life expectancy figures are still accelerating to such a degree. However, I accept that the net immigration

[Mr. Laurence Robertson]

figures are a worry, with a total of 1.62 million more people coming to this country than leaving it over the past 10 years, which puts pressure on housing. That perhaps needs tackling as a separate problem. The method of calculation, immigration, the dispersal of houses and the planning process are all underlying issues that the Government should tackle, rather than allowing unelected regional bureaucrats to make crude calculations about the number of houses that we are supposed to need in each constituency.

The Government have made two promises that are relevant to this debate. One, which they made before being elected to office, was to end the predict-and-provide approach to housing. That has not happened; in fact that approach has been entrenched, and on a regional basis, which is why we are in the current predicament. The second promise, made after last week's election results, was that the Prime Minister would listen to people's concerns.

The Prime Minister paid a welcome visit to my constituency during the flooding. I now call on him, the Secretary of State and the Minister to listen to what the people of Tewkesbury are saying: that building extra housing to the level proposed by the RSS would make the risk of flooding in the area significantly worse, with the risk to life, property, business and possessions being greatly heightened.

When he visited Tewkesbury, the Prime Minister saw for himself the water, the bowsers, the problems at Walham and the Mythe, and the enormous efforts that people were making to help each other. I know that he would not want us to go through that again. So through his Secretary of State and the Minister who is here tonight, the Prime Minister needs to reject the proposals in the RSS to which I have referred, in order to reduce that likelihood. To refuse to do so will be to fail to respond to the situation in which we found ourselves last year, and will also represent a failure to listen. As only the changes that the Minister makes to the RSS will be open to further public consultation, this is our last chance to affect the outcome of what, to us, is a crucial process.

9.12 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I congratulate the hon. Member for Tewkesbury (Mr. Robertson) on securing this debate. I am aware that he raised similar issues during a debate on the south west regional spatial strategy in January, to which my right hon. Friend the Chief Secretary to the Treasury responded, when she was Minister for Housing. The hon. Gentleman has this evening reiterated how important the regional spatial strategy for the south-west is to him and his constituents, and I commend him on that.

However, I am sure that the hon. Gentleman will be aware that I shall have to disappoint him tonight. Like my right hon. Friend in January, I am unable to respond to many of his concerns. The RSS process is a quasi-judicial one involving plans and planning decisions, and I do not wish in any way to prejudice the impartiality of my right hon. Friend the Secretary of State in coming to a decision. I apologise to the hon. Gentleman for that, but I hope that he will accept it.

It would be helpful to start by giving some background to the regional spatial strategy. A regional spatial strategy is a requirement of the Planning and Compulsory Purchase Act 2004. That piece of legislation, and the role of the RSS in particular, helped to strengthen the role and importance of regional planning. A regional spatial strategy's purpose is to set out a broad development strategy for a 20-year period. I acknowledge that the process undertaken in the preparation of a regional spatial strategy is often described as, at best, laborious. However, the regional spatial strategy is a vital document. The length of the process rightly reflects the need for extensive dialogue in its preparation.

A regional spatial strategy is a key component in achieving more sustainable development and provides a spatial context for local development frameworks and other strategies and spending frameworks. Regional spatial strategies include issues such as how much housing is needed, the general location where it should be built, the priorities for new infrastructure and economic development, the strategy for protecting countryside and biodiversity and the policy for reducing carbon emissions and safeguarding natural resources—for example, water and minerals.

It might also assist the hon. Member for Tewkesbury if I mentioned something about the history of the regional spatial strategy in his area of the south-west. As he will be aware, responsibility for the initial drafting of the regional spatial strategy rested with the regional assembly, which submitted its draft to the Government on 24 April 2006. A 12-week public consultation gave the opportunity to put comments to an independent panel, which was appointed by the Secretary of State for Communities and Local Government to test the soundness of the draft regional spatial strategy.

Following that, an examination in public was held between April and July 2007 to discuss and test the draft regional spatial strategy before the panel. The length of the examination in the public stage reflected the level of interest in the draft RSS, with the panel reviewing comments from almost 2,000 different parties. I understand that 191 organisations and individuals took part in public hearings held in Exeter. The panel's report was submitted to the Government on 10 December 2007 and was published for information on 10 January 2008. It contains recommendations to the Secretary of State on all aspects of the draft regional spatial strategy.

I have now set out the background to the draft RSS, but I reiterate what I said in my opening remarks—that I hope that the hon. Gentleman will understand that on account of the quasi-judicial nature of the process, I am very much constrained in what I am able to say at this stage about the detailed proposals contained within the RSS. I must point out that in taking quasi-judicial decisions under the Planning Acts, there is clear guidance for Ministers, which is based on advice from the Law Officers and First Treasury Counsel. A copy of the guidance can be found on the website of the Department for Communities and Local Government and is entitled "Guidance on propriety issues in handling planning casework in Communities and Local Government". If it would assist the hon. Gentleman, I can certainly provide him with a copy of

it. That guidance outlines that Ministers should not enter into discussions with interested parties on the changes that might be made to a draft regional spatial strategy while consideration is being given to the panel's report.

Martin Horwood (Cheltenham) (LD): Will the Minister give way?

Mr. Wright: I certainly will, even though the hon. Gentleman was not in his place at the start of the debate.

Martin Horwood: I am very grateful; I was listening to the debate from another location. The Minister says that the examination in public took account of many hundreds of submissions. However, in an area called Leckhampton, which straddles the boundary between the constituency of the hon. Member for Tewkesbury (Mr. Robertson) and my own, up to 1,300 extra homes have been approved for building on land that is waterlogged as we speak. That development, which will increase flooding in parts of both my and the hon. Gentleman's constituency downhill, has been approved despite hundreds of objections from local people. In effect, those unelected inspectors have made this decision with no democratic accountability. If the Minister will not answer questions on this strategy, where are we to ask them and how are we to challenge this decision making?

Mr. Wright: The hon. Gentleman has made his case, but I am not that tempted to respond to it. As I have tried to explain, the whole process regarding the regional spatial strategy is a quasi-judicial one and I do not want to be tempted to make any comment that would prejudice in any way the Secretary of State's ability to come to an impartial view about the figures and the detail contained within the RSS. I hope that the hon. Gentleman understands that point.

As I said earlier, the panel's report was submitted to the Government on 10 December and was published for information the following month. I am sure that the hon. Member for Tewkesbury would like me to explain, following the publication of the report for information, what the next step is. The Secretary of State is now considering the panel's report, along with all the representations previously submitted, and aims to publish her proposed changes as soon as possible. I must stress that at this stage no conclusions have been reached on any of the panel's recommendations. There will then be a 12-week period of public consultation when the proposed changes are published. That will be the opportunity for those interested in the content of the regional spatial strategy to make their comments known. Following consideration of comments and views arising from that consultation, the Secretary of State expects to publish the final regional spatial strategy before the end of 2008.

Mr. Laurence Robertson: Am I right in thinking that only the changes the Secretary of State proposes will go out to public consultation—in other words, the whole lot does not go out again, but only the changes?

Mr. Wright: Yes, that is my understanding: the proposed changes will be put out for the 12-week consultation.

The hon. Gentleman raised important points on flooding in his area. Again, I will not be drawn into talking about specific details, or about specific housing developments and planning permissions on floodplains. I should, however, point out that the Government believe that effective flood defences are a vital component of new infrastructure, and that they will be an integral part of development. Also, it is for councils to take key decisions on individual developments, but we have put in place the toughest planning rules ever through planning policy statement 25. For the first time, all councils must now consult the Environment Agency on their housing plans, to ensure that all new homes are safe from flooding and properly sustainable for the future. Those new rules have been praised by Sir Michael Pitt and the Environment, Food and Rural Affairs Committee's report on flooding, and they have been backed by the Association of British Insurers. I am pleased that we have put in place the toughest planning rules ever with regard to development on flood risk areas.

Martin Horwood: The Minister might be interested to know that not all the environmental organisations accept that the new planning guidance is sufficient, partly because it is only site-specific, so it does not take into account the overall landscape. If a site is entirely inundated with water, it does not really matter where the drainage goes. If the overall landscape has been allowed to develop in such a way that there is too much urbanisation, increasing run-off or increasing surface-water flooding, the local site-specific consultation will not be sufficient. Does the Minister not see the problem with that?

Mr. Wright: To some extent, the hon. Gentleman is making the argument for a regional spatial strategy. These matters sometimes transcend local boundaries, so it is important that we have a regional overview. Essentially, however, it is up to local authorities to carry out developments in a plan-led process, in order to make sure that the whole environment is considered when deciding where development should take place.

I am sure that—not for the first time—I will have disappointed the hon. Member for Tewkesbury that I have been unable to enter into a debate on the content of the south west regional spatial strategy. However, I am sure he will continue to represent his constituents' views energetically when the proposed changes are published shortly. He has done that tonight, and he did it in the debate in January.

Mr. Laurence Robertson: I am not satisfied with planning policy statement 25 as it is inadequate in that it compromises itself. My main point, however, is this: although I understand that the Minister is in a difficult position with regard to the process, all I am asking him to do is consider the serious points I have made about the difficulties the RSS will cause us in Tewkesbury. Will he have a serious discussion with the Secretary of State about the points I have made? That is all I expect of him tonight.

Mr. Wright: As I said, I will not do anything that will compromise the ability of the Secretary of State to be able to come to an impartial decision, based on the report that is put on their desk, with regard to the RSS. The hon. Gentleman has made his case on behalf of his constituents most eloquently tonight, as he has in previous debates, and I would expect nothing less from him.

Question put and agreed to.

Adjourned accordingly at twenty-four minutes past Nine o'clock.

Deferred Division

TEMPORARY AND AGENCY WORKERS (EQUAL TREATMENT) BILL [MONEY]: *Queen's recommendation signified.*

That, for the purposes of any Act resulting from the Temporary and Agency Workers (Equal Treatment) Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of any expenditure incurred under or by virtue of the Act by a Minister of the Crown or government department: and

(2) any increase attributable to the Act in the sums payable out of money so provided under any other enactment.

The House divided: Ayes 267, Noes 196.

Division No. 171]

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Anderson, Mr. David
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Cawsey, Mr. Ian
Challen, Colin
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Ciwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donaldson, rh Mr. Jeffrey M.
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howells, Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Khan, Mr. Sadiq
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Mercer, Patrick
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moran, Margaret
Morgan, Julie
Morley, rh Mr. Elliot
Mountford, Kali
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robinson, rh Mr. Peter
Rooney, Mr. Terry
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek

Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Alexander, Danny
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Cash, Mr. William
Chaytor, Mr. David
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Farron, Tim
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Gray, Mr. James
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Johnson, Mr. Boris
Jones, Mr. David
Keetch, Mr. Paul
Kennedy, rh Mr. Charles
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Smith, Sir Robert
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George

Question accordingly agreed to.

House of Commons

Thursday 8 May 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS] (BY ORDER)*

CANTERBURY CITY COUNCIL BILL *(BY ORDER)*

LEEDS CITY COUNCIL BILL *(BY ORDER)*

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(BY ORDER)*

MANCHESTER CITY COUNCIL BILL *[LORDS] (BY ORDER)*

NOTTINGHAM CITY COUNCIL BILL *(BY ORDER)*

READING BOROUGH COUNCIL BILL *(BY ORDER)*

Orders for Second Reading read.
To be read a Second time on Thursday 15 May.

Oral Answers to Questions

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Redundant Churches

1. **Ben Chapman** (Wirral, South) (Lab): What the policy of the commissioners is on redundant churches for which dioceses have found no alternative use. [204051]

The Second Church Estates Commissioner (Sir Stuart Bell): Good morning, Mr. Speaker. With your permission, may I draw the attention of the House to the Church Commissioners' excellent results for last year? The value of assets has grown to £5.67 billion, and £37 million more has been returned to the Church each year during the past decade. Those are figures of which the commissioners and the Church are justly proud.

In response to my hon. Friend's question, the arrangements for settling the future of redundant churches are set out in the Pastoral Measure 1983.

Ben Chapman: To what extent will the commissioners and my hon. Friend take account of the views of Sir Roy Strong in his book "A Little History of the English Country Church" about the variety of uses that local communities would find of value to them in using redundant church premises?

Sir Stuart Bell: I am grateful to my hon. Friend for mentioning Sir Roy Strong, whose work is closely followed within the Church. He is a renowned campaigner for making Church heritage live—not just preserving the heritage, but doing things with it. That is a concept with which we can all agree.

On the essence of my hon. Friend's question, in most cases an alternative use is found for churches that have closed down, and where not, the commissioners have to decide, after consulting their statutory advisers, between preservation in the Churches Conservation Trust or demolition.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Elections (Turnout)

2. **Simon Hughes** (North Southwark and Bermondsey) (LD): What additional measures the Electoral Commission has considered to increase public participation in elections. [204052]

Peter Viggers (Gosport): In addition to its long-standing voter registration campaigns, the Electoral Commission in advance of last week's election piloted a text message response service, extended its face-to-face voter registration activity and undertook additional work with local authorities and community groups to encourage voter registration.

Simon Hughes: Clearly, something worked to encourage participation last week. It might have been the prospect of defeating Labour candidates—[HON. MEMBERS: "You lost out."] Or other candidates—that is very true. Will the hon. Gentleman talk to the Electoral Commission about whether having as places to vote the places where most people go on voting day—railway stations, bus stations and shopping centres—is the logical thing to do, rather than making people go to places that, for many of them, are not on their beaten track, which means that many of them therefore decide to choose not to visit them at all?

Peter Viggers: The Electoral Commission has indeed carried out research on that general area, and rather than deal with the detail now I would prefer to write to the hon. Gentleman to let him know the overall package that the Electoral Commission has brought to bear on the issue and the extent to which it has piloted similar efforts. I will write to the hon. Gentleman and bring that to his attention.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Although it is true that the Electoral Commission has run voter registration campaigns, we all know that there are millions of people in this country who are not registered to vote who ought to be registered to vote. The non-registration rate varies between perhaps 5 and 25 per cent. in some parts of the country. What can we do to get a much more effective voter registration scheme under way across the country, so that we get the millions who are not registered on to the register so that they can vote?

Peter Viggers: The Electoral Commission runs a three-week campaign in advance of every election to encourage voter registration. The commission has previously piloted a registration week, but its view is that a three-week campaign, rather than focusing activity on a single week or day, allows more flexibility for local authorities to participate and that the cumulative effect of advertising over a longer period generates a higher response. The Electoral Commission's main concern is that there should be individual registration. It thinks that that would encourage registration and diminish the risk of fraud.

Peter Bottomley (Worthing, West) (Con): One of the ways in which participation is supposed to increase is by campaign spending by candidates. Will my hon. Friend please pass on to the Electoral Commission something that is a surprise outside the House as well as inside it, which is that in eight years the former Mayor of London apparently had no personal donations but they were all channelled through a political party, to the surprise of most who watched?

Peter Viggers: The rules on these matters are actually quite complicated; they overlap and the rules for regulated donees are different from the rules for candidates during the candidacy period. There is a specific question on this issue and if that question is reached, I will deal with it in some detail then.

Mr. David Chaytor (Bury, North) (Lab): Is it not the case that the most effective way of increasing participation in any election is by having 100 per cent. postal voting? The hon. Gentleman will know that, after the parliamentary by-election on 22 May in Crewe and Nantwich, the next most important occasion in the electoral calendar this year will be 3 July when we hold a mayoral referendum in Bury. Will he raise with the Electoral Commission whether all mayoral referendums should be required to have 100 per cent. postal voting?

Peter Viggers: As the hon. Gentleman has mentioned that specific issue, I will indeed raise it with the Electoral Commission as he has requested.

Sir Nicholas Winterton (Macclesfield) (Con): I am sure that Members on both sides of the House appreciate that people fought and died to get the vote. Is it not about time that people took responsibility themselves? They are able to register and it is up to them to do so. Why should we always go out of our way to make it easy for people to do something when, if they believe that voting is important, not only will they register but they will go out and vote?

Peter Viggers: My hon. Friend is absolutely right. Our predecessors who created the system of secret voting, with a possibility of tracing that secret vote in extremis, certainly knew what they were doing and developed a system that has enormous credibility and trust. Although the number of cases of fraud may be quite small, it takes only a small number of such cases to diminish credibility and trust, with a corresponding diminution in the value of our democracy.

Mr. Lindsay Hoyle (Chorley) (Lab): Will the hon. Gentleman look into the situation, such as that in Chorley, where registration in rented areas is always lower than anywhere else? Unfortunately, that does not show up because the figures are calculated on a macro-level and across council wards, which have a greater rate of registration at 70 or 80 per cent. However, the figure at a micro-level can drop to something like 30 per cent. What can we do to ensure that people in rented accommodation are treated equally to those in private accommodation?

Peter Viggers: One of the advantages that the Electoral Commission sees in individual registration is that it will pick up people who are not covered at the moment by the heads of households whose duty it is to register people to vote. That might be relevant to the hon. Gentleman's point.

Electoral Fraud

3. **Andrew Rosindell** (Romford) (Con): What steps are being taken to reduce the potential for electoral fraud and inaccurate electoral registrations. [204053]

Peter Viggers: The Electoral Commission informs me that it continues to issue detailed guidance and that it works with returning officers, electoral registration officers and the police on strategies for preventing and detecting electoral malpractice.

Andrew Rosindell: I thank my hon. Friend for that reply but, in the light of the recent London elections and local elections, will he tell us what investigations and reviews the Electoral Commission is carrying out to ensure the integrity of the electoral process, particularly with regards to postal voting? That is of great concern to a number of people because fraud has taken place in recent and past local elections.

Peter Viggers: My hon. Friend may have seen a recent report from the Joseph Rowntree Reform Trust into "Purity of Elections in the UK". It highlighted the fact that although fraud is not widespread, the system remains vulnerable. The commission is continuing to work hard with those who run elections and with the police to detect and deter fraud, but it also continues to call for the introduction of individual voter registration to make the system more secure.

Mrs. Ann Cryer (Keighley) (Lab): Although I do not describe the practice as fraud, the widespread use of personal votes in very patriarchal communities disfranchises a lot of women because the head of the household will vote on behalf of the women in his house. Are the hon. Gentleman and the commission aware of that practice, which means that I am afraid I do not agree with the proposal to extend the postal vote?

Peter Viggers: The hon. Lady's point is one of the reasons the Electoral Commission is very keen to press the case for individual registration and for each individual—male or female—to accept responsibility for their registration and, indeed, their democratic right to vote.

Mr. Mark Field (Cities of London and Westminster) (Con): Given the inaccuracies in the electoral register, is there not a special problem that is tied in with the inaccuracy of census data? There are now rather perverse but strong incentives for local authorities to keep names on the register inaccurately in order to qualify for larger central Government grants. Will my hon. Friend ensure that that issue is dealt with as part and parcel of the reforms that are urgently needed for the integrity of our electoral system?

Peter Viggers: Indeed, and in reply to an oral question on 20 March, I spelled out the Electoral Commission's concern about the inadequacy of data. It is not possible to measure turnout accurately because there is not an accurate list of those who are entitled to vote.

Mr. Kevan Jones (North Durham) (Lab): I agree with my hon. Friend the Member for Bury, North (Mr. Chaytor) that the way to increase participation at elections is to have all-postal ballots. Why has the Electoral Commission ignored its original report into electoral pilots in places such as the north-east, which resulted in a by-election in my constituency with a 67 per cent. turnout? It found that there was no great instance of fraud and that the pilots were a good way of increasing participation. Why did the commission retreat from that and possibly bow to the pressure of some of the popular press?

Peter Viggers: The Electoral Commission takes a balanced view on that. There are great advantages in postal voting. Its view is that the postal voting system should be improved and any possible fraud removed. Central to that is individual registration.

Supplementary Vote System

4. **Mr. Adam Holloway** (Gravesham) (Con): Whether the Electoral Commission has made an assessment of the effectiveness of the supplementary vote system used in the London mayoral election. [204054]

Peter Viggers: The Electoral Commission informs me that it has made no such assessment.

Mr. Holloway: Does my hon. Friend think there may be an argument for reforming the 5 per cent. threshold whereby extremist parties such as the British National party can gain seats with a relatively small number of votes?

Peter Viggers: The view of the Electoral Commission is that its role is to report on the administration of statutory elections in the UK and to provide information to electors on the way the electoral system works. However, it takes the view that it is the responsibility of the Government to promote and for Parliament to decide on the detail of the manner in which the vote is implemented.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Carbon Emissions

5. **Norman Baker** (Lewes) (LD): What steps the commissioners are taking to reduce the carbon footprint of activities within their responsibility. [204055]

The Second Church Estates Commissioner (Sir Stuart Bell): Within their own areas of responsibility, in 2007 the commissioners increased from seven to 18 the number of fuel-efficient hybrid-power cars provided to bishops, and they aim to reduce carbon dioxide emissions in diocesan bishops' houses and offices by 60 per cent. by the year 2050 in line with the Government's energy White Paper.

Norman Baker: I am grateful for that answer and encouraged to learn that action is being taken. Does the hon. Gentleman agree that the most important thing is to have an overall assessment of the carbon footprint of all the activities of the Church Commissioners and that they are all subject to a target for carbon reduction in line with the specific target that he referred to for housing?

Sir Stuart Bell: I am grateful to the hon. Gentleman for that question. He will remember the answer that I gave him on 23 July 2007 in relation to the National Church Institutions being committed to the Church's shrinking footprint campaign. I am sure he would agree that there is a welcome conference taking place at Lambeth Palace on 13 May, when the Archbishop of Canterbury will host the first anniversary celebration of "Together", a climate change campaign that aims to make the practical things that everyone can do easier and more affordable. I welcome the hon. Gentleman's commitment to the cause.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for Gosport, representing the Speaker's Committee on the Electoral Commission, was asked—

Candidates (Declaration of Donations)

6. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): If the Electoral Commission will take steps to ensure that candidates for directly elected office declare donations made to them separately from donations made to their political party. [204056]

Peter Viggers (Gosport): The rules on reporting donations by parties and candidates are set out in the Political Parties, Elections and Referendums Act 2000. The commission's role is to ensure compliance with those rules. The commission informs me that it publishes guidance for parties, candidates and agents, provides advice on request, and takes enforcement action in accordance with the Act if the rules are not followed.

Mr. Hands: It is unacceptable that a candidate for, and the incumbent of, a directly elected office, particularly that of, for example, the elected mayor in London, do not have to declare donations, especially if that person is a sole-person planning authority meeting in private. We really must have transparency to see who is funding that person. I urge the Electoral Commission to have another look at that.

Peter Viggers: The rules for declaring donations overlap and are not consistent. Donations over £1,000 made to an individual in connection with political activities must be reported to the commission within 30 days of acceptance. Donations over the value of £50 for use by a candidate during the regulated period must be reported in the candidate's election expenses return. For the mayoral election in London, the expense return is due 70 days after the election result is declared. Meanwhile, donations over £5,000 received by a party must be reported in the party's quarterly donation report to the commission.

Perhaps I may add that the commission received a number of complaints alleging a failure by Ken Livingstone to report donations in connection with the mayoral election. The commission concluded that there was no evidence of a breach of the donation reporting requirements.

CHURCH COMMISSIONERS

The hon. Member for Middlesbrough, representing the Church Commissioners, was asked—

Livings (Crown Patronage)

7. **Robert Key** (Salisbury) (Con): How many livings in the Church of England are under the patronage of the Crown; and how many of the incumbents of those livings are women. [204058]

The Second Church Estates Commissioner (Sir Stuart Bell): There are approximately 650 parochial appointments in the gift of the Crown, of which patronage for around 450 is exercised on the Crown's behalf by the Lord Chancellor. In some cases, the patronage right is shared in turn with other patrons of the benefice; 103 of those appointments are held by women.

Robert Key: There is clearly still some way to go. Does the hon. Gentleman agree with me that it really is time that the Church of England stopped discriminating against 50 per cent. of the human race when it comes to episcopal appointments? Can he imagine this House finding it expedient to agree to any Measure from Synod that sought to discriminate against women, in the hope that it was going to allow women bishops in the Church of England—but not at any price?

Sir Stuart Bell: I am grateful to the hon. Gentleman for his comments. He will remember that this House voted almost unanimously, but certainly overwhelmingly, for women priests way back in 1992. Given that he is a member of the General Synod, he will know that in July it will look at the options for progressing the ordination of women as bishops, informed by the recently published report of the legislative drafting group, chaired by the Bishop of Manchester. This House—in its majority, I think—supports women bishops and we urge the Church in this case to make haste less slowly.

SOLICITOR-GENERAL

The Solicitor-General was asked—

Migrant Domestic Workers

9. **Mr. Anthony Steen** (Totnes) (Con): How many prosecutions and convictions there have been of employers of migrant domestic workers for offences associated with abuse of their employees in the last three years; and what steps the Crown Prosecution Service is taking to increase the rate of prosecution. [204034]

The Solicitor-General (Vera Baird): The Crown Prosecution Service does not hold data on prosecutions and convictions for employers of migrant domestic workers for abuse of those employees. It has prosecuted 285 people in the last three years for employing people contrary to their immigration status, which is important because employees are of course more vulnerable if they are being employed unlawfully. The CPS continues to contribute to the development of early identification and referral mechanisms for victims of labour exploitation, in the hope of improving the rate of successful prosecutions.

Mr. Steen: I have met a number of domestic migrant workers—women—who have been savagely abused. They have been raped and beaten, they have no rooms of their own, they work seven days a week—in effect, they are on call 24 hours a day—and they are terribly paid. Some of them have been trafficked. Does the Solicitor-General agree with me that the Home Office's plan to change the domestic migrant visa so that it cannot be transferred from the single employer to another employer will actually drive trafficking underground and prevent those women from escaping the horrors of their domestic slavery, and that this Government are committed to doing something that will save those women, not make things worse? Will she say something about the Home Office's plans, which, if they come into force, will make matters very much worse for such women and very much better for the employers?

The Solicitor-General: I am not going to comment on a Home Office matter. However, I understand from ministerial colleagues that research and analysis are in place that should report this month—the hon. Gentleman probably knows that, given his role as chair of the all-party group on the trafficking of women and children—on the risks associated with the exploitation of overseas domestic workers, so that in due course, once we have proper research, we can consult on the overseas domestic workers route and how best to offer protection to exploited people.

Recently—in April—there was a plea of guilty at Snaresbrook Crown court to facilitating a young girl's trafficking for domestic servitude; those involved will be sentenced on 16 May. There will be another prosecution

in June, at Harrow, under section 4 of the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004, concerning the exploitation of overseas domestic workers. So prosecutions do appear to be coming through.

Chris Bryant (Rhondda) (Lab): But will the Solicitor-General take away the concern of the whole House and work with colleagues to make sure that there is a whole-Government approach to ensuring an end to the completely unscrupulous levels of servitude and exploitation by employers, which are on a mediaeval scale? Will she further try to ensure that Ministers introduce measures soon to make it more difficult for such employers to bring people into this country and undercut the conditions that ordinary British people would expect as only fair and just?

The Solicitor-General: My hon. Friend makes a powerful point. As he knows, the problem with prosecuting on behalf of exploited employees is the difficulty in getting those employees to come forward. We have to work hard on that. He knows that Operation Pentameter 2, which started last October, has a focus on labour-exploited people. There have been discussions involving the Gangmasters Licensing Authority, which is likely to have the ability better to recognise unscrupulous gangmasters and to be involved in identifying cases. We are taking considerable steps to tackle the issue and all suggestions will be gratefully received on that basis.

Mr. Speaker: We now come to Question 10 to the Solicitor-General. Before I call the hon. Member for Orkney and Shetland (Mr. Carmichael) to ask his question, I remind him and other Members that the case involving the termination by the director of the Serious Fraud Office of its investigation into BAE Systems is sub judice and so should not be referred to directly.

Serious Fraud Office

10. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What role the Law Officers play in decisions by the Serious Fraud Office on the conduct of legal proceedings. [204035]

The Solicitor-General: The Serious Fraud Office exercises its case work functions independently, subject to the statutory superintendence of the Attorney-General. This may include consultation on particularly difficult cases. For certain offences, including offences of corruption, the Attorney-General's consent is required by statute. She exercises that consent role as a Law Officer independently of Government, applying well-established principles of prosecution.

Mr. Carmichael: Thank you, Mr. Speaker, and of course I accept absolutely your very proper direction. The House may wish to consider at some later date whether it is well served by a sub judice rule that is so wide in its application that we are the only people who are not able to question the conduct of Law Officers.

Can the Solicitor-General give the House an assurance that there has been and will be no case under consideration by the Serious Fraud Office where she has intervened to prevent the advancement by the SFO of an argument in support of its position that could be politically embarrassing to the Government?

The Solicitor-General: The Liberal Democrats have ears to hear, but they never do hear when I say—I have already asserted this and I now repeat it for about the 50th time to the hon. Gentleman and his colleagues—that the Attorney-General exercises a consent role when it is statutorily demanded of her, totally independent of Government interest. As the hon. Gentleman well knows, a series of proposals in the White Paper "The Governance of Britain" will look at all the issues that he wants to raise. It is absurd to suggest that there is no opportunity to question the conduct of the Law Officers because of course that is exactly what is going on now.

Fiona Mactaggart (Slough) (Lab): As the Law Officers have responsibility for the prosecuting authorities, will my hon. and learned Friend ensure that they are advised to ensure that, in taking fraud cases, they do not always make the petitioner the big gun in the case, as it were? In my constituency, there is a case in which a small company was a victim of fraud, as were other companies. Because the case was taken with that of a big company—the major petitioner—the small company did not get its proper recompense out of the case. Will she advise prosecuting authorities to make sure that the way they conduct cases takes into account the vulnerability of the petitioners?

The Solicitor-General: My hon. Friend, in characteristically defending the rights of her constituents, has raised the issue before. She makes the powerful point that a relatively small company, for which the victimisation in the case was very serious, was not able to get the sort of compensation received by the major protagonist, the big company. The Crown Prosecution Service well understands that point, which she has made well. We have received it and passed it on.

David Howarth (Cambridge) (LD): I am not sure whether the Solicitor-General answered the question put to her by my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael). He asked whether the Government were proposing sufficient measures in the Constitutional Renewal Bill to guarantee the independence of the prosecuting authorities from the Law Officers. Who is responsible, as between the Law Officers on the one side and the director of the SFO on the other, for responding to the ridiculous suggestion that I gather has come from a certain quarter that there be a "legal review", whatever that is, of the uncompleted investigation into BAE Systems?

The Solicitor-General: I think the hon. Gentleman is talking about yesterday's "PM" programme, and about BAE senior management making some sort of proposal. It is likely that the new director of the Serious Fraud Office will respond to that, if indeed a response is merited. The position of the Law Officers vis-à-vis the director of the Serious Fraud Office is very clear. It is of course part of the constitutional renewal proposals that it should be made even clearer, and there should be a protocol, which will be a public document, to regulate the relationship between the two.

Crown Prosecution Service (Northamptonshire)

11. **Mr. Philip Hollobone** (Kettering) (Con): What assessment she has made of the performance of the Crown Prosecution Service in Northamptonshire against its targets in the most recent period for which information is available; and if she will make a statement. [204036]

The Solicitor-General: I am pleased to say that CPS Northamptonshire is a high-performing area. All CPS areas are monitored every quarter against 15 key performance indicators, and the hon. Gentleman's own CPS is performing at or close to its target in 13 of those 15 areas.

Mr. Hollobone: In congratulating the chief Crown prosecutor of Northamptonshire, Grace Ononiwu, on being awarded the OBE in the new year's honours list, will the Solicitor-General comment on the overall assessment of the CPS in Northamptonshire as "fair"? Will she also comment on the outcomes of cases in magistrates courts, which are assessed as being below the national average?

The Solicitor-General: Yes, I understand that the CPS in Northamptonshire narrowly missed achieving a "good" score, achieving a "fair" score instead. In four of the five critical aspects of performance, the inspectors judged the direction of travel to be "improving". I had not understood there to be difficulties in regard to the outcomes in the magistrates courts. The magistrates courts and Crown courts certainly appear to have achieved successful outcomes, as their targets require. They have reduced ineffective trials, which is another key target related to both kinds of court, and they appear to be applying their case work quality assurance satisfactorily, so I am not sure that they are failing in that regard. In fact, they have been slightly under par in the way in which they have dealt with the issue of no witness, no justice—which deals with witness care material—but they have failed by only 0.4 per cent. in that area, so they really are doing quite well and going in the right direction.

Mr. Peter Bone (Wellingborough) (Con): On the CPS in Northamptonshire, what measure does the Solicitor-General have of its success in tackling human trafficking?

The Solicitor-General: The quarterly assessments do not break down in that way. They show performance by category of case, and show only broadly how the duties are being carried out. If the hon. Gentleman wants me to make a specific inquiry into how the chief Crown prosecutor is doing in that regard, I have no objection to doing so.

Monarchy (Male Primogeniture)

12. **Andrew Mackinlay** (Thurrock) (Lab): If she will include provisions in the single equality Bill to end the practice of male primogeniture in succession to the throne. [204037]

The Solicitor-General: The equality Bill will combat discrimination in the provision of goods, facilities and services, in public functions and in employment. My right hon. Friend the Lord Chancellor, who has responsibility for issues of succession, has made it clear that the Government are ready to consider the arguments about primogeniture. This is a complex area, and any change in the law governing succession to the throne would require the consent of the other Commonwealth countries of which Her Majesty is Head of State. The Government will keep the position under review.

Andrew Mackinlay: But why will the Government not let us have a discussion about the institution of the monarchy? Many of us find offensive the fact that our Head of State has to be of a particular religion. In a modern democracy, the Head of State should be able to be of any religion or none. We do not want to tinker with this matter just to suit some members of the royal family. The rule of male primogeniture is offensive, but so are the rules relating to the religious faith—or lack of it—of the Head of State. It is time for us, and the other countries that are subject to the Statute of Westminster, to be radical and to address this matter. Let's get on with it!

The Solicitor-General: I hear what my hon. Friend says. He says it loudly and he says it strongly, so he has just proved any suggestion that we do not discuss these issues to be incorrect.

Mr. Dominic Grieve (Beaconsfield) (Con): I suspect that there are universal views across the House that male primogeniture is an aspect of the royal succession that could be sensibly changed. Could the Solicitor-General confirm that the major issue is that the Act of Settlement applies not only to this country but to all other Commonwealth countries that have the Queen as Head of State and that, in the circumstances, for us to move without moving at the same pace and in the same fashion as those countries would cause problems that are probably best avoided?

The Solicitor-General: I was grateful for the hon. and learned Gentleman's support, but then he backslid a little bit in the last sentence. However, he pinpoints the problem, which is about the Commonwealth countries.

WOMEN AND EQUALITY

The Minister for Women and Equality was asked—

Milton Keynes Racial Equality Council

16. **Mr. Mark Lancaster** (North-East Milton Keynes) (Con): What funding the Government provided to Milton Keynes racial equality council in each of the last two financial years.[1] [204060]

The Minister for Equality (Barbara Follett): Milton Keynes racial equality council received around £50,000 of Government funding in 2006-07 and around £60,000 in 2007-08. That represents 28 per cent. of the total amount received by all racial equality councils in the country during those years. In addition, Milton Keynes racial equality council received a grant of £45,000 from the Commission for Racial Equality in 2006-07 and another of £42,000 in 2007-08.

1. *[Official Report, 5 June 2008, Vol. 476, c. 11MC.]*

Mr. Lancaster: I am grateful to the Minister for that reply. I know that she values the work of Milton Keynes racial equality council as much as I do. However, she did not mention that this year that grant has been cut from £42,000 to zero, so there will be no money this year. That is having a major impact on the council's work in Milton Keynes. Is the Minister prepared to meet a delegation from Milton Keynes to discuss the impact that the cut is having and to see what can be done in future? I hope that the hon. Member for Milton Keynes, South-West (Dr. Starkey) will join that delegation and come and see her to discuss the matter.

Barbara Follett: As the hon. Gentleman knows, Milton Keynes racial equality council has got £60,027 from central Government, but I agree that its funding from the Equality and Human Rights Commission has been cut this year. That is because the commission awarded £10.9 million to successful applicants in its first grants this April. That was a competitive process because, as usual, the numbers of applicants exceeded the amount of money available, and entries were rigorously assessed. Milton Keynes REC can apply again later this year for the 2009-10 programme. However, Milton Keynes council has received £105 million from the Government office for the east midlands extremism fund. The allocation of those funds is obviously a matter for the local authority, but it might be wise if Milton Keynes REC approaches it. I would be very happy to meet the hon. Gentleman.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): Milton Keynes racial equality council has already had a meeting with Milton Keynes council, so I hope that the option of the prevention of terrorism fund has already been explored. However, there is an issue about how the EHRC has allocated grants, and I wonder whether the Minister might put pressure on it to work with Milton Keynes REC to ensure that the grant application that it puts in next year is better attuned to the criteria used by the EHRC than it appears to have been this year.

Barbara Follett: I thank my hon. Friend for that considered question. The EHRC is an independent body, but I will speak to its chair, Trevor Phillips. On this occasion, the grants had to come up to a very rigorous set of requirements, and unfortunately Milton Keynes did not quite make it. I will talk to the EHRC about the help that it could give to Milton Keynes, but I also suggest that both Members of Parliament ask their local authority to give help, as I know that my own local authority has set up a grants adviser because this has become an area where expertise is needed.

Single Equality Bill

17. **Mr. Mark Harper** (Forest of Dean) (Con): When she plans to publish draft clauses of the single equality Bill. [204061]

The Minister for Equality (Barbara Follett): My right hon. and learned Friend the Minister for Women and Equality has made it clear on several occasions in this House that we would seek to publish some of the clauses of the equality Bill in draft when they are ready. If we are to publish those draft clauses, we want to make sure that they are as near final as possible before we do so.

Mr. Harper: I thank the Minister for that interesting answer, although if the draft clauses are "as near final as possible", it does not sound as if minds are open to having them changed based on contributions from elsewhere. I have a very simple question: given that it is now May and the draft clauses still have not been published, is it still the Government's intention to introduce the Bill in the Queen's Speech in November 2008?

Barbara Follett: The short answer to that question is yes, and the slightly longer answer is that one of the reasons for the delay is that we are considering the many hundreds of replies that we had to the consultation. Policy changes have been made that we need to consider carefully.

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): What discussions has the Minister had with the Scottish Government on the single equality Act and on how its provisions will affect devolved matters?

Barbara Follett: My right hon. and learned Friend the Minister for Women and Equality has been to speak to the Scottish Government and to MSPs, and I will be going there later this year to discuss the matter.

Mr. Simon Burns (West Chelmsford) (Con): With regard to the consultations that have taken place on the draft Bill, will the Minister tell us what consultations have taken place on primogeniture and the line of succession? What representations have the Government received from those who may be affected by it?

Barbara Follett: As far as I know, none, but I will check and write to the hon. Gentleman.

Jo Swinson (East Dunbartonshire) (LD): Here is a representation for the Minister. Next weekend, Peter Phillips is due to marry Autumn Kelly; she has had to convert to the Church of England to preserve his place in succession to the throne. I am sure that the whole House will want to wish the happy couple well on their big day, but would it not be better to send them a wedding present by using the equality Bill to abolish that institutional discrimination against Catholics?

Barbara Follett: I think that I will confine myself to congratulating the happy couple, and wishing them well in their marriage, which, as hon. Members know, requires a lot of adjustments on both sides at the beginning, middle and end.

Lynne Featherstone (Hornsey and Wood Green) (LD): The Minister may be aware that I referred the case of Lady Louise being bumped out of line to the throne to the European Court of Human Rights, and it has responded positively, supporting the principle of getting rid of male primogeniture. The Solicitor-General made positive comments about that change being in the Act, and I congratulate the Government on that and welcome it. Does the Minister agree that it

is very disappointing when those on the Tory Benches slide backwards and say that because it is difficult in the Commonwealth—*[Interruption.]*

Mr. Speaker: Order. It is not for the Minister to concern herself with Conservative party policy. The hon. Lady has been called because she is a Liberal spokesman, so she should put her question to the Minister.

Lynne Featherstone: You are right, Mr. Speaker, as always. Will the Minister assure me that the difficulties of working this through the Commonwealth should not stand in the way of its being done? It is right that it should be done, and we have heard from all parties that it should be done, so will the Minister confirm that view?

Barbara Follett: This kind of change in our country, which has a long tradition, is always difficult. Before any change is brought in, we will try to build a cross-party consensus, and a cross-Commonwealth consensus. Primogeniture is a problem, and it is offensive, but we have to approach the matter cautiously.

Women into Business and Enterprise Initiative

18. **Dr. Roberta Blackman-Woods** (City of Durham) (Lab): What discussions she has had with regional development agencies on their support for the women into business and enterprise initiative. [204062]

The Minister for Equality (Barbara Follett): The regional development agencies have a vital role in tackling inequalities, as I know as Minister for the East of England, including delivery of the Government's new package of support for women that was outlined in the enterprise strategy. That is why the Minister for Women and Equality wrote to the RDA chairs on 1 May to ask about the progress that they had made on this vital agenda.

Dr. Blackman-Woods: I thank my hon. Friend for her response. Does she agree that support networks, such as Women Into the Network, which is hosted by the business school of Durham university in my constituency, have a vital role to play alongside the excellent initiatives that the regional development agency, One NorthEast, undertakes in unlocking women's business skills? Does she also agree that that is necessary if we are to continue to grow entrepreneurship in the north-east and exceed current trends?

Barbara Follett: We women came to networking rather late. We are doing it now in politics and business as fast as we can. I am pleased with the work that Durham business school has done and the partnership that it has forged with the RDA, One NorthEast. The latter has funded Durham business school's networking initiative and, with Business Link North East, helps to sponsor its annual awards. That is the way forward for women—getting together, mentoring and helping each other as far as we can.

Miss Anne McIntosh (Vale of York) (Con): How many chairmen of regional development agencies are women? How does that reflect on the equality agenda?

Barbara Follett: All RDA chairs are charged with taking forward equalities. However, I am sorry to say that I do not know the answer to the hon. Lady's question. I will have to write to her.

Carers (Flexible Working)

19. **Ms Dawn Butler** (Brent, South) (Lab): What steps the Government are taking to increase awareness among carers of their right to request flexible working. [204063]

The Minister for Women and Equality (Ms Harriet Harman): The right for carers to request flexible working is important, with the number of those aged over 85 expected to increase by 50 per cent. in the next 10 years. Despite the fact that most of them will be in better health, they will need some care and support. Employers are granting many requests for flexible working, but there is a low level of awareness of the right, which we will tackle with an information campaign.

Ms Butler: I thank my right hon. and learned Friend for that response. My constituency of Brent, South is the most diverse in the UK. As such, it is tradition that many people look after elderly relatives. However, they do not understand that they have a right to request flexible working. Can my right hon. and learned Friend expand on what the Government will do to ensure that people are aware of their rights when caring for elderly relatives?

Ms Harman: We want to ensure that, in every community throughout the country, people are aware of the right, which the House introduced, to request flexible working if they provide any care for an older relative. Of course, it is important to have good public services to support older people, most of whom live independently in their own homes. However, family care is very important, and the stay-at-home daughter who used to provide that care is now a going-out-to-work daughter. Flexibility for those who are working as well as caring for relatives is therefore important. That will be part of the consultation on the carers' strategy, which the Prime Minister established and is being led by the Department of Health. It will report later in the summer.

Mrs. Theresa May (Maidenhead) (Con): I apologise for not being present at business questions later, but I shall be attending the funeral of that redoubtable parliamentarian, the late Gwyneth Dunwoody.

The Minister previously promised that the Government would follow the Conservative party's policy of extending the right to request flexible working to parents of all children under the age of 18. Will she guarantee to follow our policy of flexible parental leave, which would allow parents to have parental leave that they could share and give them the opportunity to take it simultaneously?

Ms Harman: It is important for both fathers and mothers to have appropriate leave and flexibility in their work. The Government have led the way on that, and we will take it further. That is why we set up the review under Imelda Walsh to ascertain how we could build on the legislation that we introduced at a time

when the Opposition called it an example of the nanny state. I am grateful to Imelda Walsh for her work. We will publish her report shortly and, at that point, will look for all-party support. The right hon. Lady is a bit of a Jenny-come-lately on the matter.

Miss Anne Begg (Aberdeen, South) (Lab): I am delighted to hear that there will be an advertising campaign to make people aware of the right to request flexible working. However, when someone suddenly has to become a carer, they sometimes drop out of the workplace. It is then quite difficult for them to get back in, because they have to have worked for an employer for six months before they can make that request. Will my right hon. and learned Friend look into that, to ensure that people with caring responsibilities are not forced out of the workplace in the first place and to make it easier for them to return?

Ms Harman: The question of people who have been out of the workplace with full-time caring responsibilities who need to get back in is something that the Secretary of State for Work and Pensions is concerned to include in his contribution to the carers' strategy, which will be published later in the summer. The key thing, as my hon. Friend said, is that people should not have to choose between giving the care and support that they want to give to an older relative and remaining financially independent by going out to work. With the growing number of older people, which is a demographic revolution, we need to ensure that that is recognised in the structure and patterns of work. As for the 26 weeks, my hon. Friend will be aware that it is the normal condition across the board under employment law, and we do not propose to change it in that respect.

LEADER OF THE HOUSE

The Leader of the House was asked—

Treaty Ratification Procedure

26. **Mr. Mark Harper** (Forest of Dean) (Con): What consideration she has given to the modernisation of parliamentary procedure relating to the ratification of treaties. [204041]

The Deputy Leader of the House of Commons (Helen Goodman): Proposals on parliamentary scrutiny of treaties are included in the draft Constitutional Renewal Bill, which is currently being considered by a Joint Committee of Parliament. Under the proposals, the Government would be legally required to lay treaties before Parliament for 21 sitting days prior to ratification. A vote by either House against ratification would mean that the Government could not simply ratify the treaty without further steps. In particular, the Government could not ratify a treaty that the Commons had voted against, unless they relaid the same or a revised proposal and the House did not vote against it again. The Government believe that the right of Parliament to scrutinise treaties before ratification should be based on statute. This will transfer power from the Executive to Parliament and make the rules clearer and more transparent.

Mr. Harper: I am grateful to the Deputy Leader of the House for that answer, but in a previous case where we had parliamentary scrutiny of a treaty—namely the Lisbon treaty—it was not a rip-roaring success. The Government broke their promise on having a referendum and then we were promised detailed line-by-line scrutiny in the House, which was also not delivered. If the Government are going to bring forward the proposals that the Deputy Leader of the House described, they had better listen, learn from those experiences, deliver on their promises and ensure that the House has a genuine say in the ratification of treaties, because if the Lisbon treaty process is any example, people will be left feeling let down by the Government yet again.

Helen Goodman: The hon. Gentleman has not taken account of the fact that European treaties will not be covered by the draft Constitutional Renewal Bill, because they have a higher barrier to pass. European treaties must be incorporated into a piece of legislation and go through all the normal legislative processes of the House, and that is precisely what the Government did with the Lisbon treaty.

Simon Hughes (North Southwark and Bermondsey) (LD): The statement by the Deputy Leader of the House on the Government's plans for the future is welcome. However, she will be aware that even since the beginning of this Session, the UK has entered into five international treaties, including an important one on sentencing with the International Criminal Court. Will she consider a proposal to allow us to look at treaties that will come down the pipeline between now and the eventual passage of a Constitutional Renewal Bill, which could take two or three years to come into effect? All colleagues, in both Houses, would welcome the chance to see the treaties in draft and express a view on them, and that cannot be too difficult to arrange.

Helen Goodman: As the hon. Gentleman understands fully, the procedure for treaties currently follows the Ponsonby rule. The convention is that they are laid on the Table in both Houses for 21 days. Obviously that will continue until we have the Constitutional Renewal Bill. As he may also be aware, on some occasions there are time limits that make giving full notice particularly difficult. However, I will look into the suggestion that he made.

New Technology

27. **Jo Swinson** (East Dunbartonshire) (LD): If she will propose to the Select Committee on the Modernisation of the House of Commons that it inquire into the use of new technology to connect Parliament with the public. [204042]

The Deputy Leader of the House of Commons (Helen Goodman): The Government and the House attach great importance to promoting parliamentary engagement with the public. There are no current plans for the Modernisation Committee to examine the specific issue of the use of new technology in support of that, but the Committee has frequently examined it within its other work—for example, in the recent reforms to the legislative process.

Jo Swinson: I thank the Minister for that answer. There are many ways in which new technology can help Parliament better to connect with the public, as highlighted by my own campaign to allow parliamentary video clips to be shown on YouTube and other websites and also by the "Free our Bills" campaign to make legislation more easily accessible, searchable and understandable online. Will the Leader of the House and the Deputy Leader of the House further consider asking the Modernisation Committee to undertake an inquiry specifically on that issue, taking into account the two subjects that I have mentioned?

Helen Goodman: I am not sure whether the hon. Lady is aware that television proceedings and subsequent use on Members' websites are subject to a licence issued by the Speaker. The licence stipulates that material must not be hosted on a searchable website and must not be downloadable. The reason for that is to ensure that it is not re-edited or reused inappropriately for campaigning or satirical purposes.

The hon. Lady raised the issue of mySociety's "Free our Bills" campaign and it is obvious that great strides have been taken recently in improving the parliamentary website. She is right to suggest that if our constituents can gain easier access to the progress of Bills, it will enable them to intervene as they wish. That work is ongoing. The specific proposals of mySociety, however, have some disadvantages. It wants to be able to provide explanatory material and to reorder some material, but before we went that far we would need to look into it in much greater detail.

Mr. David Drew (Stroud) (Lab/Co-op): The most important way in which the public can access the parliamentary system is by accessing their MPs. I want to commend those who organise the IT system, or—as it certainly went through difficult times—those who are now running a much better system. Will my hon. Friend make it clear—it may have to be done through parliamentary procedures—that we really should not be shutting down the system? When we are trying to work through remote access, it is very annoying when neither our constituents can access us nor we them.

Helen Goodman: Like my hon. Friend I have a rural constituency, so I understand the particular difficulties faced by Members whose IT access collapses, if only temporarily. I will take up my hon. Friend's points with the Parliamentary Information and Communication Technology department.

Draft Legislative Programme

28. **Mr. David Burrowes** (Enfield, Southgate) (Con): What assessment she has made of the effectiveness of the Government's publication of a draft legislative programme. [204043]

The Leader of the House of Commons (Ms Harriet Harman): May I first apologise, like the right hon. Member for Maidenhead (Mrs. May), for the fact that because I will be attending the funeral of my good friend and doughty parliamentarian, Gwyneth Dunwoody, I will be unable to remain in my place for the conclusion of these questions I will leave the business statement in the competent hands of the Deputy Leader of the House.

Following the publication of last year's draft legislative programme on 11 July 2007, the Government published in November a summary of the consultation carried out and the comments received in "The Government's Draft Legislative Programme— Taking a Wider View". As Leader of the House, I contributed to the Modernisation Committee's inquiry on the draft legislative programme. That Committee reported in January 2008, and the outcomes from those exercises have informed the consultation process for this year's draft legislative programme, which will be published shortly.

Mr. Burrowes: While the Government are now apparently full of empathy and listening, does the Leader of the House recall the fanfare greeting of last year's draft legislative programme, which said that it was all about

"improving the public's opportunity to have a say in that process"?

How many members of the public actually had their say and what difference did it make?

Ms Harman: Last year, for the first time, instead of merely producing the list of Bills that would comprise the Government's legislative programme in the Queen's Speech, we published our programme in draft in advance, in order to make transparent a process that had hitherto been carried out only behind closed doors. That allowed people to see what we were doing and to have their say. We conceded that we did that late in the day because it was brought in by the new Prime Minister, who had only taken up his office in June. We thus undertook to do it earlier this year in order to allow people more of a say, and that is what we intend to do.

Andrew Mackinlay (Thurrock) (Lab): Are we going to have a special referendum Bill relating to the future of the United Kingdom? I remind the right hon. and learned Lady that my constituents and hers have as much ownership of, and interest in, the future of the United Kingdom as do people in Edinburgh or Glasgow. If it is true that the United Kingdom Cabinet has not discussed this matter, then it should. Its failure to do so would be an abdication of its constitutional responsibilities, and this House has a duty, for the sake of the future of the United Kingdom, which needs to be addressed.

Ms Harman: The contents of the draft legislative programme will be announced shortly. However, on scrutiny by this House of English regional issues, my hon. Friend will know that the Modernisation Committee is conducting an inquiry into English regional Select Committees and will make its proposals shortly.

Mrs. Theresa May (Maidenhead) (Con): The Leader of the House said that the draft legislative programme would be published shortly. The Modernisation Committee report of January supported the proposal that she had put forward that the draft legislative programme should be published at Easter. I note she said that that would provide enough time for the Government to have sensible measures to put forward. Are we to read into the fact

that the programme has not been published at Easter this year that the Government have nothing sensible to say?

Ms Harman: The right hon. Lady will have to make up her mind, along with everybody else, when we publish our draft legislative programme, but perhaps she will also remember that Easter was very early this year.

HOUSE OF COMMONS COMMISSION

The hon. Member for North Devon, representing the House of Commons Commission, was asked—

Crèche Facilities

29. **Jessica Morden** (Newport, East) (Lab): What recent consideration has been given by the House authorities to the provision of crèche facilities for staff and hon. Members. [204044]

Nick Harvey (North Devon): There are no current plans for a crèche, but if there is an unmet need or demand, this can be looked at again. Members' staff and staff of the House are eligible for child care vouchers. The Members Estimate Committee has recently considered extending the voucher scheme to Members, and will return to the subject shortly.

Jessica Morden: Will the hon. Gentleman talk to the Commission about undertaking a survey of staff and Members to establish whether there is a demand for a crèche? Also, as an immediate measure, would it not be possible for staff and Members to be able to pay to use nearby departmental crèches as and when the need arises, given the nature of their jobs?

Nick Harvey: I am sure that the possibility of using nearby departmental facilities could be investigated. I will refer the hon. Lady's remarks about having a more general survey to the Administration Committee. A survey was conducted in 2003, which led to the conclusion that it was more convenient, particularly for members of staff, to have child care vouchers that did not have to be redeemed here at Westminster, but which could be used nearer to where they lived, such as in outer London boroughs—or, indeed, in the constituencies, because Members' constituency staff are eligible for the vouchers and can redeem them in the constituencies.

LEADER OF THE HOUSE

The Leader of the House was asked—

Topical Debates

30. **Sir Nicholas Winterton** (Macclesfield) (Con): What the timetable is for her review of the method of selecting the subjects for topical debates. [204045]

The Deputy Leader of the House of Commons (Helen Goodman): As set out in the written ministerial statement of 7 February announcing the review, my right hon. and learned Friend the Leader of the House has asked for comments to inform the review by 23 May. The results of the review will be published to the House before the summer recess. This will help to inform any decision of the House on whether to make permanent the Standing Orders that introduced topical debates on an experimental basis for the 2007-08 Session, or whether any changes to the Standing Orders may be necessary.

Sir Nicholas Winterton: The Deputy Leader of the House will be aware that the Procedure Committee is undertaking an inquiry into this matter, in addition to the review by the Leader of the House. Will the Deputy Leader of the House not concede that the current method of choosing topical debates is not transparent, and that it appears to be the decision of the Government when it should be the decision of Back Benchers—and would it not be sensible to have a Committee set up, under the chairmanship of a Back-Bench Member?

Helen Goodman: I will take the hon. Gentleman's remarks as his contribution to the review. I have seen the Procedure Committee report on this question. I would like to point out to him that topical debates are held in Government time, and that if he were to look through the subjects that we have addressed over the past six months, he would see that they have been suggested by Members from across the House, including many Back Benchers. Therefore, until we have examined the matter, I cannot promise him that we will change the way in which the choice is made.

Private Members' Bills (Westminster Hall)

31. **Hugh Bayley** (City of York) (Lab): If she will propose to the Select Committee on Modernisation of the House of Commons that it inquire into using Westminster Hall as well as the main Chamber for debate on Private Members' Bills on Fridays. [204046]

The Deputy Leader of the House of Commons (Helen Goodman): The House has, from time to time, looked at the time made available to private Members' Bills and the best ways for them to be considered. The issue is complex. For example, it includes the question of how much time hon. Members want to spend on parliamentary business at Westminster, and within that, on private Members' business, and the place of that time within the working week.

I understand my hon. Friend's proposal to involve parallel Friday sittings in the two venues so that more Bills can be considered. I am not aware that that specific idea has been proposed before, but it is clearly one that any Committee examining this issue could consider.

Hugh Bayley: I am very glad to hear that the issue may get consideration. Private Members have brought some very important legislation through the House, legislation that Governments of the day have been too frightened to introduce—one thinks of the abolition of the death penalty or the abortion law reform. Legislation on more of these difficult issues, including, perhaps, legislation to deal with the question of primogeniture,

could be brought through by a private Member if more time were available. I urge the Modernisation Committee to examine my proposal seriously.

Helen Goodman: I agree with my hon. Friend that much private Members' legislation has been extremely important and groundbreaking. I know that an hon. Member could apply every year for 10 years and still have only a 50/50 chance of being selected in the ballot, but sometimes issues that initially appear in private Members' legislation find their way into Government legislation in the end.

Royal Assent

Mr. Deputy Speaker (Sir Alan Haselhurst): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified Her Royal Assent to the following Act:

Criminal Justice and Immigration Act 2008.

Business of the House

11.37 am

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): May I ask the Deputy Leader of the House to give us the forthcoming business?

The Deputy Leader of the House of Commons (Helen Goodman): The business for the week commencing 12 May will be:

MONDAY 12 MAY—Second Reading of the Human Fertilisation and Embryology Bill [*Lords*].

TUESDAY 13 MAY—Remaining stages of the Education and Skills Bill, followed by motion to consider the statement of changes in Immigration Rules Order 2008 (HC 321).

WEDNESDAY 14 MAY—Opposition Day [12th Allotted Day]. There will be a debate entitled "Pensioner Poverty", followed by a debate entitled "Vehicle Excise Duty". Both debates will arise on an Opposition motion.

THURSDAY 15 MAY—Topical debate: Subject to be announced, followed by, if necessary, consideration of Lords Amendments, followed by motion to take note of the outstanding reports of the Public Accounts Committee to which the Government have replied. Details will be given in the *Official Report*.

FRIDAY 16 MAY—Private Members' Bills.

The provisional business for the week commencing 19 May will include:

MONDAY 19 MAY—Consideration in Committee of the Human Fertilisation and Embryology Bill [*Lords*].

TUESDAY 20 MAY—Conclusion of consideration in Committee of the Human Fertilisation and Embryology Bill [Lords].

WEDNESDAY 21 MAY—Second Reading of the Regulatory Enforcement and Sanctions Bill [*Lords*].

THURSDAY 22 MAY—Topical debate: Subject to be announced, followed by motion on the Whitsun recess Adjournment.

Following is the information: The 41st and the 42nd, and the 46th to the 65th, reports of the Committee of Public Accounts of Session 2006-07, and the Treasury Minutes on these reports (Cm 7275, 7276 and 7322); and the 1st to the 4th, the 6th, and the 9th to the 13th reports of the Committee of Public Accounts of Session 2007-08, and the Treasury Minutes on these reports (Cm 7323 and 7364).

Mr. Vara: I thank the Deputy Leader of the House for that information.

During yesterday's Prime Minister's questions, the Prime Minister said that Wendy Alexander, the leader of the Labour group in the Scottish Parliament, had not called for an immediate referendum on Scottish independence. However, on Tuesday evening, she was asked on Scottish television:

"Is Gordon Brown endorsing your decision to call for a Referendum?"

She replied, "Yes." She was asked:

"He is endorsing it and he has told you that?"

She again said, "Yes." They cannot both be right, so which is it?

Today, the Health Committee published a damning report on the junior doctors recruitment crisis last year.

[Mr. Vara]

It described the Government's handling as "inept". May I suggest a topical debate on the Government's treatment of junior doctors?

During Prime Minister's questions yesterday, the Prime Minister claimed that the Government had lifted 1 million children out of poverty. However, during Cabinet Office questions earlier, the Minister for the Cabinet Office cited the figure as "600,000". Where did the Prime Minister's extra 400,000 come from? May we have a statement from the Prime Minister to explain his exaggeration?

Sir Ian Blair has admitted that when giving evidence to MPs in support of 42-day detention without trial he gave misleading figures regarding the number of serious terrorist plots disrupted by the police since 2005. This is a matter of grave concern, as is the fact that the Government have asked both Sir Ian and Assistant Commissioner Bob Quick to argue the case for 42 days. Politicising the police in that way is unacceptable. It smacks of desperation and further undermines the Government's position. We need a statement urgently from the Home Secretary on her manipulation of the police for political gain.

Last week, the Government chose the day before the local elections to slip out a written statement on the backlog of inquests into the deaths of our brave servicemen and women. It confirmed that, despite numerous assurances from the Leader of the House and others, the Government have failed to reduce the backlog significantly. This issue deserves an oral statement from the Secretary of State for Justice.

The Government have spent more than £1 billion on trying to tackle truancy. But data released this week show that more than 40,000 children are missing at least two days of school every week—an increase on the previous term. So if the Secretary of State for Children, Schools and Families can find the time to break away from his usual plotting and scheming, perhaps he would like to make a statement explaining why the Government are failing to tackle truancy.

The Government continue to dither instead of taking decisive action, they are incapable of giving straight answers to straight questions, and their Back Benchers are in open revolt over their policies—

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): No we're not.

Mr. Vara: Perhaps the hon. Gentleman should take more note of what the newspapers are saying about his colleagues, instead of making unnecessary interruptions from a sedentary position.

Is it any wonder that the Deputy Leader of the House said in the *Northern Echo* that

"it is unacceptable to have policies like the 10p tax rate coming from a Labour Government."

Last week's council elections showed that voters from Sunderland to Southampton agree with her. The question is, does the Prime Minister?

Helen Goodman: The hon. Gentleman began by asking about Scotland. I do not know whether he is aware of the letter that the Prime Minister has sent to the Leader of the Opposition, but to clarify matters for the House I shall quote from it. The Prime Minister wrote to the Leader of the Opposition that his letter showed

"that you do not understand this important issue relating to Scotland and the Union. Today you suggested there were plans to have a referendum now. As Wendy Alexander has said this afternoon, there is nobody seeking legislation at Westminster to have a referendum. The procedures of the Scottish Parliament mean that even if the SNP or anyone else introduced a Bill at Holyrood it would take up to 12 months to complete."

The Prime Minister and Wendy Alexander are agreed on the importance of exposing the hollowness of the SNP's position.

The hon. Gentleman mentioned the recruitment of junior doctors last year. As he knows, the Health Committee produced a thorough report that examines the detailed management structures and makes suggestions about how they should be improved. As he may also be aware, the system for recruitment has changed.

The hon. Gentleman mentioned child poverty. He should recall that in addition to the reductions in child poverty that the Government have already achieved—unlike the increases that we saw under the previous Administration—the recent Budget will take a further quarter of a million children out of poverty.

The hon. Gentleman went on to talk about terrorist plots. As he knows, the Government take the subject very seriously. That is why we introduced the Counter-Terrorism Bill, which is upstairs in Committee. As he also knows, additional resources have been provided to the police to facilitate their work on this matter.

The hon. Gentleman talked next about inquests. As he knows, the Government have produced a draft coroners Bill. He also raised the question of the 10p tax rate. The Government are considering the need to review that situation and will come forward with proposals. Finally, he talked about truancy. As he knows, the Department for Children, Schools and Families has a positive action programme to reduce truancy among children.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): On the 10p tax rate, will the Deputy Leader of the House give us an early indication of when the Report stage of the Finance Bill will be? Yesterday at Prime Minister's Question Time the Prime Minister yet again refused to give any indication of the time scale over which an attempt to deal with the problems of doubling the 10p tax rate would be made. He told my party that we should be willing to wait for the Chancellor. It is not only parties that have to wait for the Chancellor, but our constituents. The 10p tax rate was doubled in April and it hit them in the pocket then. They want to know how to budget for their bills. They will be able to do that only if they get the details of what the Government will do. By definition, as the lower earners in our country, they are the most unable to cope with sudden cash flow hits. We need details of what the Chancellor will do, and we need them before Report. Will the Deputy Leader of the House tell us when the Bill will be debated on Report, as that is the last chance that the House will have to address the issue through this Finance Bill, if the Government fail to do so?

Will she ask the Department for Business, Enterprise and Regulatory Reform to make an early statement on the closure of post offices? On 28 May, the north-east of Scotland will hear the fate of its post offices. We need the Minister for Employment Relations and

Postal Affairs to announce a suspension of the closure programme so that he can make concrete proposals to bring new business into post offices.

Following the hon. Lady's answer on referendums, we need an early debate on communication between the Scottish Parliament and Westminster so that we can clear up the Government's exact stance on referendums and the strategy for taking the issue forward. Clearly, the confusion created by Wendy Alexander and the Prime Minister does not help us to tackle the agenda and does not bring clarity to the future of our constitution.

Later today, the House will have the opportunity to pay tribute to the courageous work of our armed forces in Afghanistan. The hon. Lady will know that the Government's reply to the International Development Committee's report on Afghanistan was published last week. Will she therefore arrange a wider debate on Afghanistan? I am a member of the Committee and when we visited Afghanistan we saw the work that is being done by Department for International Development staff on the ground, not just in Helmand but throughout Afghanistan. A lot of essential development work is being done and it is important for the House to see and hear about the work and to focus a debate on our priorities for Afghanistan.

Helen Goodman: The hon. Gentleman began by asking when the Finance Bill will be debated on Report. I am afraid that I do not have that information at the moment, but, as he knows, provisional business is always announced two weeks ahead, so he will get good notice of the debate. He will be aware that the Treasury Committee is looking into the issue, and it is aiming to publish a report that will inform our debate.

I am not sure whether the hon. Gentleman is aware that, in the past six months, there have been 16 debates on post office closures. The debates have mainly been specific to communities, but there will be a general debate in Westminster Hall next week. In addition, the Select Committee on Business, Enterprise and Regulatory Reform has produced a report, and all Select Committee reports can, of course, be debated in Westminster Hall.

The hon. Gentleman mentioned communications between London and Scotland. As he knows, when urgent matters arise, as they did over Grangemouth, practical solutions can be reached. What he is trying to get at is a political disagreement, to which I cannot respond in business questions.

The hon. Gentleman rightly raises the serious issues facing our armed forces in Afghanistan. Those issues could be raised in this afternoon's debate on defence in the world, but he rightly states that there is an overseas aid aspect, which, of course, can be raised with the Department for International Development.

Fiona Mactaggart (Slough) (Lab): Will the Deputy Leader of the House arrange for us to debate the Corston report in this Chamber? It was published months ago, yet there has been no opportunity for a full debate on how the Government will implement the report's very sensible recommendations on vulnerable women in the criminal justice system.

Helen Goodman: My hon. Friend speaks with considerable experience as a former Home Office Minister, and she is quite right: the Corston report is important and the Government have welcomed it. I will take back her suggestion of holding a topical debate on the report.

Mr. Mark Lancaster (North-East Milton Keynes) (Con): May we have a debate on the rising cost of living, in which we could debate the cost of fuel? It was abundantly clear yesterday that the Prime Minister had absolutely no idea how much it cost to fill up a family car in his constituency. Why are the Government so out of touch?

Helen Goodman: I do not accept for a minute that the Government are out of touch on fuel prices. We delayed the 2p a litre fuel duty increase precisely because we are aware of the needs of ordinary families and the increase in the cost of filling up a car, but I do not think that the hon. Gentleman should exaggerate the situation. Since 1999, the cost of fuel duty—both petrol and diesel—has in fact fallen by 16 per cent. The reason petrol prices have gone up is that oil prices have increased. I take it that he will use the opportunity of the Opposition day debate next week to make the points that he wants to.

Mr. David Drew (Stroud) (Lab/Co-op): May I draw my hon. Friend's attention to early-day motion 1280, which looks at pay-day lending?

[That this House notes that the global credit crunch is now impacting on the ability of UK consumers to obtain access to affordable credit; notes that high cost and irresponsible forms of lending such as pay day lending, which charges in excess of 1,000 per cent. APR and traps people on lower incomes in a cycle of credit dependency, are now expanding rapidly as a result; further notes that Dollar Financial, one such US pay day lender, now has over 200 Moneyshop stores providing these loans in the UK; regards this development as extremely worrying for the Government's ambition to eradicate child poverty; and urges the Treasury, the Department for Business and Regulatory Reform, the Office of Fair Trading and the Financial Services Authority to conduct a joint inquiry into the growth of high cost lending, including pay day loans, in order to inform future regulatory action against irresponsible and high cost lenders and to contribute to the Government's aim of ensuring greater access to affordable credit.]

Such lending, which is common in the United States and Canada and is becoming increasingly so in this country, involves someone having to pay out a post-dated cheque on the basis that they will borrow a lesser sum. But, of course, we are talking about much higher rates of interest, and it is really the fault of the legitimate lenders, who have a responsibility to lend to those who have lesser means. The worry is that, if that lending in the formal sense begins to dry up, people will have to go to—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The hon. Gentleman should not make a statement but ask a question. There was no question at the end of that, but I dare say that the Deputy Leader of the House will fish something out of it.

Helen Goodman: My hon. Friend is right to suggest that saver protection is as important for those on low incomes as it is for those with large amounts of money. That is why the Government introduced the Consumer Credit Act 2006, but if there are loopholes in some

[Helen Goodman]

parts of the financial sector I will draw his remarks to the attention of colleagues in the Treasury and the Department for Business, Enterprise and Regulatory Reform.

Mr. Adam Holloway (Gravesham) (Con): May we have a debate on crime? Despite the valiant efforts of Superintendents Beautridge, Hogbern and Gladstone, antisocial behaviour that in the past would have been dealt with by the police in Gravesham is now not being dealt with. It is almost as though the bar on what is acceptable behaviour and what is not has been raised.

Helen Goodman: The hon. Gentleman will be aware that, overall, crime has been falling, although there are problems with some kinds of crime and, indeed, with antisocial behaviour. He can always make the points that he has made with Home Office Ministers in Home Office questions.

Keith Vaz (Leicester, East) (Lab): May I draw my hon. Friend's attention to early-day motion 1488?

[That this House welcomes the proposal by the Russian Government not to require British fans to apply for visas when they visit Russia for the Champions League Final between Chelsea and Manchester United on 21st May 2008; notes that this is an excellent way to celebrate the positive spirit of competitive football; recognises that the British Government is unable to waive visa restrictions in return in respect of the UEFA Cup Final in Manchester between Zenit St Petersburg and Glasgow Rangers on 14th May; and calls on the Government to waive visa fees as a goodwill gesture.]

Will my hon. Friend arrange for the Foreign Secretary to make an urgent statement in response to the Russian Government's proposal to waive visa fees for British fans who travel to Moscow for the European cup final? Would it not be appropriate for the British Government to reciprocate by waiving fees for the Russian fans who will attend the UEFA cup final in Manchester? Unfortunately, Leicester City is in neither of the finals.

Helen Goodman: As all hon. Members know, those football matches will be played very soon, so I am not sure whether it will be possible to organise a debate within a time scale that would make a difference, but I will draw my right hon. Friend's remarks to the attention of colleagues in the Foreign Office.

Mr. Roger Gale (North Thanet) (Con): The hon. Lady will be aware that, yesterday, a High Court judgment denied the Home Secretary any further right of appeal in her endeavours to maintain the proscription as a terrorist organisation of the People's Mujahideen of Iran. The Government are therefore now in clear breach of the judgment of the European Court of First Instance. So, first, when will the Home Secretary come to the House to make a statement and, secondly, when will the Government lay the necessary orders to lift the proscription?

Helen Goodman: As the hon. Gentleman clearly understands, the judgment was received only yesterday, and the Home Office is actively considering what its response should be.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on the ongoing problem of the exploitation of migrant workers? My hon. Friend might be aware of reports in the papers today that the Gangmasters Licensing Authority has withdrawn the licence of a company called Timberland Homes Recruitment, which supplies flowers to high street shops the length and breadth of our country. That company has been accused of 15 breaches of regulations, such as those on transportation, accommodation and minimum wage requirements. The families back home have also been threatened by the company. Will my hon. Friend join me in urging a boycott of the company's products, so that we can clearly demonstrate that the exploitation of workers—whether they are migrants or otherwise—will not be tolerated in this country?

Helen Goodman: My hon. Friend is absolutely right. The behaviour that he describes is totally unacceptable. That is why the Government are engaged in negotiations at European level on new measures to strengthen the rights of temporary, agency and migrant workers.

Mr. Andrew Mackay (Bracknell) (Con): The rightly popular Deputy Leader of the House had the good grace to smile and laugh when she was reading out the Prime Minister's response to the Leader of the Opposition, so I hesitate to ask this question, but I think that I ought to. Should not the part-time Defence Secretary and sometime Secretary of State for Scotland come to the Dispatch Box to make a statement next week because the Prime Minister did not clarify the situation regarding a referendum in Scotland? The hon. Lady and I are very well aware that Wendy Alexander was talking about a referendum initiated by the Scottish Parliament, not this Parliament, and it was disingenuous of the Prime Minister to say otherwise.

Helen Goodman: I do not accept that the Prime Minister was disingenuous. He was energetically defending the Union, and that is what I would expect Opposition Members to do too.

Mr. Ian Cawsey (Brigg and Goole) (Lab): Will my hon. Friend be able to find time for a debate on the importance of a co-ordinated approach to future land use? One part of Government is looking at the challenge of flood defence, with a making space for water strategy that includes more use of washlands; another is looking for more land to build on; and another is looking at the challenges of food security and the fact that we will have to produce more of our own food in future. Clearly each issue cannot be considered in isolation, so can we have a debate so that all hon. Members can contribute to the discussion on the important challenges that we face?

Helen Goodman: My hon. Friend makes a very good point. These are important long-term issues. Although there have been a number of debates recently about flooding and although a major piece of legislation—the Planning Bill—is going through the House, I will take his proposal as a suggestion for a topical debate.

Mr. Peter Bone (Wellingborough) (Con): On 7 April, in response to a freedom of information request, Kettering General Hospital NHS Trust stated:

"The Trust's occupancy is currently at 92% for the last 12 months as reported nationally."

On Tuesday, the Minister of State, Department of Health, the hon. Member for Exeter (Mr. Bradshaw), said that

"the bed occupancy rate in Kettering general hospital in the latest year for which figures are available was 81 per cent.".—[*Official Report*, 6 May 2008; Vol. 475, c. 557.]

Bed occupancy rate is an important measure of hospital performance. Clearly, either the freedom of information request response is wrong or the Minister of State is wrong. Will he come to the House next week to clarify the situation?

Helen Goodman: I will ask my colleagues in the Department of Health to look at the figures that the hon. Gentleman has raised. However, he should set the issue in context. In the NHS east midlands area since 1997, the number of people on waiting lists has fallen from 30,000 to two, and the number of people receiving cancer treatment within two weeks has now reached 96.3 per cent. When he makes complaints, he should contextualise them as well.

Mr. Jim McGovern (Dundee, West) (Lab): I am delighted to hear that there will be a debate on pensioner poverty, but can we have a debate specifically on the state pension? My hon. Friend may be aware that tomorrow sees the centenary of Winston Churchill being elected as a Liberal MP in Dundee. Political historians suggest that he was elected at least in part because of the introduction of the old age pension two days before—in other words, 100 years ago yesterday. A debate on the state pension would allow us to determine where each party stands on this very important issue.

Helen Goodman: I did not know of the centenary, but my hon. Friend is obviously a worthy successor to Winston Churchill—and he is right to say that tackling pensioner poverty is extremely important. That is why the Government have introduced the pension credit and the winter fuel allowance, and lifted 1 million people out of poverty. I hope that he will have further opportunities to describe that in more detail.

Stewart Hosie (Dundee, East) (SNP): It is worth pointing out that Winston Churchill was then booted out of Dundee by the people, after an unpopular war. There may be a lesson there as well.

Given the confusion yesterday on the Government Benches with regard to constitutional referendums, as witnessed not just by the very odd answers and by the very strange letter to the right hon. Member for Witney (Mr. Cameron), which spoke about a Westminster referendum when none had been called for, and as witnessed by the failure to keep the manifesto promise on a referendum on Europe, would it not be possible to have a debate in Government time so that we can tease out the 57 varieties of opinion on the Government Benches with regard to referendums—and, indeed, to tease out just how little dialogue and discussion actually exists between the Prime Minister and the leader of his party in Scotland?

Helen Goodman: Obviously, the hon. Gentleman is extremely interested in this subject, but I do not know why his party have been putting back the referendum that it said it wanted. As he also knows, the Calman commission is reviewing the progress of devolution over the past 10 years and, when we have the results of the commission, that will be the time to consider these matters fully.

Colin Challen (Morley and Rothwell) (Lab): May I drew my hon. Friend's attention to early-day motion 1357?

[That this House believes that the creation of a new bank holiday is justified; further believes that such a bank holiday should be created to celebrate and commemorate the contribution of all members of Her Majesty's Armed Forces, past and present, in defending United Kingdom democracy and freedom; and considers that such a bank holiday should be known as Veterans Day.]

She will be aware that there is growing support on both sides of the House for a fresh new bank holiday, and that we have fewer public holidays than most other countries in Europe. If we want to build on the popular appeal of the Government, surely now is the time to introduce a new public holiday. I suggest that my hon. Friend study my short early-day motion, and that we have an early debate on that subject.

Helen Goodman: My hon. Friend draws attention to an important matter. The number of bank holidays to which people are entitled in addition to their statutory holiday has already been increased by four days, and will increase by a further four days in April next year. However, his suggestion is now clearly on the table.

Dr. Julian Lewis (New Forest, East) (Con): In the spirit of modernisation, may we have a joint statement from the right hon. Member for Banff and Buchan (Mr. Salmond)—explaining why he wants a referendum that he would almost certainly lose—and the Prime Minister, explaining why he wants to stop a referendum which, unlike one on the Lisbon treaty, he would almost certainly win? If they have difficulty producing that joint statement, I am sure that Wendy Alexander will be happy to help in the drafting of it.

Helen Goodman: I am puzzled by the hon. Gentleman's suggestion. As he knows, oral statements are made by members of the Government, and only one of the people he mentioned is a member of the Government.

Mr. Paul Goodman (Wycombe) (Con): As the hon. Lady knows, Lord Patel of Bradford is undertaking a review of the effectiveness of the Government's strategy for the prevention of violent extremism. Has she received any notice that the Secretary of State for Communities and Local Government will come to the House to make a statement about the outcome of that review? If she has not, will she be able to write to me with whatever information she may be able to glean?

Helen Goodman: I do not know what the timetable is for that piece of work, but I will pass the hon. Gentleman's remarks to my right hon. Friend the Secretary of State for Communities and Local Government and ask her to keep him informed.

Mr. Julian Brazier (Canterbury) (Con): Could we have an early debate on last night's astonishing revelations about airport security? Given that the Government have now said that criminal record checks for those working airside apply only to criminal records in this country, and that wider security checks apply only to those specifically involved in security jobs, can the hon. Lady now confirm that there is no barrier whatever to somebody who has committed a serious terrorist offence abroad working airside in a British airport?

Helen Goodman: The hon. Gentleman raises a serious and important matter. I do not think the situation is quite as he describes it. As well as physical security, we already run counter-terrorists checks, which are more detailed than a criminal record check, for all airside workers engaged in security roles. We have also asked Stephen Boys Smith to review whether we should do more in this area. In addition, the Government are taking forward proposals on EU data sharing, which will help significantly on this front, and we are introducing biometric identity cards for foreign nationals and prioritising airside workers. Given that the issue is so important, I simply ask the hon. Gentleman why the Conservative party is not supporting those measures.

Mr. David Jones (Clwyd, West) (Con): Could the Deputy Leader of the House arrange for an early debate on offender management, and specifically on the chain of bail hostels being established around the country by a private company called ClearSprings Management Ltd on behalf of the Ministry of Justice? In Colwyn Bay in my constituency, at least one such hostel is proposed for a residential area without any consultation whatever with residents, the police or the local authority. I am sure that Members on both sides of the House would be concerned that, as a result of the Government's failure on offender management, criminals are being introduced into their communities. Members would appreciate the opportunity to express such concerns.

Helen Goodman: I understand the concern of the hon. Gentleman's constituents. My understanding is that the chain of housing for people on bail is discussed with the police and local authority before it is agreed to. However, because there is no change of use, from housing to hostels, proposals do not go through the planning system. Given the importance of the matter, I will of course take it back to my colleagues in the Ministry of Justice.

Mr. Philip Hollobone (Kettering) (Con): Today the *Northamptonshire Evening Telegraph* is launching an important campaign to persuade its readers to install home smoke alarms, because of the 463 homes that had fires in Northamptonshire last year, only 247 were fitted with smoke detectors, and people are twice as likely to die in a fire if they do not have a smoke alarm fitted. May we have a statement from the Minister responsible for the fire service, or a debate in Government time, on home fire safety?

Helen Goodman: I will pass the hon. Gentleman's remarks on to the Minister responsible. He is right, in so far as the fire service saves many more lives when it does preventive work, and its work is currently being reoriented in that way.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The Select Committee on Environment, Food and Rural Affairs has brought out a report on flooding, which says that there are major structural problems with flood defences. May we have an early debate on that as soon as possible, because my constituency will have problems if the flood defences fail?

Helen Goodman: There have been debates in Westminster Hall recently about both flood defences and flooding. As the hon. Gentleman is, I am sure, aware, the Government are increasing spending on the flood prevention infrastructure to £800 million by 2010—and so far this year, the Secretary of State for Environment, Food and Rural Affairs has made three written ministerial statements on the subject.

Mr. Deputy Speaker: Order. In the absence of the Secretary of State for Defence—[Hon. Members: "International Development!"] In the absence of the Secretary of State for International Development, who I understand is on his way, and the Secretary of State for Defence, who has the business after that, I have no option but to suspend the sitting for five minutes.

Dr. Julian Lewis: On a point of order, Mr. Deputy Speaker. It is extraordinary that the Secretary of State for International Development is not here. Could it be that he has been detained advising his sister on the mess that she has got the Government into, and he is now getting the Government—and, indeed, this House—into another mess?

Mr. Deputy Speaker: That has to be a matter of pure speculation. I suspend the sitting until 12.17 pm.

12.12 pm

Sitting suspended.

Burma (Cyclone Nargis)

12.17 pm

The Secretary of State for International Development (Mr. Douglas Alexander): I begin by apologising unreservedly to the House for my delayed arrival and for the delay in making the statement. However, I am grateful for the opportunity to inform it on the response being taken to cyclone Nargis.

The cyclone hit Burma on the night of 2 May. It has had a devastating impact on the people of Burma: at least 22,000 people have been killed. Unfortunately, we expect this number to rise very significantly in the coming days. Some estimates already range as high as 100,000 dead. At least 42,000 are still missing. The Government estimate that 90 to 95 per cent. of buildings have been destroyed in the low-lying delta region. One million are estimated to be homeless and 1.5 million people are in need of humanitarian assistance in the delta region and around Rangoon. Preliminary assessments indicate that the most urgent needs are for shelter, food and clean water.

The full scale of the disaster will become apparent only over the next few days, as relief teams are able to reach remote communities in cyclone-affected areas. Assessments by the UN and other international agencies have been delayed by difficulties with communications and access. The situation is becoming increasingly perilous, with relief capacity inside the country already severely stretched. There is, of course, an ongoing crisis for the Burmese people, and we are working hard with others in the international community to do all we can for the relief effort.

We should not underestimate the challenge of the relief effort in Burma. The cyclone struck five states and divisions of Burma: Rangoon, Irrawaddy, Bago, Mon and Kayin. Damaged infrastructure and communications are posing major logistical problems for relief operations. Access to some of the worst affected areas is extremely difficult and will hamper relief distribution. Much of the affected region is accessible only by boat, and many of the boats in that region were damaged or destroyed by the cyclone. It is therefore vital that aid workers get access to areas affected by the cyclone to help to co-ordinate the emergency response and deliver aid to those in need.

We are currently receiving mixed signals on the question of access to Burma for international staff. There were widespread media reports only this morning of UN flights being unable to land in Burma. The latest information available to my Department suggests that the first flight, with 7 tonnes of high-energy biscuits, landed around 0730 on 8 May, UK time, and the biscuits are being unloaded.

It is too soon to have a view on the unloading and Customs processes, but the World Food Programme is expected to report back to us early this afternoon. The second flight, with 18 tonnes of high-energy biscuits, has landing rights in Yangon and is currently in Dhaka. It is expected to depart today. Delays to these first two flights were due to delays in obtaining clearances. The third flight will leave Dubai today with a range of items; it too has clearance to land in Burma. The fourth flight, due to leave from Italy, is on hold while a view is taken on the capacity of the airport equipment and staff in Burma. The UN does not want to overwhelm this capacity. The first Red Cross and NGO flights will seek access shortly. We do not yet know whether the Burmese Government will allow free access for international agencies to the areas affected by the disaster.

We, as well as the UN and the NGOs, are continuing to urge the Burmese authorities to ensure rapid access for international humanitarian staff to Burma, and for access, in turn, to the worst affected areas within Burma in order to manage our assistance effectively. Representations are being made at both multilateral and bilateral levels. I have spoken personally to John Holmes, the UN's emergency relief co-ordinator, who is also appealing to the Burmese authorities to allow UN agencies and international workers access. I have spoken to our ambassador in Rangoon, Mark Canning, who raised the issue of access with both the senior general and the Burmese Prime Minister. I have also spoken to the Burmese ambassador here in London to urge him to facilitate rapid access for international humanitarian staff.

Alongside working to secure access to the affected areas, the UK has made an immediate contribution of up to £5 million—the largest single contribution made by any one country—to help the UN, the Red Cross and the NGOs meet urgent humanitarian needs, including shelter and access to clean water, and food and other emergency items. We have readied stockpiles of emergency supplies such as tents, water containers, blankets, and plastic sheets, and sourced additional logistic equipment and relief supplies to be delivered by the same agencies. We are working closely with agencies on the ground to determine exact needs, and we expect to be able to allocate these funds in the coming days as needs and access become clearer. The UN flash appeal is expected by tomorrow. Yesterday, 7 May, I met UK-based NGOs to discuss potential DFID support. We are ready to deploy an emergency field team to help co-ordinate our assessment and response to the disaster as soon as visas can be obtained from the Burmese Government.

The UN humanitarian co-ordinator will meet the Burmese authorities later today to provide an overview of international commitments and to discuss the progress of the response. Already, more than $20 million has been pledged by donors to the relief effort. In addition, the UN has announced that a minimum of $10 million will be released from the central emergency relief fund, to which the UK is the largest contributor. The Red Cross and NGOs that have a presence in Burma, including World Vision, Save the Children and Médecins sans Frontières, are undertaking emergency assessments and have begun distributing basic emergency items such as food and water supplies. Co-ordination mechanisms are in place between the UN, NGOs and donors on the ground.

Domestically, the Government of Burma have pledged some $4.5 million for relief and have established an emergency committee headed by the Burmese Prime Minister. The Burmese Government have reiterated their readiness to accept international assistance, but they are only just starting to allow in UN aid. The challenges of the relief effort would daunt even the most developed country, and it is important that the Burmese Government accept all offers of international assistance offered to them.

[Mr. Douglas Alexander]

As the House will be aware, as well as our initial pledge of up to £5 million for the relief effort, the UK is one of the few countries providing long-term humanitarian assistance to the people of Burma. In October 2007, the UK announced that it would double its aid for the poorest people in Burma from £9 million per year to £18 million per year in 2010. Our support is delivered in accordance with the European common position—either through the UN or other reputable NGOs. None of it goes through the central Government.

This is a very grave crisis, on a scale not seen since the tsunami of 2004. I want to assure the House that the British Government will continue to work to bring assistance and relief to the suffering people of Burma.

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I thank the Secretary of State for his statement and for advance sight of it. Our thoughts and prayers are with the many thousands who have lost friends and relatives in this tragedy, and those who are struggling to survive the aftermath of this terrible disaster.

It is clear that the situation in Burma is a massive humanitarian catastrophe, the like of which, as the Secretary of State said, has not been seen since the Asian tsunami of December 2004. People to whom I have spoken on the ground in the past few days are clear that the death toll will rise much further, and that as of now, hundreds of thousands of people are beyond the reach of the relief effort. The danger now is that hunger, disease and the lack of access to clean water and shelter will add to the suffering.

I welcome the actions that the Secretary of State outlined in his statement. The staff at the Department for International Development are some of the finest development professionals in the world; their compassion, commitment and expertise have a vital role to play in this crisis. In particular, I salute the work of Rurik Marsden, who leads DFID's efforts in Burma, whom I met in Rangoon during my visit to Burma last year, and of our ambassador, Mark Canning, whose knowledge and insight are second to none at this time.

It is already clear that British charities and NGOs are at the forefront of work on the ground. The outstanding British charity Save the Children, led in Rangoon by Andrew Kirkwood, has 35 offices and 500 staff on the ground in Burma. They have already been able to get help to 50,000 people. ActionAid, Merlin, Oxfam and World Vision are also extremely active.

It is deeply regrettable that the Burmese Government have consistently run down and undermined the UN mission in Burma, not least by forcing out Charles Petrie, the impressive former head of the UN mission there. His experience and dynamism are sorely missed at this time of crisis. The Burmese people and the international relief effort are both the losers from that misjudgment by the Burmese junta. It is a scandal that five full days following the disaster, only a trickle of aid is getting in from the outside world. Can the Secretary of State tell us whether the Burmese Government are still insisting on onerous visa restrictions for aid workers—and even if they get a visa, what guarantees have been received that they will be allowed to leave Rangoon without waiting up to two weeks for a travel permit? After the Bam earthquake of 2003, Iran waived visa restrictions on foreign relief workers for five days, letting in even people from America and Israel. This spirit should prevail again now.

The Burmese Government must give unfettered access for the international humanitarian relief effort. A key lesson from the tsunami is the need for the international response to dovetail with the local relief effort; trying to go against the grain does not work. We need to persuade the Burmese authorities to be as co-operative as possible. This House can assure the Government of Burma today that the aid workers are there for non-political humanitarian reasons, to save lives, rather than for political positioning. What steps has the Secretary of State taken to make this clear to the Burmese Government?

As the Secretary of State said, the key requirement now is for a comprehensive needs assessment by the UN, and a well-funded, professional and highly competent relief operation centred on food, clean water, shelter and medical relief. As we saw with the Asian tsunami, we need to know that the aid we give is exactly what is needed. Inappropriate aid can be worse than no aid at all.

There are reports that the Burmese Government have finally decided to accept some of the United States relief flights. Can the Secretary of State update the House on this point?

The regime's suspicion of outsiders is well documented, but we must also seek the support of Burma's cosy friends—China, India and Thailand, with whom the regime has worked closely. In the run-up to the Olympics, many eyes will be on China to examine the role that it plays in helping to ensure that the Burmese Government open up immediately to the international relief effort. What discussions has the Secretary of State had in recent days with the Chinese ambassador in London, Madam Fu Ying, and the representatives of India and Thailand, to underline this point?

There are reports that the Burmese Government intend to impose taxes and duties on planes that bring in aid supplies. Will the Secretary of State tell the House whether that is the case, and what representations the British Government have made to the Burmese Government to suspend these tariffs? In the aftermath of the tsunami, concern was expressed about the operation of gift aid tax relief on donations to the humanitarian appeal. At this early stage, what steps are the Government taking on this matter?

It is impossible to talk about good coming out of this terrible event, but we saw in the Indonesian province of Aceh, which was devastated by the 2004 tsunami, that the shock and turmoil of a natural disaster can, in some circumstances, lead to movement and progress on thorny political conflicts, for the greater common good. Can the Secretary of State confirm that Aung San Suu Kyi, whose compound in Rangoon is vulnerable, overgrown and snake-ridden, is safe and well?

Clearly all of us who have been vocal critics of this pariah regime will put politics to one side as we strive for an effective humanitarian response. Once again, I thank the Secretary of State for coming to the House and making his statement. In the same spirit, I hope that he will continue to keep the House informed through written and oral statements.

Mr. Alexander: Of course I am happy to give the final undertaking sought by the hon. Gentleman to ensure that the House is updated as the situation develops on the ground.

I thank the hon. Gentleman for his generous remarks about the staff of my Department. I match him in those remarks; if anything, I would say that they are quite literally the best in the world, not just among the best. I have spoken to Rurik Marsden, our head of office in Rangoon, in recent days. He is playing a key role in helping to co-ordinate our efforts on the ground along with his staff in that office.

I am also grateful to the Leader of the Opposition for his remarks yesterday at Prime Minister's questions, when he made clear the consensus that reaches across the House in support of the British and international effort to bring an end to the humanitarian suffering of the people of Burma. It is always helpful in these circumstances where there is genuine cross-party consensus in support of a humanitarian effort.

I also join the hon. Gentleman in recognising the contribution made by British-based NGOs. There are already a number of teams on the ground in Burma who are taking forward important work.

Let me turn to the other specific points made by the hon. Gentleman. I raised the issue of visa restrictions directly with the Burmese Government ambassador here in London. I urged him to ensure the expeditious passage of visa applications that are presently with the embassy, including those from DFID assessment staff, and made it clear that, given the number of applications that will be received from the international community, there was a strong case for a visa waiver. He undertook to reflect that in his correspondence with his Government.

I also raised with the ambassador the concerns expressed to me at a meeting that I held with the British-based NGOs regarding access in-country. Effectively, an in-country domestic visa regime has been imposed in Burma for some time. Again I urged him to consider ensuring not simply that there is expeditious passage into Burma for humanitarian workers, but that there is free and ready access to those areas affected by the cyclone for workers within the country. Clearly, whether the Burmese Government deliver on the requests that I and others have made will be tested in the days to come, but that is a matter on which the House can be updated in due course.

We have raised the matter directly with the ambassador here, and with Mark Canning, our ambassador in Rangoon. Representations have been made both to the senior general and to the Burmese Prime Minister. We have also activated our Foreign Office posts across the Association of South East Asian Nations region to ensure that those regional partners, who often can exert influence within Burma, are made aware of the points that the British Government have raised on free access for the humanitarian effort.

I should inform the House that the best advice that we have in DFID is that a number of ASEAN nations have visa-free access to Burma. One of the conversations that we have had with British and international NGOs has been about encouraging them to consider whether they have staff based in the ASEAN countries who can readily access the country while visa applications are processed for others.

On the hon. Gentleman's point about relief flights, I have updated the House as to the best information that we have. It is encouraging, for example, that the recent World Food Programme flight that arrived saw its supplies unloaded today to the WFP warehouse, given that there were concerns that the army would commandeer the relief as it came in. On his specific point about contact with the Chinese Government, we have already initiated, through the UK mission to the UN, a discussion with the Chinese delegation to the UN, making them aware of the points that we have discussed here.

The issue of duties being levied on incoming humanitarian supplies has been raised and my understanding is that the Government of Burma have made it clear that duty will not be levied on humanitarian aid and assistance. Again, that will be tested in the days to come and we shall see whether that undertaking is delivered on.

On the hon. Gentleman's final two points, we have no indications of difficulty affecting Aung San Suu Kyi in terms of her residence. On gift aid, we will assess the requirement for any future changes to the Government's position in light of the Disasters Emergency Committee appeal that has been launched.

Jo Swinson (East Dunbartonshire) (LD): We are all shocked by the horrific scenes of destruction in Burma caused by cyclone Nargis—the massive loss of life, the homes swept away and the tide of chaos left in its wake. I very much welcome the Secretary of State coming to the House to give his statement and I thank him for prior sight of it.

The Secretary of State outlined the problems of getting aid into the country, and these are causing us huge concern. There seems to be a small piece of positive news with regard to flights getting in and landing, but obviously that is not enough to deal with the scale of the problem and, indeed, it is much too late. Is the delay linked in any way to the constitutional referendum that was due to be held this weekend and the worry of the military junta that it would lead to foreign criticism if foreign nationals were allowed in? Is that the case? Is the referendum still planned to go ahead? Does the Secretary of State agree that it is absolutely unacceptable for the internal political concerns of the Burmese junta to stand in the way of getting aid to the thousands of people who are suffering?

There are many political problems in Burma and we have great fears about the humanitarian situation; those are often raised in the House. Does the Secretary of State agree that the sole priority at the moment is to get the aid and the emergency response to the disaster? Indeed, it is important that we get the message out if that helps the military regime to allow the aid workers to get in.

I very much welcome the £5 million of aid pledged by DFID. Is that additional to the current aid programme? Will that figure be under review, so that if the situation develops as we expect it will and the scale of the problem becomes greater, it could rise? It is also important that the aid be co-ordinated well. What discussions has the right hon. Gentleman had with our EU partners on encouraging them similarly to donate, and also on working together on that aid?

[Jo Swinson]

I was interested to hear the point about visa-free access for nationals in the ASEAN countries. Is the Secretary of State having discussions with our teams there to encourage those countries to provide aid workers and to give aid? Clearly getting the regional powers involved is very important.

There was no mention in the Secretary of State's statement of the number of UK nationals affected; I believe that the FCO says there are currently 17 Britons unaccounted for. What support is being made available for their families? Is there a helpline for those in the UK who are concerned about family or friends in Burma? Is there a central point to which they can go for information?

The Secretary of State mentioned the tsunami. The British people were amazingly generous in donating to that appeal in 2004. Many of our constituents will be appalled by what they see on the television and by the pictures they see and will want to help. Is there a central appeal to which they are able to donate?

Mr. Alexander: Let me seek to address each of those points in turn. First, my understanding is that there are now indications that the constitutional referendum will be suspended in the areas affected by the cyclone, but if I am circumspect in my remarks today, it is merely to echo the sentiment that the hon. Lady expressed, which is that our sole priority today needs to be to get humanitarian aid to those directly affected by the cyclone. It was Condoleezza Rice, the United States Secretary of State, who said that this is not about politics but about getting humanitarian aid to those who require it. As the hon. Lady indicated, that needs to be the overriding sentiment behind our remarks today.

There are and have been plenty of other opportunities for the House to discuss political developments within Burma. It is of course a matter to which we will all return, but if I am circumspect today, it reflects our determination to ensure that the message that we send to the Burmese regime is clear: the first priority today needs to be to ensure access to the international relief effort that is so urgently required on the ground.

I can assure the hon. Lady that the £5 million is additional to the programme for Burma. Is it under review in the light of the developing situation on the ground? I can give her that assurance; yes, it is under review. On the extent to which we are co-ordinating our efforts, there are established mechanisms. We have been in touch with ECHO, the co-ordination mechanism for humanitarian assistance at a European level, and with John Holmes, the UN emergency co-ordinator.

In relation to work being taken forward with ASEAN countries, we have been in touch with each of our Foreign Office posts in the ASEAN countries and they are in dialogue with the respective Governments.

On UK nationals, I, too, have seen some of the media reports indicating the number of people who have not yet been contacted. I would not wish to heighten the anxiety of anybody who may have relatives whom they know are in Burma. Mark Canning was clear that we had not yet received any indications that individual British citizens were in difficulty, of which we were aware very quickly following the tsunami. He emphasised that the British population in Burma—people travelling in Burma as well as those resident there—is relatively small but widely dispersed across a country that has limited communications. It will therefore inevitably take time to account for even the limited British population there, but I can give the House an assurance that that work is under way from our post in Rangoon.

On how best to provide information to anyone who is concerned about relatives, I would make a plea for them to contact the Foreign Office. Their first port of call should be the Foreign Office website. Historically, people have come to trust its advice to travellers, and I undertake to raise this matter with my ministerial colleagues in the Foreign Office following this statement.

On the question of how our constituents can reflect the generosity of spirit that was so evident at the time of the tsunami in relation to this particular disaster, the Disasters Emergency Committee has launched an appeal today. I understand that there are adverts for the appeal in British newspapers today, and it is anticipated that there will be broadcast advertisements this evening. So there will be publicity on how members of the public can register their support for the efforts being made by the British Government and British NGOs.

Mr. Denis MacShane (Rotherham) (Lab): Is it not clear that tens, possibly scores, of thousands of Burmese have died in the past two days because of the failure of the Burmese dictatorship to allow aid workers in and to allow the navies of the world to go to help? This issue must be raised at the highest level. When such things happen in Darfur or Rwanda, we call it genocide, and that is what I accuse the Burmese junta of organising this week. Will my right hon. Friend ask the Foreign Secretary to support the French Government at the United Nations in invoking the right-to-protect article of the UN charter, which states that when a country ceases to protect its citizens, the international community has a right and a duty to intervene? Will he also make that clear to China, Thailand and India?

Mr. Alexander: I am sure that my right hon. Friend is aware, as a distinguished former Minister in the Foreign Office, that the responsibility to protect was conceived to address four defined situations in which Governments have failed to protect their people: war crimes, genocide, ethnic cleansing and crimes against humanity. I am not going to echo his sentiments in relation to the Government of Burma. A great deal of work is being done to assess exactly what access is being made available, and I can assure him that representations are being made to the Government of Burma through multilateral and bilateral channels. I urge hon. Members on both sides of the House to recognise the overriding importance of securing access, rather than securing headlines. It is important that we gain access to Burma to provide the humanitarian assistance that is urgently needed. There will be plenty of opportunities in the future to assess the performance of the Government of Burma and of the wider international community. As we stand here today, the priority is to ensure access for the humanitarian supplies, and I can assure the House that that is my overriding priority.

Malcolm Bruce (Gordon) (LD): I am grateful to the Secretary of State for his statement, and I very much appreciate the work of DFID staff in providing the

support that he has described. Will he acknowledge, however, that many people will die—and have died—because they have already been weakened by the lack of support from their own Government? Surely we must stress to that Government that people are dying daily because of their inaction. This is the moment when that regime must finally recognise that it is dependent on the international community. If it cares for its people at all, this is the time for it to demonstrate that by giving full and free access. If it fails to do so, it will stand indicted of precisely the accusation that the right hon. Member for Rotherham (Mr. MacShane) levelled against it.

Mr. Alexander: I find myself in complete agreement with the measured remarks of the distinguished Chair of the International Development Committee. As I said in my statement, there is a continuing crisis afflicting Burma. The tragedy that has unfolded over the past five days shows that that continuing crisis has now been compounded by a natural disaster. The right hon. Gentleman is right to recognise that many of the people in the Irrawaddy delta are desperately poor as a consequence of the range of factors affecting their lives, not least the conduct of their Government over recent decades. While there is an opportunity to say more at this stage, I believe that the priority must be to ensure the access to which he has referred.

Chris Bryant (Rhondda) (Lab): I am sure that the Secretary of State is absolutely right to say that when people are starving, have no access to clean water and have lost their homes, the most important thing is to get support to them so that they can achieve a decent life. However, there is a political reality involved. Surely it would be wrong if a single penny of British international development money went into the pockets of the army or into supporting a corrupt and despicable regime that has killed many people. Should we not adhere to the vital principle that the money should go directly to ensuring that people have the opportunity to live, rather than ensuring that a general has the opportunity to stay in his chauffeur-driven car?

Mr. Alexander: I share the sentiments expressed by my hon. Friend. This is why, historically, we have worked not only with the United Nations but with credible and accredited international partners. That is the approach that we will adopt in relation to the expenditure of the up to £5 million that we announced immediately after the disaster. Of course it is vital to ensure that people have confidence that the money that they are contributing individually, or that their Government are contributing, to the humanitarian effort reaches the people who require assistance. That has been our approach to Burma, it is our approach to Burma, and it will continue to be our approach to Burma.

Mr. Andrew Mackay (Bracknell) (Con): The Secretary of State is clearly right to say that the highest priority is to gain access for humanitarian aid. As it is obvious that the Chinese Government have considerable influence over the dictatorship that is preventing the aid from coming in, should not more be done to persuade the Chinese? Should we not also take bilateral action, with the Secretary of State speaking to the Chinese ambassador in London and with the Prime Minister making direct contact with his opposite number in Beijing? The Chinese must be the key to getting aid in as a matter of great urgency in the next 24 hours.

Mr. Alexander: There is no single silver-bullet solution to ensure the kind of access that Members on both sides of the House want to see, but I will certainly consider the points that the right hon. Gentleman has made, and discuss the matter with the Foreign Office.

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate my right hon. Friend and DFID in general, and in particular Mark Canning, whom we had the opportunity to meet in the House about a month ago. Will my right hon. Friend ensure that the minority peoples in Burma, particularly the Karen and the Karenni, are able to access aid? More particularly, will he ensure that the despicable regime does not use this disaster as an opportunity further to attack those people, using the pretence that they could be responsible for instability?

Mr. Alexander: We have worked for many years to secure relief efforts and humanitarian support for a range of groups in Burma, including those that my hon. Friend describes. It will continue to be our guiding principle that we should get the aid to those who require it, regardless of their ethnic origin or of the view that the Burmese regime holds of any particular group in that country.

John Bercow (Buckingham) (Con): I am genuinely grateful to the right hon. Gentleman for his measured statement today. However, the inescapable reality is that the crisis caused by the cyclone has been greatly exacerbated by the additional reality that the people of Burma continue to languish under one of the most tyrannical and callous regimes to be found anywhere on the face of the earth. On my understanding, six days on, there are but four representatives of the Office for the Co-ordination of Humanitarian Affairs on the ground in Burma, while, despicably, no fewer than 100 disaster relief teams are waiting at the borders but have not yet been given visas.

Will the Secretary of State acknowledge that there is now a compelling case for Britain publicly to get behind the French position at the United Nations Security Council, to invoke the responsibility to protect and to say to the Government of Burma, "If you want us to help, it will be on the basis that we are protecting people on humanitarian terms." They should let us in, or we will go in and do what is necessary to prevent the genocide, as the right hon. Member for Rotherham (Mr. MacShane) so rightly described it.

Mr. Alexander: Let me deal with both those points in turn. In relation to the OCHA assessment teams gaining access to the country, it is for exactly that reason that I raised the issue with the Burmese ambassador. I have also spoken directly to John Holmes of OCHA. When I spoke to him yesterday, he was keen to ensure that, while representations were being made, a careful and measured assessment should be made of what is actually happening on the ground. In that sense, of course we will continue to stay in touch with OCHA and of course we want OCHA assessment teams to have access. I assure the hon. Gentleman that I will continue to liaise with OCHA to ensure that that access is forthcoming.

[Mr. Douglas Alexander]

On the hon. Gentleman's second point, my right hon. Friend the Foreign Secretary has had discussions with Bernard Kouchner. I understand that an article that appeared in a French newspaper this morning about the urgency of getting humanitarian relief to Burma was co-authored by my right hon. Friend and the French Foreign Minister. However, I repeat that the first priority has to be to get humanitarian access: in the days, weeks and months to come, there will be plenty of opportunity to assess both the steps that need to be taken and Burma's position in the international community. The priority now is international access.

Alistair Burt (North-East Bedfordshire) (Con): I want to pick up on what my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell) said about the possibilities for the future. What understanding does the Minister believe that the Burma regime has that access is not a short-term exercise? Our experience of other disasters such as the tsunami suggests that the need for free access will continue for a long time. Is the regime aware of that? Is that access being negotiated now, in the immediacy of the present situation?

Mr. Alexander: I sincerely wish that I could give the hon. Gentleman the assurance that he seeks, but I am not in a position to do so. We have made it clear that the requirement for immediate and free access means that we need visas to get into the country and then be able to travel freely to the affected areas. We will be able to judge in the days to come whether that access is forthcoming, but the hon. Gentleman is right that the scale of the devastation inflicted by the cyclone on the southern part of Burma means that it is inevitable that there will be very significant reconstruction requirements. Those requirements would test an environment that was far more prosperous and stable than Burma is today, but the immediate priority is to get the assessment teams on the ground. We will be in a better position to have the dialogue to which the hon. Gentleman refers—whether through interlocutors or directly with the Burmese Government—once we have the response of the assessment teams presently endeavouring to get into the country.

Mr. Philip Hollobone (Kettering) (Con): In humanitarian emergencies, access to clean water is often one of the most pressing problems. Water is heavy, bulky and difficult to carry by air. Sometimes, inadequate road networks mean that it is even difficult to carry by lorry. What priory is DFID giving to ensuring that clean water is provided as soon as possible to those in difficulties? Are teams of water engineers on stand-by to go to Burma, if necessary?

Mr. Alexander: That effort would require more than my Department's support. We have an assessment team ready to travel to Burma, and we have staff at the Burmese embassy in London at the moment trying to secure travel visas. As soon as the visas are secured, the assessment team will travel. The team's principal responsibility will be to join other international assessment teams already on the ground in Burma, and they are largely made up of people from various countries who were in-country when the cyclone hit the coastline. We will use the assessment that we receive to judge the most immediate humanitarian requirements.

The hon. Gentleman is of course right to recognise that water—along with food, shelter and medicines—is likely to be one of the immediate requirements. However, we need to get the assessment teams in to make the sort of judgments that he suggests.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): I want to reinforce the message that hon. Members of all parties have put across: that the Burmese regime has greatly weakened the country, but that this major natural disaster has left it in an even more perilous state than before. Clearly, urgent and immediate action is needed. On a practical level, the Secretary of State will know that the International Development Committee was concerned about the reduction in the size of the Bangkok office. What role has the British presence there played in co-ordinating the response in the region before we get access to the country?

Mr. Alexander: The hon. Gentleman raises a very valid point, but this is a work in progress. A senior member of the DFID staff is on the point of travelling to Bangkok in the days to come but, until we know where the international effort will be co-ordinated from, it is unclear what our staffing requirements will be. It is likely—although this will be resolved in the days to come—that many international agencies will be based in Bangkok. If so, the size of our staff complement in Bangkok, as distinct from Rangoon, will be based on the judgments that we make. I have already discussed with senior departmental officials the possibility that we may need to supplement our teams in the region, whether in Rangoon or Bangkok. However, the international community will decide in the days to come where the co-ordination will take place.

Defence in the World

[Relevant documents: Thirteenth Report from the Defence Committee, Session 2006-07, on UK Operations in Afghanistan, HC 408 and the Government's response (Thirteenth Special Report, Session 2006-07, HC 1024); First Report from the Committee, Session 2007-08, on UK land operations in Iraq 2007, HC 110, and the Government's response (Second Special Report, Session 2007-08, HC 352); and the Ninth Report, Session 2007-08, on the future of NATO and European defence, HC111.]

12.54 pm

The Secretary of State for Defence (Des Browne): I beg to move,

That this House has considered the matter of defence in the world.

I welcome this opportunity to debate the role of defence in the world. Given the limits that we have imposed on ourselves for these debates, I do not have time to go into detail about how all our assets are working together to prevent and resolve conflicts around the world. I will therefore focus my comments on those areas that are most pressing and which have rightly attracted the attention of many hon. Members—namely, Kosovo, Afghanistan and Iraq. Time and interventions permitting, I shall also address directly the issue of ballistic missile defence.

In his leadership campaign, the right hon. Member for Sheffield, Hallam (Mr. Clegg) promised to drag me to the Dispatch Box—that may be a paraphrase, but I do not think that it does him an injustice—to discuss ballistic missile defence. I have waited and waited, however, but he has done no such thing. Then again, the Liberal Democrats have been promising to do that for the best part of two years now, and the issue has warranted only one or two interventions from them in any debate, so I suppose that a Liberal Democrat promise is made to be broken.

Nick Harvey (North Devon) (LD): We had two particular objections to the ballistic missile defence programme proposed by the Americans—it did not have the blessing or support of fellow NATO members, and there did not appear to be any meaningful dialogue with the Russians about what was being proposed. My right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), my colleagues and I have been delighted to note that both those substantive misgivings have faded away materially in recent months. NATO has now embraced the programme, which can no longer be portrayed as a simply American initiative, and a much more productive dialogue appears to be taking place with the Russians about the nature of the defence. I notice some surprise on the Secretary of State's face, and he may want to elaborate on those points. In a sense, however, much of what my right hon. Friend the Member for Sheffield, Hallam was saying has been overtaken by events.

Des Browne: I am glad to have been able to drag the hon. Gentleman to his feet, and I shall deal in more detail with the ballistic missile defence programme later in my speech, but none of what he said is new to those of us who are involved in discussing the matter with the US, our NATO allies and Russia. The process has been going on for a considerable time. If the developments that have been happening quite overtly have come to the attention of the Liberal Democrats and allayed their concerns, I shall be pleased to hear that they now support the position in relation to ballistic missile defence that NATO has adopted for a long time.

Mr. Paul Keetch (Hereford) (LD): Will the Secretary of State give way?

Des Browne: I shall not give way any more on this matter, as I shall deal with it specifically in my speech. I am absolutely certain that my speech will pre-empt the point that the hon. Gentleman wants to make. I am sure that, in his closing remarks, my right hon. Friend the Minister for the Armed Forces will seek to address any concerns that go beyond the ones that I raise in the debate.

The Government's collective aim is to shape the international environment to protect our citizens, promote our economy and defend our values. The global context in which we operate to achieve that has already been well documented, in the strategic defence review and its supplementary documents and annexes, and most recently in the national security strategy. Those documents identify the threats arising from terrorism, failed and failing states, weapons proliferation and competition for natural resources. Now, other factors such as competition for food and water and a global economic slowdown add to the complexity of that environment. We recognise those challenges, which surpass political borders. They are collective challenges, and occasionally they generate individual threats.

Mr. Philip Hollobone (Kettering) (Con): Is not the context of this debate the fact that although the United Kingdom has, pro rata, the best armed forces in the world and we regularly punch above our weight in international conflicts, all too often our allies, who should know better, do not give us, and the United States, the support that we deserve?

Des Browne: I pay tribute to the hon. Gentleman for, in an early intervention, putting his finger on an issue that we need to address in the context of this debate. The simplistic answer is to agree with him, but it is not as simple as that, as he knows. The ability of our allies to punch their weight or to step up to the plate, to use two of the phrases that are constantly used in this debate, is a function of political will, capability and capacity. In the whole history of this debate, and in the comparatively short period for which I have been Secretary of State for Defence, I have seen dramatic improvements in that regard. Certain countries have gone from being renowned for being able to contribute to peacekeeping missions to being war-fighting countries that are now able to deploy their forces with effect in very difficult circumstances. Many countries punch above their weight in relation to the size of their armed forces. Other countries have used their engagement in NATO, particularly in Afghanistan, to transform their armed forces in the way that I have described.

Without going into the detail of all those countries—there are many good examples—I would say two things about what is often the litmus test: namely, which NATO countries are in the difficult parts of Afghanistan. First,

[Des Browne]

when NATO met in Riga last year there were, if I recollect correctly, about 32,000 ISAF—international security assistance force—forces there, predominantly NATO forces. When it met in Bucharest, there were 47,000. That is a significant increase, and there have been additional forces since then. Secondly, of the countries that are members of NATO, whether newer or long-standing members, slightly less than 50 per cent. are represented in the south or the east of the country. Those two broad statistics generally indicate the direction of travel. The point that the hon. Gentleman makes is right, but our allies are aware of it and they are making progress.

Bob Russell (Colchester) (LD): Can the Secretary of State clarify how many countries have deployed troops to southern Afghanistan? Before the President of France's recent visit to this country, it was widely trailed that France would be deploying troops to southern Afghanistan. Have there been any developments in that direction?

Des Browne: There have been significant developments in that direction in the sense that the French have agreed to deploy troops to the east of Afghanistan and, in turn, the United States of America has deployed troops to Kandahar to fulfil what have become known as the Manley conditions, which were the conditions attached to the report on the Canadians' commitment to southern Afghanistan. I have figures in my head but I am not entirely sure if I remember them accurately. If the hon. Gentleman wants those figures, I am happy to provide them, but they are already in the public domain. NATO has a website that makes available to the public the specific figures relating to which countries have deployed what resources to where. They are not in any sense kept under wraps. If right hon. and hon. Members wish to have access to that information, it might be less expensive to the British Exchequer if they checked on the NATO website instead of constantly asking questions of me. I am happy to be asked about those figures—I am making a slightly facetious point—but they are in the public domain.

Mr. Lindsay Hoyle (Chorley) (Lab): Is it not fair to say that the weight has been on the few and our NATO allies have been shy in coming forward, but now NATO is showing a greater commitment and the countries that have shied away in the past are beginning to come forward, and that that is the matter of fact and the basis on which we must proceed?

Des Browne: I agree with my hon. Friend. We have repeatedly debated and discussed this matter, and I have repeatedly answered questions on it from the Dispatch Box. I have always had a realistic approach to it. It is a function of capacity, appropriate capability and political will. An increasing number of nations are showing the political will and developing their capacity and capability to deploy. Let me take the example of helicopters, which exercises this House. There are many thousands of helicopters throughout the world. It is debatable whether they are all well equipped enough to be capable of safe deployment into the environment of southern Afghanistan, for example, where helicopters are now flown routinely in a way in which, in the recent past, they would have been flown only by people with very special skills. That is why, in the context of the NATO summit, my right hon. Friend the Prime Minister announced an initiative to enable the equipping and training of the pilots of those helicopters to allow their deployment. It is not just a question of saying, "That country doesn't have people there"—we have to ask ourselves, "Does that country have the deployable capability, and would we want those resources to be deployed alongside our own forces in that environment?" We are improving in all those respects in the international community and with our allies daily. That is reflected in my hon. Friend's comments.

Mr. Gerald Howarth (Aldershot) (Con): I am extremely grateful to the Secretary of State, as indeed we all are, for his giving way. He mentions the importance of helicopters, which we all accept are doing a fantastic job in Afghanistan and in Iraq. However, the current version of the Lynx helicopter is not up to speed in those conditions. What is the score on the future Lynx programme, given the persistent press reports that the contract is about to be scrapped, leaving the United Kingdom with inadequate helicopter forces?

Des Browne: It is well known that the Department goes through a process of regularly reviewing its equipment programme; it would be irresponsible not to do so. Every time that process is gone through, there is speculation. The Lynx contract is extant—it is part of the procurement programme. I have made it perfectly clear that while that process is going on I will not get engaged in giving answers to people by identifying and salami-slicing elements of the programme. With respect to the hon. Gentleman—I understand why he asks—I am not prepared to respond to every piece of speculation. I give the House the assurance that if any decisions are made to change the status quo in relation to any part or planned part of our programme, I will make an announcement to the House.

Mr. Bernard Jenkin (North Essex) (Con) *rose—*

Des Browne: I do not intend to get diverted into a debate about procurement or equipment issues. I have a number of points to make, and I am conscious of a sense in the House that Front Benchers should not dominate these debates and there should be time for Back Benchers to contribute.

Currently, British forces are operational across more than 12 nations, whether patrolling the South Atlantic, policing international borders in Cyprus or capacity-building in Sierra Leone, to name but three of the tasks that they take on. Our troops are all working towards a common aim—international stability.

With the operational focus often on Iraq and Afghanistan, we should not forget our commitments to Kosovo. The UK contributes around 200 troops to the NATO operation in Kosovo and continues to support security sector reform throughout the region. We should not forget our achievements there. Where once there was sectarian violence and bloodshed, there is now economic development, stability and functioning democracy. In February, the Government of Kosovo declared independence. At the time, they made it clear that Kosovo would be a democratic, secular and multi-ethnic

republic and that its leaders would promote the rights and participation of all communities there. Since then, there has been steady progress by the Government of Kosovo and international authorities in meeting the obligations contained in the United Nations comprehensive proposal for a status settlement in Kosovo. The security situation has remained calm, albeit tense, and there have been sporadic incidents of violence. There is no place for violence in Kosovo, now or in the future, and the UK remains committed to promoting a stable, secure and prosperous Balkan region moving towards European and Euro-Atlantic integration.

As the House is aware, we are preparing to send 2nd Battalion, The Rifles to Kosovo in its role as the NATO Balkans operational reserve force. The UK ORF battalion will play an important role by reassuring all parties to the situation in Kosovo that the international community and the UK will maintain their commitment to preserving peace and stability in the region. We are well prepared to meet that long-standing commitment, which we share with our NATO allies. By planning ahead, we have ensured that the UK ORF battalion has been properly force-generated and that the impact on other operations will be minimal.

The hon. Member for Woodspring (Dr. Fox) has quite properly raised a number of questions about that deployment. Let me take the opportunity to address the points that he has put into the public domain. First, he asked why we made the announcement on 29 April rather than on 28 April at Defence questions. The reason for that is quite simple. The decision to commit the ORF was not taken on the 28th—it was taken on the morning of 29 April at the Cabinet meeting that morning. Consequently, we announced the deployment to the House as soon as practicable thereafter, at 2 o'clock that same afternoon.

The hon. Gentleman asked how much the deployment would cost and where the money would come from. We estimate the cost to be around £6 million and it will be met in full from the reserve, bringing our estimated costs for our deployments to Kosovo to £28.5 million during 2008-09. It is interesting to note that the cost of our deployment there in 2003-04 was £186 million. As conditions have improved in Kosovo, the costs to the UK of our presence have fallen significantly. He asked about the impact that the ORF deployment would have on our strategic airlift capability and whether it would undermine our air bridge to Iraq and Afghanistan. Since we forward-based the heavy equipment in Kosovo at the start of our commitment to the ORF and since we will be deploying the personnel to Kosovo by civilian charter, the answers to those questions are respectively none and no.

Finally, the hon. Gentleman suggested that the Government did not have the courage to come to the House to debate the issues behind the ORF deployment. As every hon. Member can see, that is not true. I am here now, and we have not yet deployed one of those members of the ORF to Kosovo. Let me point out that we are talking not about a new commitment, but about the deployment of a standing commitment, which does not in fact deploy until the end of this month. I am here now to debate the issues and will happily debate the ORF with the hon. Gentleman and any other Member for as long as I am permitted to do so.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The 2nd Battalion, The Rifles is the battalion with which I served and I hope that the House wishes it well in its deployment to Kosovo. However, the regiment has just returned from Iraq, so I ask the Secretary of State: has enough time been given for the battalion to re-engage with families and to retrain before it takes up that other commitment? The biggest question Britons will be asking is why it is yet again the British who are stepping forward when there is so much pressure on our armed services and while the rest of Europe seems to turn a blind eye to the problems in Kosovo.

Des Browne: First, the hon. Gentleman is right to pay tribute to those forces whom he served with, and as he would expect, they are greatly looking forward to going. They are confident that they will do an excellent job there, just as they did in Iraq, and that they will do so in future, if they are ever deployed again. There are 18,000 troops from the international community in Kosovo, so it is not right to say that other countries are not bearing their share of the burden of peacekeeping there. Sometimes when I consider the number of troops there, in an area the size of Wales, I draw another conclusion with regard to the number of troops we are able to deploy to other theatres. The hon. Gentleman's point is worth making as a debating point, but it is not factually correct.

Chris Bryant (Rhondda) (Lab): Following on from my right hon. Friend's point about the number of troops in Kosovo, many of us were delighted when we were able to say that we no longer needed to have a presence in Bosnia and Herzegovina. For many of us it therefore seems distressing that we now have to send another set of troops to operate out of Pristina. How long does he think that European troops will have to be there in the sort of numbers there at present? If he is not able to answer that question, how will he know, and how will Europe know, when we no longer need to be present?

Des Browne: Broadly, although the situation in Kosovo has to be nurtured and encouraged step by step, most people think that progress is being made. Progress is evident throughout the Balkans.

First, we should not see the deployment of the operational reserve force, which is being done after careful consideration by the commander of NATO forces of the appearance he needs to present to give security on the ground, as an indication of regression. It is an indication of progress. Secondly, we have been committed for some time, with other countries, to provide the ORF to Kosovo—I think that the commitment goes back to 2003, but if I am incorrect, I shall correct the record. We have been on standby, as it were, at various stages of readiness to take action along with other countries. Other countries have fulfilled this role. We are at the highest state of readiness at this time, and it is right that we should fulfil our commitment.

We are not expected to do something in Kosovo that others are not prepared to do, as some have suggested. I repeat the point I made earlier: there are 18,000 troops from countries throughout the world in Kosovo. We are able to see the progress that is taking place because of that level of commitment. If the commanders who

[Des Browne]

achieved that, working with others and the broader international community, suggest that something needs to be done and make a request, it is entirely appropriate that we respond. Of course, we need to take into account the effect on our troops and their families. We would not send the battalion if we felt we were affecting its ability to recuperate from operational deployment to Iraq or its ability to retrain and be ready for further deployment, should that be necessary in the future.

Mr. Keetch: Would the Secretary of State reflect on the fact that we are talking not about European troops deployed elsewhere, but about European troops in Europe? The achievement of British and European troops in Kosovo—indeed, throughout the former Yugoslav republics—has a direct impact on the security of the UK and the livelihoods of all our constituents. We should be congratulating the Government on taking responsibility for making a short-term deployment at this time. It is better that we do it now, in a measured and careful way, than find ourselves having to make a much larger commitment in six months or so. The long-term good and prosperity of Kosovo is good for all of our nations, not just the people of that region.

Des Browne: I am always happy to accept congratulations for the Government, no matter where they come from—*[Laughter.]* I should be more gracious to the hon. Gentleman; he made a very good point. I am reluctant to accede to it, however, lest that be interpreted to mean that I think that the borders of Europe define where the borders of our security lie. The reality of the modern world suggests that the front line of our security can be quite far away from the borders of Europe, or indeed our own borders. His point is absolutely correct, however, and instead of interpreting every move, particularly a military move, as a function of failure, we should understand that it is our ability to change the levels of our forces as we have in the Balkans, and to use them to give a degree of security and stability to allow complementary civil work to take place, that has resulted in the painstaking progress made over more than a decade to bring that region its current stability. It also allows us to welcome the component elements of the former Yugoslavia into not only Europe but a Euro-Atlantic relationship, which reinforces what we have achieved. Indeed, we should congratulate ourselves—hon. Members of all parties, this country and our wider alliance—on our achievements, because it did not look as though we could piece things back together in that way.

Mr. David Drew (Stroud) (Lab/Co-op): I congratulate my right hon. Friend on the steps he has taken on Kosovo, which is a function of our ability to recruit people to our armed forces. Has he taken the opportunity to talk to the National Union of Teachers about its policy of making it increasingly difficult for our armed forces to speak to young people who might want to pursue a military career? Will he say now that it is important to have armed forces that undertake peacekeeping and that the NUT should understand that?

Des Browne: I reassure my hon. Friend that many debates that NUT meetings generate have the opposite effect from the one that the NUT seeks to achieve. I am not aware of evidence to suggest a reduction in head teachers' interest in having members of our armed forces make the important contribution that they have made for generations to the education of our young people. All hon. Members and the wider community know that our young people have much more to learn from what the armed forces can show them about their way of life, standards, discipline, loyalty and comradeship than to fear from engaging with our armed forces in the context of controlled exposure to what the world is like. I have no doubt that, as the public expression of admiration for our armed forces increases, as is happening exponentially throughout the country, more and more will be invited into schools to share with young people the way in which the chemistry works.

My anxiety about our armed forces' engagement with the education system is that I will be accused of allowing too much of it and people will say that I am overstretching them by allowing them to do too much across the education estate. However, my hon. Friend the Member for Stroud (Mr. Drew) need not fear. Sometimes, I am grateful when extreme issues are put in the public domain because they allow people to approach the subject in a more measured and sensible way than at first appears.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I thank my right hon. Friend and his colleagues for their work to ensure that we mark the contribution of our servicemen and women through Veterans day. Does he agree that working through the veterans' associations and bringing them into play in our education system on Veterans day and other occasions is a good way of ensuring that people have a rounded and well founded view of the role of our armed services?

Des Browne: My hon. Friend puts her finger on one of the key aims of Veterans day—a day of appropriate celebration, to which we all look forward. One of the potential benefits of veterans' badges is that young people and communities can identify by that simple method people who have experience of the armed forces and who can engage with young people. I know from my constituency that young people are hungry to hear about such experiences, which many will never have but greatly admire. They can learn much from them. On many occasions, I have seen veterans, especially those of service from many years ago, keep young children in raptures with the stories of their experiences. It is a wonderful part of life. I do not wish to be trite, but passing on such oral history from generation to generation is part of being British.

In Afghanistan, our forces are working to ensure that that benighted country never again becomes a base for international terrorists. The events of September 2001 demonstrate clearly that, in a global world, the counter-terrorist front line is often far from our domestic borders. We must and will maintain deployable, expeditionary forces able to meet that challenge, wherever it confronts us.

I regularly visit our troops in Afghanistan. On each occasion, I am highly impressed by their professional conduct and high morale in extremely challenging conditions. That reaction is common among all those who visit them, and I know that many hon. Members have done so, for which I commend them.

Mr. Kevan Jones (North Durham) (Lab): Will my right hon. Friend give way?

Des Browne: I am conscious of the time that I have been on my feet and the many pages that remain in front of me, but I will give way, given that my hon. Friend is one of those who have visited our troops.

Mr. Jones: Like other members of the Defence Committee, I value those visits because they give us an insight into what happens on the ground. It also makes us proud to see those men and women working very hard. However, the Ministry is putting the visits in jeopardy. On our latest visit, we were told that we will have to undergo a medical and fitness test before any Member of Parliament is allowed to go on future visits. Will my right hon. Friend reconsider that because I am sure that some of us are not as fit as others and may not pass the test?

Hon. Members: How fit is the Secretary of State?

Des Browne: The matter needs to be looked into quickly. I will take it away and get back to my hon. Friend. I have not been challenged about that, but I think that I need to look into it.

As well as being impressed by the professionalism and morale of our servicemen and women in Afghanistan, I have also seen for myself the positive impact that our troops are making there. That applies not only to them but to others deployed in a supporting civilian capacity, including civil servants from the Ministry of Defence, the Foreign and Commonwealth Office, the Department for International Development and others. They are collectively making a positive impact by creating a secure environment so that Afghans can go about their lives as they wish.

I have listened to our troops tell me that the equipment that they now use is the best that they have ever had. That is their opinion and it is also mine. In the last financial year alone, we delivered equipment worth more than £4.5 billion to the armed forces. Better personal protection and weapons, new armour, new vehicles, new surveillance capabilities and more helicopters have not gone unnoticed by those on the front line. I am sure that all hon. Members know about the quotation from the current brigadier in Afghanistan about the equipment there. Our procurement programme is now paying substantial dividends.

We, along with the international community, must continue to support the Afghan Government, and we are doing that.

Dr. Liam Fox (Woodspring) (Con): On a point of clarification, the Secretary of State recently made a statement on the future rapid effect system programme, which is vital to what he is discussing. He announced that Pirhana 5 from General Dynamics is the preferred design. We want to ask several questions about that because he said that it would be subject to the completion of a package of work on risk reduction and that then it would be made available at the earliest opportunity. What do those terms mean, and what now constitutes the earliest opportunity for FRES to be delivered?

Des Browne: We will not be in a position to announce the in-service date for FRES until the main investment decision is taken. In essence, the decision is announced as a provisional preferred decision, because there is more work to do to ensure that we deliver the best capability and secure the best deal for defence and the taxpayer. Of course, that work will be done with the appropriate haste, when we are in a position to announce the outcome of that work, including on risk reduction, and I will make further announcements to the House. I am not in a position to anticipate when a programme of work will be completed from the start point, but it will be completed with appropriate haste to give respect to the issues that need to be dealt with.

Willie Rennie (Dunfermline and West Fife) (LD): I hear what the Secretary of State says about improved security in Afghanistan. I often think that the poppy crop is an indicator of security in the country. I have heard the various policies that he has espoused to tackle the poppy crop, but it has increased year upon year. In fact, it was lower in the Taliban years than it is now. Can the Secretary of State explain why we have not managed to tackle the poppy crop?

Des Browne: I would not rely entirely on the statistics published by the Taliban on the size of the poppy crop when they were running the country. The Taliban held out to the public the view that they were opposed to the production of opium, but there is clear evidence that they were controlling it, while telling the international community—and even persuading some members—the opposite. The Taliban's current behaviour, along with that of other insurgents in Afghanistan, does not suggest to me that they are a reliable source of information on the state of production at that time.

There is no doubt that the growth of poppies and the production of opium and their relationship with the insurgency are serious and important issues. Significant progress has been made in making large parts of Afghanistan poppy-free. That is independently assessed and reported on by the United Nations. There has been a concentration of poppy growth in the areas that are least secure, which happen to be the most difficult areas—the parts of the country where, by and large, there has never been any governance. Those parts also happen to be predominantly in the southern part of the country, where we and others are trying to engage the Taliban and other insurgents.

There is no doubt that the Taliban and other insurgents are taking advantage of the security situation in those areas to exploit their hold over the local population through the growth of poppies. Progress is increasingly being made in delivering security, but we need to move beyond that, to the key to reducing the growth of poppies, which is to provide alternative livelihoods. That is not just about saying—as we can, of course—that almost anything will grow in the Helmand river valley during the growing season, for example, when that soil and water are put together; it is about providing a crop that will produce cash. In order to do that, the broad infrastructure needs to be built, so that people can get crops to the market and sell them, and make a living. That is what we are concentrating on, and I shall come to some statistics on the progress being made later.

[Des Browne]

I am eternally grateful for the support that that incremental approach, with all the pillars of the anti-narcotics strategy that we have signed up to, consistently receives in the House. There is no simple solution to the problem. Aerial spraying will not deal with it, and neither will buying the poppy crop from the farmers. I notice that on his blog the hon. Member for Woodspring recently expressed a remarkably unqualified degree of support for buying the poppy crop in Afghanistan—if I have misinterpreted him, he can no doubt deal with that. I do not believe that to be the solution, nor do I understand it to be the Opposition's policy—perhaps the hon. Gentleman was just expressing a personal view.

However, that policy is not the solution, for the simple reason that the country just does not have the infrastructure to ensure that it targets the sole poppy crop. I am certain that if we offered to buy the poppy crop, as many people encourage us to do, the poppy crop would double. There would be no reason for the narcotics dealers to give up trying to get farmers to grow more. Despite the size of the crop, farmers currently grow poppies on only about 4 per cent. of the arable land in Afghanistan, so there is plenty of room for expansion. We just need to work painstakingly through the problem. There are some indications, with the way commodity prices are going, that the growing of wheat, for example, is becoming increasingly attractive to Afghan farmers, for obvious reasons. We need to work on the problem and make progress across the international community, but we also need to make progress on the complementary aspects, including the criminal justice system, by getting some of the big boys before the courts and into jail.

Linda Gilroy: I am grateful to my right hon. Friend for giving way again. Does he not agree that another important part of the complex situation that we need to tackle—indeed, we are responsible for taking the lead—is ensuring that the drug dealers at the highest levels in Afghanistan are dealt with? When my right hon. Friend next meets President Karzai, will he ensure that he understands that Members of Parliament representing constituencies such as mine, which supplies many of the marines to fight in Afghanistan, are looking to him to deal with the situation as a matter of urgency?

Des Browne: My hon. Friend makes another good point, which reinforces the part of my response to the hon. Member for Dunfermline and West Fife (Willie Rennie) that I had reached when I allowed her to intervene. It is important that key narcotics barons are taken out, brought before the courts and given exemplary sentences. It is key, too, that there should be a commitment from the top of the Afghan Government to that process and to eradicating corruption, which is a particular difficulty in some parts of the structure of Afghanistan, if not endemic.

However, we have to understand where the country has come from. The message that my hon. Friend articulated so well is given by every interlocutor—not just from this Government, but from the whole international community—to President Karzai. He is a man who faces a significant challenge in leading his country, but he is in no doubt that dealing with corruption and drug dealers is an important priority for those of us making the sort of contribution that she describes to the security and future of his country.

Mr. Ellwood *rose—*

Des Browne: I give way to the hon. Gentleman, who I know has some knowledge and even, dare I say, expertise.

Mr. Ellwood: I am grateful for that comment. On my previous visit, I was shocked to learn that the international security assistance force continues to fly in more than 90,000 bottles of water every week for the ISAF troops. The Secretary of State mentioned infrastructure, which must be the key to solving Afghanistan. We could do more if we bought local produce. Everything in Lashkar Gar is ferried in from many miles away. With 7,000 people, the Dutch provincial reconstruction team is in a town and could help to support the local community, but it does not do so in any way, fashion or form, in the sense that it does not buy a single apple locally. That can all change if we start purchasing things locally. Will the Secretary of State give us an assurance that he will see what can be done about purchasing more local produce?

Des Browne: I give the hon. Gentleman that assurance, but with respect, there is a balance to be struck. Having growing communities depend on garrisons is not sustainable either. That of course does not undermine his point about bottled water, which is an impressive point. I shall make inquiries off the back of that point, and I am certain that I shall uncover a mixed picture. I know that our significant development in Camp Bastion puts a large amount of money into the local community because, apart from anything else, we employ local people. I will try to find out the picture across ISAF; I will write to the hon. Gentleman and put my response in the Library so that all Members can access the information.

As I was saying, we, along with the international community, must continue to support the Afghan Government, which is what we are doing. That is why all 40 troop-contributing nations to ISAF reaffirmed in Bucharest their commitment to Afghanistan, and why many—notably the French, who will deploy an additional battalion to regional command east—made additional contributions of troops. The United States has deployed a marine expeditionary unit of 3,000 personnel to southern Afghanistan. They are working closely and effectively with UK forces, complementing our efforts and allowing us to spread the writ of the Afghan Government further and faster.

We fully support the appointment of Kai Eide, the new special representative of the United Nations Secretary-General, to facilitate better co-ordination of the international community's efforts in Afghanistan. There is already evidence that he is having a significant effect. His appointment will ensure that we are able to optimise the delivery of reconstruction and development into the security space that is being created by the courage and professionalism of our armed forces. That will be the decisive act in our mission in Afghanistan.

Ultimately, this will be delivered through the Afghan national development strategy, which is the vision of

the Afghan Government themselves to improve conditions for their people. I look forward to the Paris conference, to be held in June this year, where members of the international community will come together again to refine and co-ordinate the implementation of the whole strategy. The road ahead will not always be easy—there will be setbacks—but there is mounting evidence that we are making real progress. Security is taking root in many areas and basic services are improving. The Taliban, who once boasted that they would drive ISAF out of Afghanistan, have themselves been driven from large areas of the country.

About 60 per cent. of Afghanistan is relatively stable, with no or very few security incidents. Since 1 January, 91 per cent. of insurgent activity has originated in just 8 per cent. of Afghanistan's districts. ISAF has built over 4,000 km of roads, when only 50 km existed in 2001. In 2001, 8 per cent. of Afghans had access to health care, whereas that figure is 80 per cent. today. The Taliban offer Afghanistan neither security nor development. That is why, in a recent BBC poll, the Taliban had the active support of just over 4 per cent. of the population of Afghanistan. It also explains why increasing numbers of former Taliban are choosing to oppose the Taliban and support the Afghan Government. Nowhere is that better exemplified than in Helmand, where the town of Musa Qala has been transformed from a battleground to a place where there are thriving markets and a popular school, and people live their normal lives.

Afghan security forces are playing an increasing role in their own security. There are now more than 50,000 troops in the Afghan national army, and the first battalion to become independently operational is now fully trained and equipped. There are also more than 76,000 officers in the police force. In the light of those expanding Afghan forces, the Afghan Government have announced their intention to take over responsibility for security in Kabul by August this year. That will be a key step on the way to achieving our ambition to make Afghanistan a stable state with secure borders.

Such security and stability are equally our ambition for Iraq.

Mr. Brian Jenkins (Tamworth) (Lab): I listened with interest to the fact that the Afghan national forces are now coming into play and are looking to take over Kabul. Does my right hon. Friend have any indication of what the next step will be and can we see the light at the end of the tunnel? By what projected date can we expect those forces to be in control of the major part of Afghanistan?

Des Browne: My hon. Friend asks a perfectly sensible and appropriate question. I give the answer that I always give from the Dispatch Box when I am asked to give dates relating to future developments on security matters, particularly on handing over control, whether in Iraq or Afghanistan. The answer is that it will depend on conditions on the ground. An assessment by the ISAF commander and the Afghan Government came to the conclusion that their forces were reaching the stage where they could increasingly take over security in the city on an incremental basis. I am not aware that the process is taking place in any other part of Afghanistan, but it is not surprising that the capital city and surrounding area should be first, because that is where the concentration of forces and their training takes place. As we found in Iraq, we can reach a certain point in respect of the training of forces where this process accelerates. We started out with just one or two provinces in Iraq, but we can see today that many provinces have been handed over. That is exactly how we will do it in Afghanistan. My hon. Friend should keep asking the question, and I am sure that I will be progressively more able to answer it in a positive way than I am at the moment.

Coming back to Iraq, I have made many visits and seen the work that our forces are doing to help the Iraqis make the objective of security and stability a reality. Since the end of March, our forces have been supporting Prime Minister al-Maliki's security surge in Basra. After some early challenges, those operations have yielded very considerable success. On Sunday, the Iraqi security forces concluded their sector-by-sector clearance of the city, as a result of which I can report to the House the current situation in Basra: the grip of the militias has been broken, with their leadership in flight or in hiding, and huge quantities of illegal weaponry have been recovered. There are now early but encouraging signs that life in Basra is returning to normal. The city is much more relaxed, with women feeling once more able to dress as they wish, and the university campus is vibrant.

What we are seeing in Basra has not happened overnight. It is the product of years of hard work, principally by our armed forces and by the Iraqis. Through our training and mentoring, we brought the Iraqis to the point last December where they could take the lead in Basra, with the transition taking place later, when our forces could step back from the city. We have also worked hard to separate those willing to participate in the democratic process from the extremists. All that has exposed the true nature of the militias, which had previously used our presence in the city as a cover for their violent criminal activities.

Patrick Mercer (Newark) (Con): I am delighted to hear what the Secretary of State says about the recent upsurge in violence being more under control in Basra. Can he explain why an American Major-General and a brigade had to be deployed there to achieve that aim?

Des Browne: All the American resources in Basra came there for two principal reasons. First, on account of the decision of Prime Minister al-Maliki, Basra became the main effort for the Iraqi security forces. Consequently, senior members of its command came into the city. They worked with and were mentored by the American troops that came with them. Secondly, they also deployed American mentor troops, particularly from Anbar, to augment the 14th Division, which was trained and mentored by the United Kingdom. The Americans came with the Iraqis as they were deployed, so they brought additional resource—intelligence, surveillance, target acquisition and reconnaissance resource and other resource enablers—with them, to the advantage of the whole operation. That accounts for all the numbers. This was not an American deployment—

Dr. Andrew Murrison (Westbury) (Con): So it was a training exercise?

Des Browne: The hon. Gentleman interrupts with a sedentary comment about whether that was a training exercise. He clearly does not understand what MiTTs—

[Des Browne]

military transition teams—are. All the Iraqi troops, as they have been trained and developed, are mentored by the troops that operate with them. As they come forward, so do those who work with them, but in significantly lower numbers than the Iraqi troops themselves. They eat, sleep, fight and work with them, so it is not a training exercise, but a process of mentoring and ensuring that the Iraqi troops are able to continue to do what they have been trained to do. That entirely explains the position. The hon. Member for Westbury (Dr. Murrison), who is a keen student of these matters, will have noted that my explanation is exactly the same as the one that General David Petraeus gave when he was asked the same question by our media on his recent visit here.

I have outlined the reasons why the Iraqi security forces have enjoyed such strong public support, reflecting a widespread recognition that the men of violence are not fighting for the people of Basra—as they used to suggest—but against them.

Patrick Mercer: Will the Secretary of State give way?

Des Browne: I think that I have taken enough interventions. The point I am making is that the militia pretended that they were fighting for the people of Basra, but the people of Basra now know that they were fighting against them.

However, such progress does not mean that we can simply declare success now and bring our troops home. Although real progress has clearly been made, it remains fragile, and needs to be consolidated and sustained. Lasting stability requires the Iraqis to make political and, above all, economic progress. The biggest single worry for the people of Basra is not security, but unemployment. Progress is being made: only the day before yesterday, a new market was opened in the Jameat area of Basra, built as a joint British-Iraqi venture, while last week I attended a reception for the Basra development commission at No. 10 Downing street, which brought together the captains of British industry, and they showed a great interest in investing in southern Iraq. We have been following up on that with some success, but all of this will take time to fix.

This—successful—operation has shown that the Iraqis still have some way to go before they can operate without our assistance. They remain reliant upon us and our coalition partners for advice on how to plan and execute their operations, as well as for logistic and medical support and for specialist capabilities, such as fast jets, helicopters and surveillance. So our forces still have an extremely important job to do. In particular, our focus is on the following: completing the training of the 14th Division of the Iraqi army, which will provide the backbone for the long-term Iraqi security presence in Basra; taking forward the development of the Iraqi navy; and setting Basra's international airport on the path towards international accreditation. For the time being, the number of British forces in southern Iraq will remain broadly unchanged, while our military commanders continue to analyse the force levels we need to deliver these tasks in the changed and changing environment, but we will continue to reduce our force levels as conditions allow, and we will, of course, keep the House informed of our plans.

We look to Iraq's future with growing optimism, but we also recognise the real challenges that remain. Iraq's neighbours have their part to play, alongside UK forces and our coalition partners, in helping Iraq move to a stable and prosperous future—and it is as much in their interests that that future be stable and prosperous as it is in the Iraqis' interests. Syria should continue to clamp down on the movement of foreign fighters, and Iran must stop arming those who threaten the democratically elected Government of Iraq and the coalition forces. We want to see all Iraq's neighbours, including Iran, playing a responsible role in the region.

In Kosovo, Afghanistan and Iraq we are seeing slow but steady change towards states that are democratic and accountable, and that respect the rule of law and protect all their citizens, and change away from states that support terrorism or ethnic violence, or defy the legitimate will of the international community.

Having focused on current operations, I should now turn to future threats. It is the prime responsibility of any Government to ensure, as far as possible, the safety and security of their people, and that responsibility is at the core of Government policy. We do not believe that any state with ballistic missiles currently has the intent to target them against the UK mainland, but we know that ballistic missiles and weapons of mass destruction are proliferating among states of concern. The pace of that proliferation, as well as the intentions of the states developing those capabilities, is hard to gauge. However, we do know that intentions can quickly change, and we must be ready to respond to those changes.

At Bucharest, NATO again clearly set out its position on ballistic missile defence:

"Ballistic missile proliferation poses an increasing threat to Allies' forces, territory and populations. Missile defence forms part of a broader response to counter this threat."

Therefore, this is not just a US-UK issue, or a US issue with a number of other allies. This is, and has long been, a NATO issue.

From the public discussion paper we issued in December 2002, we have been very open about the assumptions and reasoning behind our policy on ballistic missile defence. As we have said many times before, the UK Government have no plans independently to acquire ballistic missile defence assets, nor do we have existing plans to host US ballistic missile interceptor sites in the UK. Nor are we engaged in any secret discussions with the US on these issues, as the right hon. Member for Sheffield, Hallam would have us all believe. We already contribute to the US system, through the early warning radar information provided by RAF Fylingdales and by allowing the satellite data routed through RAF Menwith Hill to be used in the BMD system, and we also have close co-operative arrangements with it on technology programmes. When I announced to the House last July that the upgrade to the radar at RAF Fylingdales was complete, I noted:

"There is no change to the existing UK-US mission for the radar and the station remains under full UK command."—[*Official Report*, 21 July 2007; Vol. 463, c. 71WS.]

There have been accusations that the Government slipped out the announcement on RAF Menwith Hill just prior to the recess. That was not the case. After consulting with the Cabinet on a US request to use the satellite downlink at the station for BMD purposes, I

replied to the US Defence Secretary on 17 July, and the announcement on 25 July was both timely and proper.

We would be foolish not to keep a vigilant eye on the world and on changes in the strategic threat. If in the future we decide that the acquisition of such technology becomes essential to the security of the United Kingdom, we will re-examine the position. However, such a re-examination would not come from a desire to follow blindly the defence policy of any other nation, but from a recognition of our need to provide for our own national security against emerging threats. We cannot delay our planning and consideration of this issue until the strategic environment is such that a ballistic missile defence capability becomes a necessity. In terms of such highly complex systems, many years of development are required to produce something that is feasible and credible. If there is a need to take further steps on participation in missile defence, the Government will—as they have done consistently in the past—present those propositions to the House and have the necessary discussions, but we would only seek to do this when there are proposals or propositions to be made that go beyond the principles agreed with Parliament in 2005, and at present there are none.

I hope that that—brief—contribution makes the Government position clear, and that now the Liberal Democrats and their leadership will, instead of constantly suggesting that they will have to drag us to the Dispatch Box to debate this matter, engage in the discussion and tell us what their party's position is in relation to this essential part of the security of this country and of our NATO allies, almost every one of which is signed up to exploring the potential of this form of defence.

Finally, I must pay tribute to those who make the UK's defence policies a reality. As I speak, British forces are making a huge contribution to international security—a contribution of great cost to some, but of great benefit to many. The men and women of the British armed forces prove themselves on a daily basis to be of the highest calibre. In Iraq, Afghanistan and Kosovo, British military personnel are demonstrating once again that they are world-class professionals. But their service is not without sacrifice. Families up and down the UK know only too well what an enormous cost those in the armed forces can—and do—pay. I owe them—and this House and the nation owe them—a huge debt of gratitude. We live in a safer place because of their brave and dedicated service. In recognition of the huge amount they do for us, it is absolutely right that we continue to assess and improve our support to them, both at home and on operations. The personnel Command Paper, the national recognition study and our review of many support policies are undertaken in exactly that light.

I have no doubt the whole House will join me in thanking every member of the armed forces for their hard work in defending the UK and its interests. I commend their work to the House.

1.59 pm

Dr. Liam Fox (Woodspring) (Con): Since the previous defence in the world debate, 95 British service members have made the ultimate sacrifice and have not come home from Iraq or Afghanistan. They died, as many of their predecessors did, making Britain safer and giving a better life to citizens of countries that enjoy far fewer benefits than us. This House should never forget that.

I wish quickly to recognise an important day in our nation's history. Some 63 years ago today, Winston Churchill announced to the House that the sacrifices of millions had finally led to the end of hostilities in Europe, saying:

"The German war, Mr. Speaker, is therefore at an end."—[*Official Report*, 8 May 1945; Vol. 410, c. 1868.]

The declaration of Victory in Europe day brought to a close six years of total war in Europe. Of course, that in turn led to the bipolar cold war, the rise of NATO, the creation of what we know today as the European Union and, 63 years later, the interdependent, globalised world that we face today.

Since the proclamation of VE day on 8 May 1945, the world's strategic environment has greatly changed. We now live in a truly global economy—a world where Britain's economic and security interests are so interlinked into a larger global interdependent network that we have an unavoidable shared set of interests with a multitude of actors in all parts of the globe. We also face the unavoidable importation of strategic risk. As recent events have shown, instability in one corner of the globe will quickly affect everyone. In the current instance, the root of the instability lies in the American credit market, but it could just as easily lie in an energy security crisis in Japan or China, or in some, as yet, undefined problem.

That interdependence has major implications for how we think about and organise our national security structures. The luxury—although that is perhaps not how we saw it then—of the bipolar world of the cold war allowed us to set a clear direction for our national security. The unpredictability that we currently face forces us simultaneously to be both reactive and proactive, and to adapt to ever changing challenges.

Conservatives welcome this debate, and I wish to raise a number of issues: the situation in Iraq, and Iran's involvement there; the threats that we continue to face in Afghanistan; energy security, the new scramble for the Arctic and the potential threats posed by a resurgent Russia; the need to deal with asymmetric threats; and the need to maintain the primacy of NATO and to ensure its political and military flexibility to deal with changing threats.

Let me begin with the situation in Iraq, where there are grounds for optimism on a number of fronts. First, the American surge under General Petraeus seems to be delivering tangible improvements in security. Like the Secretary of State, I was fortunate enough last week to spend some time with both General Petraeus and Ambassador Crocker, both of whom I found to be impressive and sincere. There is also cause for optimism now that Prime Minister al-Maliki has taken on the militias in Basra. There is a tendency in this country to see the whole conflict in Iraq through a religious prism of a Sunni-Shi'a conflict, but there is also a strong nationalist tradition in Iraq, and the willingness of its Government to tackle the often Iranian-supported militias seems to have had the effect, at least in part, of uniting the Kurds and Sunnis behind the Prime Minister and of convincing the population in the south that they have not been abandoned. The Prime Minister's campaign against the militias seems to have been genuine and

[Dr. Liam Fox]

sustained, even if perhaps it was, in parts, inadequately planned and required British and American support. Thankfully, it seems to have had some success, but in the future the Iraqi Government will need fully to involve coalition planners, and to do so in a more timely fashion.

Mr. David Kidney (Stafford) (Lab): I would like to raise one thing that was not on the hon. Gentleman's list. One legacy of the 63 years to which he referred has been our physical presence in Germany in large numbers. Does he support the reduction in those numbers and the evolving of our presence into wider co-operation with Europe and NATO?

Dr. Fox: If the hon. Gentleman will have a little patience, I shall come to exactly that issue towards the end of my speech.

Some 4,000 British troops remain in Iraq. Some of our forces are embedded in, fighting with and mentoring the Iraqi security forces, enabling them to take eventual control of their own security affairs. Those, on the ground argue that British troops are playing an important role, and that this is no time to be talking about withdrawing them from Iraq. We should listen to those voices, but the Government need to explain continuously to the British public, with clarity, exactly how they see the role of British troops developing and how the overwatch operation will change over time. In particular, there needs to be an honest appraisal of the risks posed to our troops, directly and indirectly, from Iran.

General Petraeus has been openly critical of Iran's involvement in Iraq, and two weeks ago, Admiral Mike Mullen, the US chairman of the joint chiefs of staff, blamed Iran for its

"increasingly lethal and malign influence"

in Iraq. He went on to say that recent operations in Basra had revealed

"just how much and how far Iran is reaching into Iraq to foment instability".

That is an important matter. The Secretary of State has all but said that Iranian involvement has led directly to the deaths of British troops in Iraq, but we need to hear more about what is being done by British forces and at the diplomatic level to counter the threat that Iran poses to Iraqi stability. The hard-won gains of emerging democratic authority, improving stability, and the sacrifices made by coalition troops and the Iraqi people cannot be allowed to be put in jeopardy by the actions of the Iranian regime.

I would like to turn, as the Secretary of State did, to another part of the world that is a little closer to home. Many pages of European history have been written in the Balkans, which have always been vital to Europe's geo-strategic interests, and there has been no shortage of armed conflict over its territory over the centuries. The images of the wars being fought in Iraq and Afghanistan mean that it is easy wrongly to assume that peacekeeping in Kosovo will be a more straightforward affair. Let us make no mistake: regardless of how benign things may appear in Kosovo, our troops there will still be at risk. That is why we found it extremely regrettable that we were not given an oral statement on the deployment of our forces there last week. I am pleased that some of the questions that we subsequently asked were answered by the Secretary of State today, although some remain.

In his written statement, the Secretary of State said that the troops would be deployed "until 30 June". In his letter to me, he said that this "initial deployment" would be "reviewed with NATO" at the end of June. Exactly what does that mean? What are the chances that British troops will be in Kosovo beyond the end of June? This Government have a track record of raising expectations that troops will return only to dash them later. The House would expect to be given some clarity about why it was termed an "initial deployment" and exactly what "reviewed with NATO" will mean. Perhaps the Minister for the Armed Forces will deal with that question directly in his speech.

I was interested to hear that what happens in Kosovo will, again, be paid for entirely from the reserve, but that raises a basic issue that comes up again and again. Not only are we carrying the military burden through our troops, but our taxpayers are carrying the full burden, because there is no proper financial burden-sharing of what NATO does. As the Leader of the Opposition said recently, there needs to be far better financial burden-sharing in both NATO and the EU. Again, I hope that the Minister for the Armed Forces will answer some of those points.

I understand that in addition to sourcing the requirement for the operational reserve force that is now being deployed to Kosovo, the 2nd Battalion, The Rifles was also serving as our spearhead land element. Which unit will take over while that one is in Kosovo? Do we have the capability to react to the unexpected? Let me paint a picture of the wider political situation facing us in Kosovo. Serbia is trying to include northern parts of Kosovo in its general election later this month; there are unconfirmed reports that Serbia is massing troops and munitions along its border with Kosovo; and there are media accounts of tension along sections of the Macedonia-Kosovo border. Our troops are going to face many risks in a volatile environment and very challenging circumstances. There is no doubt that, as always, they will perform superbly. If we made a commitment to NATO to provide the operational reserve force for the Balkans, we have an obligation to the alliance that we must fulfil, but the problem with this mission goes beyond the obvious question of overstretch and touches on questions of Government planning.

As a country, we are more than fulfilling our obligations to the NATO alliance in Afghanistan, as one of my hon. Friends said in an intervention. Last year, once 10 December 2007 was established as the day that international mediators would submit their findings on the future of Kosovo to the United Nations Secretary-General, it became no secret that Kosovo would most likely declare independence sometime during the first quarter of 2008. Considering our high operational tempo in Iraq and Afghanistan and when our forces were so overstretched, why did the Government continue to make that commitment to the ORF during that time period in Kosovo? Did the Government try to persuade other countries to take on that responsibility at a time when the UK's armed forces were doing so much elsewhere? I hope that the Minister will deal with that point directly.

Bearing in mind the Secretary of State's response to another question, we will keep a close eye on this issue

and table parliamentary questions on any potential impact that operations in Kosovo will have on the airbridge to Afghanistan and Iraq. The concern is not without justification. New figures show how regularly our troops are delayed returning from Iraq or Afghanistan. Given that they have to report to the flight line many hours before a flight, it is a huge issue when 11 per cent. of all flights from Afghanistan are delayed by more than six hours, leaving our troops often on the floor or losing days of leave. That can have a significant impact on morale, as anyone who has spoken to our forces there will attest. It is simply not good enough.

Mr. Kevan Jones: Is the hon. Gentleman saying that if he were the Secretary of State for Defence he would not support the deployment in the Balkans at this time, or is he just sniping as usual at the Government to perpetuate the myth of overstretch?

Dr. Fox: I doubt whether many of those serving think that overstretch is a myth. The hon. Gentleman might want to think again about using those particular words. I have made it clear that where we have obligations we have to fulfil them, but I question whether it was sensible for the Government not to try to see whether others might have been able to carry a little more of the load.

We also need to look at the integration of the NATO and EU roles in Kosovo. Even though both aim to provide stability and security to Kosovo, NATO's KFOR military mission and the EU's rule of law civilian mission operate under two separate chains of command in Kosovo. As of last week, arrangements to facilitate co-ordination and mutual support between the two organisations were still under discussion. As we have learned from Afghanistan, where there are multiple military and civilian chains of command, it is vital that the security and reconstruction efforts are closely co-ordinated. In Kosovo, it will be no different. Perhaps the Minister of State will be able to update the House on the status of the agreement between KFOR and EULEX and what efforts the Government have made to ensure that operations will not be undermined by failure to integrate fully.

Future stability in the Balkans is in everyone's interest and we must do all that we can to ensure a favourable outcome. The one thing that the region clearly needs as it passes through this difficult stage is united international support and a strong international presence. The international community has invested enormous effort and good will to help the people of the region recover from the ravages of war, shake off the legacy of nationalism and join Euro-Atlantic structures. Thanks to that, Slovenia has become a fully fledged member of the EU and NATO and Croatia is on track to join the EU and was formally invited to join NATO at Bucharest, along with Albania—to name but a few of the achievements of recent years.

Those hard-won successes are an example for the whole region. We cannot let Kosovo slip away. We understand that, the Americans understand that, NATO and the EU understand that, and Russia needs to understand that. The Balkans is one area where we have seen tensions with Russia, but there are others. Last summer, Russia announced its intention to annex a 460,000 sq m portion of ice-covered Arctic. Scientists claim that that area, on which Russia has audaciously set its sights, may contain 10 billion tonnes of gas and oil deposits. While that ridiculous claim has no legitimate legal basis, the west must take such threats from Russia seriously. With ice melting in the Arctic, and shipping passages and possible mineral exploitation becoming an increasing possibility, we may be witnessing a scramble for the resource-rich Arctic.

It has been argued by some that as the EU and NATO push eastward towards the Caspian region, Russia is looking towards the north. A scramble for Arctic resources will bring a new dynamic to international security and how we address threats. In the UK, with our focus on Iraq, Afghanistan and the Balkans, it would be easy to ignore. The complexity of the Arctic question makes it too easy to look the other way and hope that someone else deals with some of the problems. But are we as a nation, or NATO as our collective security alliance, ready to deal with any threat that may emerge over the Arctic?

On a recent trip to Ottawa, I found that the issue of Arctic security is taken very seriously. Prime Minister Harper has stated that:

> "Canada's Government understands that the first principle of Arctic sovereignty is use it or lose it".

Canada will open a new army training centre for cold-weather fighting at Resolute bay, and a deepwater port on the northern tip of Baffin island. Canada is also beefing up its military presence in the far north by adding 900 Rangers to the 4,000 already there. Last July, Prime Minister Harper announced that six to eight new navy patrol ships would be built to guard the north-west passage sea route in the Arctic.

I am afraid that we have witnessed only the very beginning of the struggle for the Arctic, and it does not even appear to be on the radar here in the UK. Although there are several international institutions, such as the UN's Commission on the Limits of the Continental Shelf, that are able to deal with these issues in a multilateral way, we need to be prepared for anything.

The only icebreaker we have available is HMS Endurance. The United States is little better off with two active icebreakers in its coastguard. At the same time, Russia has a fleet of eight nuclear-powered icebreakers and has plans to build the world's largest icebreaker. Because of ongoing operations in Iraq and Afghanistan, our helicopter pilots have had reduced training in Arctic conditions. In 2007, there were no Chinook or Apache helicopter training missions for Arctic conditions and only five Sea King, three Lynx, two Gazelle and three Puma helicopters received any sort of Arctic training at all.

We need to set all that against political developments in Russia. Yesterday, Mr. Medvedev officially became Russia's Head of State, taking over from Mr. Putin, but a change of direction is unlikely. As Mr. Medvedev is the former chair of Gazprom's board of directors, it can be assumed that Russia's energy policy under its new president will stay consistent with that of Mr. Putin.

If military might and nuclear weapons formed the core of Soviet cold war power, Russian elites view its energy resources as the basis of its power now. Russia is rivalling Saudi Arabia as the world's largest oil producer and is estimated to have the world's largest

[Dr. Fox]

natural gas supplies with 1,680 trillion cu ft—nearly twice the reserves of Iran, which has the next largest. Russia has demonstrated that it will use its energy resources to promote a broader foreign policy agenda. That was illustrated when Russia reduced gas supplies to Ukraine as part of a bilateral dispute and when it doubled the price of gas to Georgia in 2005.

Russia's petrodollars are financing a $189 billion overhaul of its armed forces between now and 2015. They will purchase more than 1,000 new aircraft and helicopters, 4,000 new tanks and armoured vehicles and a new submarine fleet. New missiles will carry nuclear warheads. The great irony is that western addiction to oil and gas is funding Russia's military build-up.

Mr. Hoyle: The hon. Gentleman is right about the security of energy supply, so does he agree that the time is now right to bring in the Falklands? We know that there is oil there, so will he support getting a rig out there to ensure our own security of supply?

Dr. Fox: When I recently visited the Falklands, there was an active interest in that, although whether those in the Falklands regard it as our oil or their oil is an interesting question. Perhaps we could address it with the legislative council of the Falklands islands.

The EU has an important role to play in the energy picture, especially in countering some of the difficulties posed by Russia. An end needs to be brought to the divide and rule that the Kremlin operates through single-nation sweetheart deals. The European Commission must act to remove protectionism and national monopolies, creating a genuine free market in energy.

Better interconnections will reduce the risk of supplies being cut off for those who displease the Kremlin, but the EU will not be a sufficiently strong vehicle. NATO, as was decided at Riga, must play a key role in ensuring energy security for the west. Any decision on energy security that excludes Norway and Turkey, neither of which are in the EU, would be flawed. In order to face 21st-century threats, it has been argued that NATO's article 5 could be expanded to include energy security. We shall certainly have to consider that in the months and years ahead.

Mr. Keetch: Under the terms of the agreement, the Falkland Islands, an overseas territory, does not possess its mineral rights—the UK still does. On the question of the Arctic, is it now Conservative policy that the Royal Navy should be equipped with a fleet of icebreakers? That seemed to be the line of the hon. Gentleman's argument. I can understand why that should be the case for Canada, which has thousands of miles of border with the Arctic, or for Russia, which has tens of thousands of miles of such a border, but is he suggesting that the UK armed forces should be somehow configured with a serious capability to fight Arctic warfare?

Dr. Fox: Of course we are not considering that that should be in any way a unique UK capability. My question is whether new types of threats are emerging, whether NATO is looking collectively at how to deal with the problem and whether we should raise the issues further up the agenda for public discussion. When one sits in the Canadian Parliament or talks to Canadian Ministers—or to the Danes or Norwegians—it is striking that they have a different view of how global warming might affect economic and strategic issues in the future.

NATO can play a key role in securing transport routes. Operation Active Endeavour, which has been patrolling the Mediterranean since 2001, is a good example of NATO co-operation on maritime security. Giving NATO a greater role in energy security would provide Turkey with added prestige and allow reformers a breathing space, given the short-sighted attitude taken to its EU membership by some of the EU's more prominent members.

Robert Key (Salisbury) (Con): May I clarify what my hon. Friend has just said, as it is absolutely crucial? I take it that he was referring to Greece. The mischief that Greece is carrying out in that part of south-east Europe is unsustainable. It is damaging relations between Turkey and the rest of Europe and between Turkey and NATO. It is damaging relations between Kosovo and Macedonia and Macedonia and Greece. Does my hon. Friend agree that the Greeks have to decide whether they are going to be serious players in NATO or whether they want to carry on their squabbling for their own interests rather than the wider interests of the organisation?

Dr. Fox: All members of NATO have to decide what to put first: their national interests and historical grievances or the collective alliance. I heard my hon. Friend's point, but I was in fact referring to Germany and France.

Let me turn finally to Afghanistan and NATO. The recent Bucharest summit was disappointing on many fronts. For example, nothing was done to source the operational reserve force for the international security assistance force in Afghanistan. That requirement of NATO's combined joint statement of requirements for Afghanistan has been unfilled since Romania last provided it in December 2006. It is inconceivable that 26 NATO members cannot find an extra battalion between them to provide an over-the-horizon reserve force for ISAF in Afghanistan. It illustrates a rather sad state of affairs.

It was reported in *The New York Times* last Saturday that the Pentagon is thinking about deploying 7,000 more troops to Afghanistan on top of the 3,200 Marines recently deployed to the south, because our NATO allies are not willing to provide the troops that the commanders on the ground need. That might or might not be correct—it was newspaper speculation—but the fact that it is being considered could lead to a dangerous shift in America's perception of NATO.

We have more troops in Afghanistan now than at any other time. We are the second largest contributor of troops to ISAF after the US and sadly 95 of our brave servicemen and women did not make it back home to their families. That is a testament to the dedication and commitment of the British armed forces to bring stability and prosperity to the people of Afghanistan. Of course, it is about much more than that. As important as reconstruction and democratic development are, our forces are in Afghanistan primarily for our national security and to deny the forces determined to destroy our way of life a base from which to operate. It is for

our security that those people have made their sacrifices, and we should perhaps be more explicit in saying so.

Our troops fought bravely this winter, retaking Musa Qala and restoring order. We have about 6,000 troops based in Helmand province, which is geographically twice the size of Wales. Some 700 of those troops—a large portion—are tied up in Musa Qala, left behind to maintain the security. When the Minister winds up the debate, will he report on the progress of the reconstruction effort in Musa Qala? When does he expect that the Afghan security forces will be able to take over some or all of the security responsibilities there in order to free up British forces to pursue the Taliban further in other parts of Helmand province?

The difficulties and shortages in Afghanistan are not limited to boots on the ground. We are still facing a shortage of tactical airlift in the form of helicopters. The Prime Minister, during his time as Chancellor, cut the helicopter budget by £1.4 billion in 2004 when we were already involved in two conflicts. In December, as the Secretary of State reminded us, the Prime Minister announced that NATO will start contracting civilian helicopters to reduce the burden on the military aircraft operating in Afghanistan. Although that move has sometimes been presented to us as some sort of panacea for the tactical airlift shortage in Afghanistan, the civilian contracted helicopters do not solve the main problem of freeing up helicopters for coalition use for combat operations.

I appreciate and respect the civilians who are placing their lives at risk by supporting British and coalition troops on the front lines in Afghanistan, but as with all announcements from this Government we have to examine the small print. Under the terms of the contract, only 13,000 kg can be airlifted a day, in comparison with a CH-47 Chinook helicopter that can carry up to 23,000 kg on one trip. To put it simply, we are getting two thirds of one sortie from one Chinook helicopter a day with the NATO civilian contract. We now know that the contract is for an airlift service provided by a mix of helicopters or fixed-wing aircraft, but fixed-wing aircraft have different capabilities. They require secure runways for take-off and landing and many of the forward operating bases in southern Afghanistan lack such facilities.

In addition, the terms of the contract do not allow troops to be carried in the civilian contracted aircraft. Helicopter airlift, in a country such as Afghanistan, is vital for conducting counter-insurgency operations. The problem is that if our troops need to be medivac'd or a quick reaction force needs to be sent behind enemy lines, not only are those civilian helicopters prohibited from conducting such missions, but they are failing to free up enough of our own helicopters to reduce the burden effectively.

We need to do more, but we should never have found ourselves in a situation where we need to ask our troops to operate without all the necessary equipment. If we have failed to provide our forces with everything that they need, we have not failed as a nation to fulfil our obligations as a NATO member, which is more than we can say for a number of our European NATO allies. Many of the additional European troops who were offered at Bucharest, as well as many of the European troops who are already operating in Afghanistan, are restricted by phone books-worth of caveats, and that comes at a time when defence is high on the EU agenda.

The EU has talked about a foreign and security policy, but it simply will not spend the money. Most countries in Europe spend well below the 2 per cent. of gross domestic product on defence that is supposedly the floor level. In Afghanistan, some of the major EU players are most clearly failing in their duties towards the NATO commitments. Understanding the potential of soft power is important, but soft power on its own is not enough. If we will the ends, we must will the means. Diplomacy without military support has little credibility. In a dangerous world, we cannot simply count on talking away any threat that we face.

We remain a global military power, and power brings responsibility. Frameworks, institutions and agreements are all very well, but security does not come for free. Many EU politicians like to say that the role of the EU is in peacekeeping and nation building, but we can keep the peace only if we have the peace. If we want freedom, we must be willing to defend it, to fight for it, if necessary to die for it and, definitely, to fund it. In Afghanistan, we need a commitment to fight to the last, but unfortunately, at present in the south of Afghanistan, that would be the last Briton, the last American and the last Canadian—*[Interruption]*—and a few notable others. That cannot be sustained in the long run. There must be better burden sharing in the south of Afghanistan, because the load in fighting cannot fall on as few nations as it does at present in an alliance that wants to have a sustainable long-term future.

When Secretary Gates talks about the emergence of a two-tier NATO, it is a warning about the survivability of the alliance. For EU politicians then to talk about a European pillar of NATO compounds the problem. With European security and defence policy, we see no extra funds on top of those set aside for NATO responsibilities; rather we see the double-hatting of forces that are clearly masquerading as new capacity. We see duplication and possibly competing military structures on top of an already underfunded commitment to the primary defence alliance. That is a potentially toxic mix for NATO in the long run.

Mr. Kidney: Will the hon. Gentleman exonerate Denmark and the Netherlands from what he has just said about presence in the south of Afghanistan? Will he say which nations he is talking about? Is he talking about France and Germany, or Greece?

Dr. Fox: It is clear that the Netherlands and Denmark have been operating honourably in the south of the country, but they are primarily supporting the forces of the United Kingdom, the United States and Canada. Most people would recognise that we provide the vast bulk of the fighting troops in the south of Afghanistan. The majority of people in this country well understand that, while we are giving a commitment, along with those major allies, to fighting in the south of the country, too many other NATO partners are unwilling to see their forces engaged in the south. That is not a good thing for the long-term health of the alliance. If we have collective security, we must collectively accept the areas of high risk. It is not acceptable for everyone on the street to have the same insurance policy, while only some of them pay the insurance premium.

[Dr. Fox]

All the areas that I have outlined come at a time of increased tension and danger. We face the threats of nuclear proliferation, with Iran testing the patience of the international community. We face a resurgent and self-confident Russia, and we face the deadly threat of Islamist extremism, with forces opposed to our system of government, our beliefs and our values. They oppose us not for what we do, but for who we are. We cannot avoid the confrontation, for they have chosen to confront us.

Today we are remembering the end of the second world war in Europe 63 years ago and the sacrifices made then for our security. We showed resolve not only then but again in the cold war against the communist threat. We need to face our present challenges with the same courage and determination that previous generations showed, and we as a nation cannot be found wanting.

2.33 pm

Mr. Lindsay Hoyle (Chorley) (Lab): It is important that we are talking about defence in the world, and I should like to start by paying a tribute to Royal Marine Jonathan Holland, who made the ultimate sacrifice in Afghanistan and who is buried in a Chorley churchyard. That brings home what our troops are doing out in Iraq and Afghanistan. One cannot forget all those people—generally they are young people—who have made the ultimate sacrifice and, of course, those who have been injured and severely injured. We talk about the commitment of our armed forces, and without doubt we are second to none in the world in the commitment that we ask of, and receive from, our armed forces. They never say no; they always say yes. We must respect that.

This year marks the 100th anniversary of the Territorial Army, and it plays a role in back-filling our forces. Whether in Kosovo, Afghanistan or Iraq, the TA footprint is there and we must not forget that in its centenary year. I say to the Government that the TA has played an excellent role in the past. It continues to play that role and it must be allowed to continue to play it in the future. We cannot manage and play our role in the defence of the world without the TA. It is only right that we look to increase its budget and not cut it. It does so much at so little cost that we should not ask it to take cuts at this time.

The Navy, the Royal Marines, the British Army and the Royal Air Force have all been deployed and play their role. We expect them to continue to do that.

Lancashire is famous for recruitment and its regiments. The Duke of Lancaster's Regiment is a new regiment that is made of three great regiments: the Queen's Lancashire Regiment, the King's Own Royal Border Regiment and the King's Regiment. We should not forget the Queen's Lancashire Regiment, and one person in particular. Colonel Mendonca almost became a scapegoat for the higher ranks in the military and we should not forget what a brave man he was. I am sorry that the Army lost such a young leader. It was tragic that he was forced out, but we must not forget what he did for us and we must not forget his regiment, which is now part of the Duke of Lancaster's Regiment. I pay tribute to Colonel Mendonca.

I have already referred to the role of the TA, and Chorley's own TA squadron has just been part of 52 Brigade under the command of 5 General Support Medical Regiment. Colonel Roger McBroom took 5GS to Afghanistan, and what a role it played in providing medical services and returning people to this country. It is only right that we also talk about the hospital at Selly Oak and the role that it plays.

Medical services have been based at Preston, and men returning from Afghanistan receive their medicals at Fulwood barracks, as will the men from the Chorley TA squadron. When the squadron went out to Afghanistan, it was commanded by Major Nick Medway, and we must pay tribute to him for becoming a lieutenant colonel. The TA and the regulars worked well together and it is important that we recognise their important role.

A reception was held on the Terrace only a week ago for 52 Brigade and others who had returned from Afghanistan, and I thank the hon. Member for Hemel Hempstead (Mike Penning) for organising it. It was good to see that our soldiers were being given recognition in the House.

Recognising the role of our soldiers means that they should be able to march through our towns. We want the people of this country to recognise what our soldiers have done, so it is important that they have the right to exercise the freedom of the town and can march with banners and standards flying and drums beating.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My hon. Friend raises the important point of recognising the role that our troops play. When they return home, they should be recognised, but there should be consistency. Everyone returning home, and not just the privileged few, should receive the recognition that their role deserves.

Mr. Hoyle: I agree. We need equality for members of our armed forces. They all risk their lives and should get equal recognition. It is important that we recognise what they are doing and that we take the public with us, because they have to recognise what our armed forces are doing on our behalf.

I am pleased that the Government have committed £24 million to Headley Court. It is important that there is not just talk, but actual commitment. We are now seeing that, and long may it continue, because we need the right facilities, not just for the people who come back, but for those who have been injured.

Our armed forces must wonder about compensation. We have done a lot and put compensation in place, but we must also look at what is awarded in the private sector. We should treat our troops in the same way as an insurance company that pays out for someone who is injured in a car crash or whatever. We should be aiming for that recognition and endeavour. That is the standard of compensation that we should be seeking for our brave troops.

What also goes with our troops is accommodation. I know that the Minister of State has said that he is not satisfied with their accommodation and that he is committed to changing that. When troops come back, they expect the best, and that is the only thing that is good enough for them. We should seek nothing less.

Mr. Ellwood: The hon. Gentleman makes a powerful argument. Let me put to him a circumstance that arose recently. A civilian Iraqi was horribly injured in the spine and got £1 million compensation. I am not denying that that individual deserved that amount, but many soldiers in the UK are looking over their shoulders and seeing that payout, when the maximum payout for any injured personnel in the British Army is around £200,000. That seems wrong.

Mr. Hoyle: I do not disagree; in fact, that is my point. It was this Government who introduced the compensation scheme. I am saying that we have to lift the bar. More money should be available. However, at least we took the decision to ensure that compensation is available. I do not want to take money away from someone, but we must try to lift the amount that is available.

The Minister for the Armed Forces (Mr. Bob Ainsworth): My hon. Friend should not assist in perpetuating the myth that we are comparing like with like. We surely cannot treat our injured service personnel by giving them a one-off payment, no matter how large, and then say, "That's it." The payments have to be made for the rest of their lives. They are young and potentially vulnerable people. We cannot simply give them an up-front payment as is awarded by the courts. We give them an up-front payment at the moment, but we supplement it with an ongoing guaranteed payment for the rest of their lives.

Mr. Hoyle: I do not disagree; in fact, my right hon. Friend may well be aware that there has been a change in circumstance in the insurance company sector. Not all the money is paid up front; it is paid in stages and put into trust funds. The Government were right to introduce the compensation scheme, but it does not stop us ensuring that more money is available in the future.

Instead of saying to someone, "You're no longer fit for purpose", we now also rightly say, "If you want to stay in the service, we're going to help keep you in employment." That in itself is a major change. It is fantastic that someone who lost a limb has gone back to Afghanistan because he wanted to be out there with his troops. We are giving our service personnel that ability. The Government should be congratulated on that. I am not attacking them—far from it—but we should lift the bar to see what more we can do. We started something that needed to be put in place, but that does not stop us renewing the scheme and looking at it again as time goes by. The people who serve are important. We have been lucky that our troops want to be part of the fighting team. We cannot forget that they are a band of brothers.

My right hon. Friend the Minister is correct to ensure that we lift the standard of accommodation. We must invest heavily, and sooner rather than later. When the troops come home, good accommodation and a longer period of rest are important before they redeploy. Overstretch is an issue. My hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan) may not say that there is overstretch, but I would go as far as saying that there is because we have big commitments. We must ensure that there is a period of respite between redeployment and retraining. Our troops must be satisfied with that. Otherwise, they will walk away, and we cannot afford to let that happen. We have invested heavily in those troops, so we must look after them when they need it.

Of course, part of that back-up comes from others, such as the Gurkhas. It is only right that we ensure that the Gurkhas' standard of living is looked after. The same point applies to the Royal Gibraltar Regiment, who have played a key role in back-filling and have won some of the highest honours awarded in Afghanistan and Iraq. It is a crying shame that they are not on the same wages as the British Army back in Gibraltar. The issue has been investigated and reports have come out, but the pay levels have not been matched. They are willing to risk their lives in winning those honours, so we should look again at this issue. It is important that we thank the Gibraltar Regiment and the Gurkhas for what they do.

We in this House rightly talk about equipment. On helicopters, we have done the best that we can, but they do not appear overnight; we must work harder and ensure that that air support is in place. It is absolutely critical that we have more helicopters.

Mr. Kevan Jones: Would it not also help if the Chinooks, which the last Tory Government procured, could actually fly?

Mr. Hoyle: Of course it would. What can we say about mothballed Chinooks that were meant for our special services, and which have never been used? That is totally unacceptable. That was a complete waste of money; I cannot get away from that, and nor can anybody—on either side of this House. It was a tragic mistake, but it has happened and we cannot turn the clock back.

Mr. Keetch: The hon. Gentleman knows that I have raised this issue with the Prime Minister. Would it not be a fitting tribute to our special forces if those helicopters, which were ordered by John Major and paid for by Tony Blair, were brought into service by the current Prime Minister—or at least if equivalent helicopters were provided?

Mr. Hoyle: My understanding is that we are investing a lot of money in trying to get those aircraft into service, and we can all agree that the sooner that happens, the better. That might remove some of the embarrassment from the Opposition.

We must also consider uniforms and their quality. This Government made a tragic mistake with the cut-and-sew contract, which was given to a company in Northern Ireland that was never going to produce the uniforms. The work was sent to China, done in a sweatshop and sent back for our troops. That is totally unacceptable. *[Interruption.]* One of my hon. Friends says from a sedentary position, "We have heard this before". He may have, but he may not be aware that the cut-and-sew contract is coming up for renewal. I hope that we are brave enough to allow an open tender, rather than making a cosy arrangement in an office somewhere in the Ministry of Defence that allows China to keep that contract. I hope that we will open up this process and allow British companies to tender for the contract, and put the jobs back in Lancashire. So there is a challenge for my friends here. I look

[Mr. Hoyle]

forward to the Pincroft bleaching and dyeing company winning that contract once again.

It is a question of commitments. There is none better than the Type 45 destroyer. HMS Daring has been doing its tests; it is an absolute leader in its class and we can be proud of it. We are heavily investing in that class of destroyer, and long may it continue; we thank it for what it has done. We have the destroyers, and we must look forward to the two aircraft carriers, which are crucial in defence terms. We look forward to an announcement on them sooner, rather than later, and to a commitment regarding what will be operating off that platform. We talk all the time about and hear a lot about the joint strike fighter. I hope that that contract is there, that the intellectual transfer will take place and that we can get the benefit of those jobs in the north-west. I hope, too, that we will not just be providing parts but doing the final assembly, and that we can maintain those aircraft on those two valuable carriers.

Jim Sheridan: My hon. Friend may be aware that there are already threats of job losses on the Clyde if those aircraft carrier orders are not placed. It would certainly be helpful if we could have a clear statement from the Minister today on the situation with those carriers.

Mr. Hoyle: I cannot disagree. We need that news tonight.

Dr. Julian Lewis (New Forest, East) (Con): I am sorry to interrupt the hon. Gentleman's excellent speech, but a recent written answer gave some interesting information from the Minister for the Armed Forces. I had asked how long it would take to construct each of the carriers and was told five and a half years. If the first is to come into service in 2014—and given that one must allow a year for sea trials and then another year for acceptance and working up in the Royal Navy—it is getting perilously near the deadline; in fact, we might even expect the announcement today or next week if the deadline is to be met.

Mr. Hoyle: I cannot disagree and I hope that the winding-up speech will contain a good announcement for us—something positive for us to take back to our constituencies. We need that. I am not sure that we are ready for the building of ice-breakers yet. I am more bothered about the carriers, which will be more relevant to our defence needs.

The platforms are crucial and I look forward to the joint strike aircraft operating from these carriers. On heavy lift capability, the workhorse is coming to the end of its life. We have to replace the C130Js at some point, and they have done an excellent job. We look forward to the A400M, but it seems to have gone rather quiet. The aircraft will be capable of operating on short runways and rough airstrips and will have a heavier lift capability than anything we have, apart from the Galaxies. We know that that aircraft is needed quickly. Where are we up to with that, as it will play an important role?

Mr. Gerald Howarth: I have just had my invitation to the roll-out of the A400M on 26 June. I hope the hon. Gentleman will get his. If not, let me know and I will seek to get him one.

Mr. Hoyle: That is a kind offer, but I am sure that we will all get an invitation. The A400M is an important aircraft and will be our aircraft for the future. We talk about the air tanker programme and we need a statement on that now. It is also important that procurement supports British jobs.

Our troops are the best in the world and we must look after them. In years gone by, Labour had a reputation for not having an interest in defence. As I look around the Chamber today, I can see that that has changed. Defence matters to the Government and to Labour Members. I am pleased to say that there are parties on both sides of the House that take an interest. I notice that there is a gap towards the back on the right of the Chamber—as I look across—which is a tragic shame. All parties should be here for this very important debate.

World defence is about world security and nothing is more important than homeland security. What role could our armed forces play in the establishment of a border security force? Such a force needs to be established and it should be a joint force between the police and our armed forces. We know the important role that our armed forces have played around the world . It does not seem so long ago that the far east land forces were operating on the Hong Kong-China border. We ought to use that knowledge in setting up a homeland security force to make this country safer and to protect the people we represent.

I thank the Government for what they have done so far.

2.54 pm

Nick Harvey (North Devon) (LD): I welcome this debate, and I shall start, as others have, by paying tribute to the work of our armed forces, to the servicemen and women and the civilians who are currently on operations around the world, to those who have been injured and to those who lost their lives serving their country. Many of us from all parts of the House attended the city salute last night. We saw many of those who have served coming home, including the injured and their families. It was both humbling and uplifting to witness that spectacle, and we thank everyone for the service that they have put in for their country in different parts of the world.

Since we last debated defence in the world, we have seen some progress, but we also continue to face many of the same old realities. Iraq remains at the centre of our attention, despite hopes that, by now, we might have been well on the way towards a process of withdrawal. Afghanistan still looks like an intractable conflict in which progress is understandably slow and the battle for hearts and minds is almost as tough as the fighting. We are also going to contribute forces to Kosovo, an area that richly deserves our support but which also risks stretching our forces even more.

Dr. Fox: I am grateful to the hon. Gentleman for giving way so early in his speech. Will he clarify whether it is Liberal Democrat policy to withdraw our troops from Iraq?

Nick Harvey: It has never been the policy of our party that we should withdraw them overnight, but it remains our view that they should be withdrawn as fast as is safely possible, commensurate with our commitments to others. I will say more about that in a few minutes.

Over the past year, increasing concern has been voiced in various quarters about the state of our defence and about the capabilities available to our armed forces in our national defence. The concerns come not only from the Floor of the House, where they might be expected, but from senior defence officials, defence chiefs, coroners, analysts and service personnel. Neither British parliamentarians nor the British public can expect to have a huge say in what happens in some of these international arenas, most notably in Iraq, but we would expect the British Government to have a tight grip on what is happening. In that sense, it is notable that, during the course of the Conservative party conference last autumn, the Government told us that there would be a draw-down in troop numbers in the region, and that we would reach a basic state of overwatch. However, we have yet to see any significant progress towards such a phased withdrawal. We have to ask why the Prime Minister seemed to be in such a rush to announce those troop withdrawals last autumn if, as the Government now say, the situation in southern Iraq was always so unpredictable.

Mr. Ellwood: Further to the question that my hon. Friend the Member for Woodspring (Dr. Fox) has just asked, would the hon. Gentleman, as things stand today, keep the troop numbers as they are, increase them or reduce them?

Nick Harvey: I have made it perfectly clear that, as things stand today, we would not start to withdraw the troops overnight. Since we first articulated the need for Britain to commence a process of withdrawal 18 months ago, we have said that the process would take about six months to perform safely and that, in any case, before we commenced such a process, we would go through negotiations with the Iraqi authorities and with our allies, principally the Americans. Nothing has really changed in the way we view that, and my colleagues and I still believe that it should be our objective to commence a process of withdrawal and to get the troops out of Iraq as fast as can safely be considered. I stress, however, that no one has ever suggested that that could take place overnight.

Last autumn, we were considering the spectre of the election that never was. Others might point the finger at us and say that we used the situation as a political football—I deny that—but the fact is that the Government were doing that. I cannot see that there is any certainty about even a clear end goal for our hard-pressed resources, let alone any exit strategy. The Government continue to listen very closely to our US allies, but I do not think that being there for our allies is, in the long term, a justification for continuing the critical overstretch suffered by our troops or for undermining the other operations in which we are engaged.

It was said that we had trained Iraqi forces successfully, but we have delayed our drawdown and continue to be on so-called overwatch duties. As we know, Sunni elements recently surged forward, but in the middle east debate of 1 May the Minister for the Middle East said:

"In Iraq, we have seen significant progress...New democratic political structures are beginning to bear fruit. Local communities have turned against al-Qaeda...The Iraqi Government have taken tough action against armed groups and militias, regardless of their sect, and Iraqi security forces are delivering on their responsibilities.

In Basra...since handing over security responsibility...in December...we have seen strong evidence of the increasing capabilities of the Iraqi armed forces".—[*Official Report*, 1 May 2008; Vol. 475, c. 458.]

We had more of that from the Secretary of State today and it was very welcome, but I and other hon. Members are concerned that there has been a significant change in British troops' overwatch activities. Before the end of last year, we were primarily responsible for security in Basra, whereas we are now there in a support role.

I was worried by a newspaper report that a British brigadier had been ejected from meetings between the Iraqi Prime Minister and the Americans, and it is a matter of concern—to this House and to the general public—that we are asking our armed forces to put their lives at risk yet have less and less influence or say over their commitments and activities. When an oral statement was made to the House, various hon. Members shared my disquiet that we were continuing to put our troops at great risk yet had less say over it.

We expected a drawdown of about 1,500 troops, but that has been delayed to help with the current situation. The definition of "overwatch" seems to have broadened considerably from what I at least expected at the outset. Given that what the Government told us last autumn clearly no longer obtains, I hope that Ministers will say what they think our future commitment will be. It is clear that all the hopes and expectations fuelled by the Prime Minister's announcements of last autumn are now a long way from the Government's thinking. The public, the armed forces and this House need a much clearer statement of what the Government think our involvement will comprise, both in the foreseeable future and—as it appears will be the case—for many years to come.

In Afghanistan, the battle seems to be going round in a circle. In saying that, I do not intend to criticise our armed forces or Government in any way, but the coalition as a whole seems to lack a clear and overarching strategy. As a matter of fact, from the British point of view there is every indication that the three Departments involved are working together rather better than they did in the past, but the coalition as a whole needs to face up to the lack of an overarching strategy.

I very much regret that Lord Ashdown was unable to take up the special envoy role, but let us hope that the gentleman who has stepped into the role is able to help the Afghan authorities and the coalition as a whole to develop a strategy. The danger is that we could be in a Catch-22 situation. People who have served in Afghanistan tell me that the conflict is in a vicious circle that will be very hard to break: our military objective is to stabilise the country so that reconstruction can take place, but the fact that it is not yet safe enough for that reconstruction is making it more difficult to stabilise the country. I accept that there are no easy solutions. We can win some hearts by erecting bridges and building schools, but minds can be hard to win in a part of the world that has had a very rough 30 years or so. Only if we can get on top of the situation militarily, and stay on top of it, will minds be won over in addition to hearts.

[Nick Harvey]

There is no doubt that this is going to be a very long haul. I am, understandably, being pressed by both other parties about the Liberal Democrats not supporting a long haul in Iraq, but let me make it perfectly clear that we absolutely support the long haul in Afghanistan. We have no choice in the matter, as other Members have said. We went in there for the right reason, which was to prevent the country from being a safe haven for international terrorism, and we have no choice but to see it through and ensure that it does not become so again. It will not be possible for our troops to leave Afghanistan until they can do so absolutely confident that the country has been reconstructed to such an extent that there is no danger of the Taliban re-emerging as the authority and allowing al-Qaeda back.

I echo the words of the hon. Member for Woodspring (Dr. Fox) and others—we will not win that battle unless other allies start pulling more weight and other NATO and European countries commit more troops with fewer caveats on their operations and send them into some of the toughest areas where we are most in need of additional feet on the ground. There is no doubt that the shortfalls in troop provision by NATO allies are making this considerably more difficult and much slower, and I fear that the visibly long-term nature of the conflict will begin to erode some of the public support for it in this country. I very much hope not. It is in the interests of everybody in this House to work together to ensure that that is not the case.

We have to start to ask fairly fundamental questions about how our armed forces are configured and about some of the procurement decisions that follow from that. It can still be said that too much of our capability is geared towards state-on-state conflict rather than the ground-level insurgency that is the generation of warfare that we are involved in for the future, although that is not to say that we should ignore or close our minds to the dangers of state-on-state conflict in the medium to long term. It was certainly a premise of the 1988 strategic defence review that we did not face an imminent threat in terms of state-on-state warfare, and that probably remains as true today as it was then. In a fast-changing world, we must take it seriously in the medium to long term, but our armed forces do not seem to be adequately configured for the warfare that we know we will be engaged in for the short to medium term.

Again, there are no easy solutions—no levers that one could quickly flick to change things. However, as I and others have said in the House before, there is now an overwhelming need for another strategic defence review, because the world has changed a great deal in the years since the previous one was carried out. Other countries, notably America, do this far more frequently than we do, and it is overdue. We cannot maintain operations at the current tempo without inflicting real and lasting damage on our capabilities. It cannot be emphasised enough that we need more helicopters. We also need more infantry on the ground and a greater ability to match the tactics of those who are not fighting us in planes or big tanks.

Jim Sheridan: While we are on the subject of helicopters, does the hon. Gentleman agree with me, and with the general public's perception, rightly or wrongly, that helicopters should be used to their full capacity and should not be used by privileged service personnel to visit their girlfriends?

Nick Harvey: I think that there will have been raised eyebrows among the public with regard to certain uses of helicopters recently, but the overwhelming consideration that we all need to face is that more helicopter capacity is urgently needed on the front line, and the Government have to wrestle with some tough decisions to ensure that that need is met.

I was pleased to hear the hon. Member for Chorley (Mr. Hoyle) acknowledging that there is overstretch rather than simply stretch. The fact that defence planning assumptions have been breached year after year is, in itself, evidence of overstretch. Since the 1998 strategic defence review, one has seen a growing gap between our commitments and our capabilities, both long and short term. The armed forces cannot keep doing more than they have the capability to do—that was the central recommendation of the strategic defence review, and increasingly, in practice, it is being ignored. We have been warned by General Dannatt that our forces are "running hot" and our reserves are not excluded from that strain. Personnel were meant to be at the very core of the 1998 strategic defence review, but a great deal of press attention and prominent military voices highlight the fact that we are still waiting for more improvement to housing, compensation, the way in which inquests are handled, the provision of care and the duty of care. We have even seen coroners weighing into the debate and talking about the failure to provide troops with the protection that they need. We recognise that the Government are taking steps to rectify that, but there is still some way to go to provide what is needed. We look forward to the Government's introduction of their Command Paper on troop welfare. It was due in the spring. May is still the spring, but June will be summer, so I hope that we will see the paper soon.

Mr. James Arbuthnot (North-East Hampshire) (Con): Is the hon. Gentleman aware that the Ministry of Defence promised the Defence Committee in May last year that the defence planning assumptions would be reviewed by spring this year? We are still waiting to see that review, and it is important that we should see it.

Nick Harvey: It is important that we should see it, as should the Committee that the right hon. Gentleman chairs. I look forward to seeing it myself. "Spring" has always been quite an elastic term in governmental circles, but it is getting almost as stretched as the armed forces themselves. I hope that all the papers will be at the disposal of the Select Committee for its consideration.

Bob Russell: It is climate change—it is all one big season now.

Nick Harvey: Yes, it might indeed be climate change.

Both recruitment and retention remain essential to our efforts to sustain adequate numbers of boots on the ground, but intake has fallen and outflow has increased. Commonwealth nationals are increasingly being relied upon to fill the gap where British forces are leaving. It is clear that there must be further efforts and

incentives to put that right. It is notable that many of our allies are succeeding in increasing their troop numbers while the British are struggling to stand their current ground. Iraq and Afghanistan have been costly ventures financially, and although about £10 billion has come out of the urgent operational requirements the Ministry clearly faces a budgetary crisis. It is fair to argue that the marginal costs of those operations are met by urgent operational requirements, but it is not true, as Government spokesmen try to imply, that the total costs are met through the UORs because they are not.

The strain, in human terms and in terms of the life expectancy of some of our equipment, is not to be underestimated. It cannot be denied that a financial situation that was already bad is being made considerably worse. The Government are keen to point out that we have one of the largest defence budgets, pro rata, in the world, but that it is not the whole picture. We know that defence inflation vastly outstrips general inflation and although the Government can quite fairly point to the fact that there are real-terms increases over the next three years, as measured according to the retail prices index, that does not necessarily translate into real terms in the defence sector. The Government face financial difficulty across the board, and no more money will be available during the period that we are considering. Again, that underlines the need to ask some fundamental questions about how to balance our commitments with the resources.

Mr. Bob Ainsworth: Will the hon. Gentleman give way?

Nick Harvey: I will give way to the Minister. I predict that he will say, as he has previously, that neither we nor the Conservatives have said that we would commit more resources. I readily acknowledge that, but my point is that we know that the available resources are finite, and no party is advocating increasing them, so hard decisions must be made about prioritising and the best use of the resources.

Mr. Ainsworth: The hon. Gentleman, unsurprisingly, predicts well. However, why does he raise the issue in that way? Does he suggest that there should be some other sort of inflator for the defence budget over and above the consistent increases in the past 10 years? Would his party or any other commit itself to some other inflator that would lift the defence budget at a faster and higher rate? We are entitled to ask that if he says that the resources are not enough and something must be done.

Nick Harvey: The Minister makes an interesting suggestion. I do not have such an inflator at my fingertips, but if he believes that such a thing could be considered, it would be good for the House to debate it.

The Ministry of Defence is in financial crisis—that is widely understood and commented on. It serves to underline the mismatch between what we are trying to achieve and the available resources. I have already come under fire for my party's belief that our operations in Iraq should be brought gradually to an end. That cannot be done overnight, but getting one of the major deployments in which we are involved off the balance sheet will help. We do not have the right balance between the configuration of our troops and the procurement decisions to back up those troops. I believe that the solution is another fundamental strategic defence review.

If the country, under any political scenario that we can envisage, will not have more resources to commit to defence than we currently have, we must make decisions that get us back into balance. It is not my imagination, that of the Tories or that of the media that the armed forces are overstretched or that the Ministry of Defence is in financial crisis. Anybody who is alert to what is going on can see that both assertions are true. There is therefore a need for a fundamental review and some tough decisions.

The Minister asked whether there was some other inflator. Defence expenditure was 2.4 per cent. of GDP in the last financial year. It has been on a steady downward trend from a high in 1984-85, when the figure was 5.2 per cent. Real-terms increases can be expressed in simple cash terms but, as a proportion of GDP, and in terms of the spending power of the money in the defence budget, expenditure has clearly decreased.

We are waiting for some big procurement decisions. Indeed, the hon. Member for Chorley had an incredible shopping list of items that he awaits with great optimism. If he had written such a list to Santa as a child, he would have been horribly disappointed. However, we are waiting for some crucial decisions. I do not envy Ministers the agonies that they have undergone in recent months when considering what to do, but we fear that more and more projects will be pushed to one side and that there will be salami chopping to make the finances balance. That is not a strategic or sensible way in which to run our nation's defence.

Mr. Hoyle: Which part of the shopping list would the hon. Gentleman prioritise and which part does he not support?

Bob Russell: Icebreakers.

Nick Harvey: It is fair to say that icebreakers would not be at the top of our shopping list.

We are all keen that the big items should go ahead, but we await some of the decisions with concern. The Navy is understandably keen to receive the go-ahead for aircraft carriers, while the Army is concerned about FRES and will have drawn some encouragement from today's announcement. There have been press reports that the future Lynx project might be axed. I desperately hope that it will not be, because if by chance that happened, the defence industrial strategy would be more or less dead. Finmeccanica and others around the world would draw the lesson that the strategy was dead and that the MOD was not a partner that anybody would want to link up with.

The Government undoubtedly have some difficult decisions to make. We await the announcements with interest and concern. I hope that we can improve our procurement processes, which have not necessarily been admirable over the decades. For the procurements in question, fundamentally changing how things are done is not feasible at this stage.

[Nick Harvey]

In the longer term, however, we have to ask what we want our armed forces to be and how we want to equip them. Are we really trying to develop a miniature version of the American military? Is the UK really trying to retain, for an indefinite period, a comprehensive ability in our own name? Alternatively, how will we build our capabilities in conjunction with our allies? Increasing co-operation with NATO allies, the USA and other member states in Europe must be a serious consideration. The issue is not about handing control to our allies or relinquishing sovereignty, but about trying to maximise resources, especially when we undertake most of our operations as part of an international force.

We need to consider when and how we want to get involved around the world, in a more foreign policy-led approach that allows for rapid, easy and effective expeditionary capabilities, coupled with certain key components for hard power expressions. Our current capabilities are very much geared towards hard power. Our armed forces need to be prepared for the operations that we think they are most likely to face in the years to come.

Dr. Fox: I am grateful to the hon. Gentleman for giving way a second time. If he believes that our forces are too configured towards continental defence, is he suggesting that we retreat from that posture, increase our expeditionary forces and reconfigure for more such operations? If so, what criteria would he use for that increased deployment?

Nick Harvey: I have been suggesting that we undertake a strategic defence review, which I believe the hon. Gentleman also supports. It would seem pointless to call for a fundamental review, only to pre-empt the conclusions that it might reach. My feeling is that our ability to conduct state-on-state warfare is a combination of the cold war legacy and a preoccupation with the idea that that is the only sort of warfare in which we will be involved in future.

To pick up the hon. Gentleman's point about expeditionary warfare, I believe that we will need to increase our capabilities in expeditionary warfare even further than they have already been developed. A strategic defence review would have to sort through how best to combine our resources with those of our allies in such a way that we do not undermine our ability, in our strategic alliances, to fight the more conventional battles that we have fought in the past. We do not face those battles imminently, but I share his view that we cannot disregard them further into the future.

Dr. Julian Lewis: Given that we are engaged in not one but two major counter-insurgency campaigns, there is no danger of our doubting that we will have to be prepared for things other than state-on-state warfare. However, does the hon. Gentleman not accept that, because pretty much all the post-second world war examples of state-on-state warfare broke out entirely unpredictably, to talk about reconfiguring our forces to have a much reduced capacity to deal with such warfare is rather dangerous?

Nick Harvey: I have not called for those forces to be much reduced; I have called for more co-operation with the allies that we believe we will be engaged with. That needs to be a greater part of our thinking in respect of expeditionary warfare capabilities and, indeed, in terms of sustaining for the longer term the sort of defences that we would need if we found ourselves once again involved in state-on-state warfare.

Before I finish, I want to ask the Government what preparations they are undertaking in advance of the non-nuclear proliferation treaty review conference in 2010. Britain played a very constructive and laudable part in the success of the 2000 NPT review conference, and Robin Cook in particular deserved a great deal of credit for that. In my view and that of my colleagues, last year's decision to keep Britain in the nuclear club well beyond Hiroshima's centenary in 2045 was premature. Given that the Government have taken that decision, however, I would hope that they want to balance the message that that sent out with evidence of a clear commitment to non-proliferation. Indeed, I very much hope that at the 2010 conference the British Government will provide the leadership that they provided at the 2000 conference. I believe Britain has an opportunity to lead disarmament and reassert some authority that may have been lost through our involvement in Iraq. We need to try to gain some of that ground and push for obligations to be met, as well as meeting our own commitments to international disarmament.

In conclusion, we need defence for this generation. Our current capabilities still reflect past conflicts to some extent and we are not necessarily prepared to respond to future challenges. We need, as I have said, a new strategic defence review that really puts emphasis on foreign policy-led defence posture and that concentrates far more fully on how we can co-operate with our allies in NATO, in the United States and within Europe.

Traditional defence planning is now out of date. We need a force that is flexible and able to endure the various challenges that it might be faced with. That will involve difficult decisions. Whether we increase spending to match our operations in the short term or whether we reconfigure and realign the armed forces to meet the budget that is available, the decisions are tricky. It is no great surprise that the Government have taken some time to take some of the difficult procurement decisions, but there is, in my view, a fundamental mismatch between what we are trying to do and the resources that we are able to make available to it. If we cannot make more resources available, we will need to have a fundamental rethink about what we are trying to do.

3.27 pm

Mr. David Kidney (Stafford) (Lab): I apologise to my right hon. Friend the Secretary of State for missing the first few minutes of his speech. Like you, Madam Deputy Speaker, I was attending the very beautiful funeral service for our recently deceased and already much missed Gwyneth Dunwoody.

I would like to concentrate my contribution on our intention to reduce troop levels in Germany and its effect on our relations with our European and NATO allies. British forces have been permanently stationed in Germany since 1945. Until the mid-1990s, the British Army of the Rhine and Royal Air Force Germany were the two main British commands in that country. Following

the "Options for Change" defence review in 1991, the level of British forces in Germany was halved and the RAF was withdrawn in response to the changing dynamics of the post-cold war environment and the Government's attempts to make cost savings at that time. The strategic defence review of 1998 made further recommendations on the reduction of troops in Germany.

At present, there are approximately 20,900 British military and 2,200 British civilian personnel stationed in Germany. The two principal units in Germany are now 1st UK Armoured Division and UK Support Command Germany. In 2004, the Ministry of Defence published its plans for restructuring the British Army by 2009. As part of the overall rebalancing process, a review of British forces in Germany was subsequently undertaken.

Since January 2006, the Ministry of Defence has made several announcements regarding the conclusions of its review. In January 2006, it announced that 4th Armoured Brigade, which is currently re-roling into a mechanised brigade as a result of restructuring, would return to the UK in line with the continuing policy of concentrating mechanised capability domestically. Comprising approximately 4,400 military and civilian personnel located at Osnabruch and Munster garrisons, the brigade is expected to return to the UK towards the end of this year and be located at Catterick in North Yorkshire. In order to support the remaining two UK armoured brigades—7th and 20th Armoured Brigades—in Germany after the departure of 4th Armoured Brigade, it is expected that 2,200 troops will deploy to Germany within a similar time frame. The result will be a net reduction of 2,200 troops in Germany by early next year.

In July 2006, the Government also announced that as a result of the relocation of 4th Armoured Brigade, Osnabruch barracks and most of the British military family housing belonging to the Federal Government would subsequently be returned to the Federal authorities in early 2009. The remaining barracks in Munster will also be rationalised. This withdrawal is expected to lead to the loss of approximately 530 local jobs.

At the same time, the Ministry of Defence also announced that 12th Regiment Royal Artillery would relocate from Paderborn back to the UK as part of the reorganisation of the UK's air defence units. The regiment will be located at Thorney Island, along with 47th Regiment Royal Artillery.

As part of the wider restructuring of forces, the MOD also made it clear that it would take the opportunity to make further adjustments to the UK's force posture in Germany. In July 2006, the MOD looked at redeploying the headquarters of the Allied Rapid Reaction Corps—HQ ARRC—1 Signal Brigade and 102 Logistics Brigade from their bases in Germany back to the UK between 2008 and 2012. Such a move will account in total for approximately 3,600 personnel. Codenamed Operation Borona, the review was intended to determine where those forces would be located and whether the move would be practicable and offer best value for money.

In September last year, the findings of that review were announced. Under current planning assumptions, HQ ARRC and its supporting elements will now relocate to RAF Innsworth in Gloucestershire, while 1 Signal Brigade and 102 Logistics Brigade will relocate to RAF Cosford in Shropshire in the west midlands. The move of the two brigades to Cosford is expected to involve approximately 2,600 personnel and their families. The relocation of these forces back to the UK is earmarked to take place between 2009 and 2014. A detailed timetable and an identification of additional infrastructure requirements will now be established by the Borona project team over the coming months.

The proposed move of HQ ARRC will be the priority, and consultations with interested parties, including local councils, health, education and welfare providers and the trade unions will form an important part of that assessment. Final details, including a specific timetable for the relocation of the forces, will form part of a set of recommendations to be presented for a final investment decision by the Investment Approvals Board and MOD Ministers in spring 2009.

Alongside these moves to bring forces home from Germany, there has to be an accommodation policy so that there are places for these armed forces personnel. In this regard, the idea of the super-garrison has been developed—massing groups of forces in one area, although not necessarily in one barracks. It would make sense for these so-called super-garrisons to be based in areas where our armed forces recruit most successfully.

Mr. Hoyle: Would my hon. Friend like to emphasise the point that the north-west is one of the most fertile recruitment grounds in the country, and will he therefore be backing the idea of a super-garrison in that area?

Mr. Kidney: I certainly endorse my hon. Friend's oft-made point that there is good recruitment in the north-west, and I wish him well in promoting a super-garrison there. If he does not mind, however, I would like to move on to the fruitful recruitment in the west midlands, and talk about the prospects for a super-garrison in that region. There is fruitful recruitment to all our armed forces in the west midlands, and we in Stafford are interested to know whether there will be a west midlands super-garrison—and if so, whether the military base at Stafford will have a role in accommodating further personnel.

On 19 April Stafford held a superb double celebration, as we granted the freedom of the borough to Tactical Supply Wing and 22 Signal Regiment. From the church service to the parade and the ceremony in the market square, the whole event was magnificent. I was particularly pleased that the evening TV news reporting of those special events focused on the public support for our military; people lined the town's streets in their hundreds to cheer and applaud the RAF and the Army. All of us present enjoyed the military marching and the bands playing.

The granting of the freedom of the borough to Tactical Supply Wing recognises the 37 years that it has been part of the community of Stafford, continuing a Royal Air Force presence in the town that started before the second world war. Tactical Supply Wing was formed in 1970 at Stafford as a result of changes in the United Kingdom's defence posture. The unit became fully operational in 1971, and almost immediately deployed on operations to Northern Ireland. There has not been a day since when members of Tactical Supply Wing have not been deployed on operations somewhere in the world; deployment has often been in support of two or three operations simultaneously, as is the case today.

[Mr. Kidney]

The unit's role of providing aviation fuel support to the British military's helicopters is unique and requires its members to be trained to a high proficiency in order to carry out their roles anywhere in the world, in any climatic conditions, often at short notice. In its 37-year history, the unit has served in all the major conflicts in which the British military has deployed, including the Falklands war, both Gulf wars, Belize, Northern Ireland, the Balkans, Sierra Leone and, latterly, Afghanistan. The unit has also supported humanitarian operations as far afield as Nepal and Mozambique.

Members of Tactical Supply Wing consider Stafford to be the spiritual home of their unit, and many serving and former members of the unit have made Stafford their home. At the freedom ceremony, the commanding officer, Wing Commander Nick Atkinson, said:

"Stafford has always provided the friendly homecoming for many Tactical Supply Wing personnel returning from operations overseas. With the base forming part of the town, this has enabled Tactical Supply Wing personnel and their families to integrate, and become part of the local community."

Lieutenant-Colonel Neil Fraser arrived at Stafford two years ago to head up a small team charged with reforming the 22nd Signal Regiment, which had disbanded in 1992 in Germany, just after the first Gulf war. The RAF ensign had just been lowered from the base, then called RAF Stafford, and the Army flag was raised on 1 April 2006. We were all in a period of much uncertainty; station facilities were closing, more than 600 uniformed RAF personnel had moved to RAF Wittering, and it had not been formally announced that the new regiment would form.

From the moment the Army arrived, it was made to feel welcome by the whole town. As funding was found in late 2006 and early 2007, the bulk of building work was completed, and soldiers, families, vehicles and equipment moved into the renamed MOD Stafford; most came from Bulford, near Salisbury, and Colerne, near Bath, but people also came from across Germany and the rest of the UK, including Northern Ireland.

In July 2007, the new 22 Signal Regiment had its official formation day. The Commander-in-Chief, Land and the Master of Signals welcomed the regiment back into the Army's order of battle. Even as it was being formed, the regiment had soldiers in Iraq and Afghanistan. Soldiers are now settling into the newly named Beacon barracks, deploying on exercises, and a squadron has even been in London on public duties.

Creating a new regiment is a huge task. Creating this regiment in Stafford, where the base is in close proximity to the town, has allowed soldiers and families to be part of the community, At the freedom ceremony, Lieutenant-Colonel Fraser said:

"Only six months after I arrived we had babies born in local hospitals, kids at schools and dependants finding employment—we were very much embraced from the start!! We have supported where we can Remembrance Day events, High Court Openings and the various formal and charitable occasions that make Stafford a vibrant civic community. People all over the Royal Signals seem to want to serve here—and I suspect a large part of it is the location that those of us here enjoy."

The sizeable Gurkha community, consisting of 160 soldiers and some 60 families, is well settled in Stafford too. Stafford college offers free English tuition to the soldiers and their families, which is yet another indication of the local community's support for the military. Several people from the regiment have already bought homes in the area, and the foundations are in place for stability.

It must be a remarkable achievement for the regiment, just over a year after its reformation on 1 April 2007, to be honoured with the freedom of the borough on 19 April 2008. It is certainly a famous landmark that can be added to the regiment's history, which stretches back to its days as an air formations signals unit that landed on D-day. Then our country's leaders were discussing putting forces into Germany; today, we are discussing bringing them out of Germany.

Altogether, the relocation of 4 Armoured Brigade, HQ ARRC, 1 Signals Brigade and 102 Logistics Brigade will account for approximately 30 per cent. of British forces currently located in Germany. When the redeployment of troops back to the UK and the possible relocation of HQ ARRC were first announced in 2006, the then Parliamentary Under-Secretary of State for Defence, Lord Drayson, reiterated:

"We will continue to make further modest adjustments to our force levels in Germany, but our plan remains to base UK forces in the country, in the form of 1 Armoured Division and its supporting units, for many years to come. These moves and the work of the project team in no way signal a change in either our commitment to the NATO alliance or our overall defence policy, nor do they in any way devalue the continued close bilateral relationship between the UK and Germany."—[*Official Report, House of Lords*, 24 July 2006; Vol. 684, c. 130WS.]

Aside from the UK's commitment to the NATO alliance, and Germany in particular, the basing of British troops on German soil in the longer term also continues to be regarded as important from a training perspective. During questions in the other place on 16 February 2006, Baroness Crawley confirmed that

"we have made a commitment to stay in Germany with sizeable numbers of troops for the foreseeable future. We see Germany as a terrific training asset. We always see our need for a capability for heavy armoured divisions, and the training for those takes place in Germany, eastern Europe and Canada."—[*Official Report, House of Lords*, 16 February 2006; Vol. 678, c. 1254-55.]

In January this year, Baroness Taylor reiterated that

"units continue to be based in Germany as the UK is committed to its contribution to NATO and co-operation with its allies in the alliance. The UK also benefits from the opportunity to train armoured units in Germany, and to make use of training areas in Eastern Europe, which are less accessible from the UK. With the approval of the German Government, we plan to continue to station two armoured brigades and their supporting units in Germany for the foreseeable future."—[*Official Report, House of Lords*, 14 January 2008; Vol. 697, c. 235WA.]

It is expected that the size of the British contingent in Germany in future years will total some 15,000 service personnel.

In conclusion, we have not exactly reached the end of an era, but in future we can anticipate fewer of our forces being based in Germany. Our presence there will continue, but the mass, shape and role of our forces in Germany will change. The training and the support will be more broadly based, both across the European continent and throughout the NATO alliance.

On the day of the freedom ceremony in Stafford in April, we were all reminded in church of the military covenant and the obligation on all of us in civilian life to value and support our armed forces because of the dangerous work that they do in our name, and the personal sacrifices, including the ultimate sacrifice, that

they make for us, I know that the Government plan to publish a Command Paper shortly to bring together all the additional ways in which all of us, in Parliament and in our communities, can keep our side of that covenant. I look forward to that publication soon.

3.43 pm

Mr. James Arbuthnot (North-East Hampshire) (Con): Our armed forces are committed across the world, and I intend to concentrate on Iraq, Afghanistan and NATO. While our armed forces are so heavily committed, I am sure that we would all wish to say thank you to our service personnel, wherever they serve, and to remember that in Iraq and Afghanistan many have died or been wounded in body or mind. We need to remember that they have not suffered in vain. What they have done in both those countries is something of which we can be exceptionally proud. We can be proud not only of what they have been doing, but of them. We can also be proud of their families, who have to stay at home worrying about their sons and daughters, which is often the most difficult thing of all. We should therefore also pay tribute to the families and say thank you to them.

Mr. Kevan Jones: Will the right hon. Gentleman also pay tribute to the men and women of the armed forces, including the Dutch and Danish forces and others, who have fought alongside British troops in Afghanistan and have lost their lives? In some cases, because of the numbers of troops that they have deployed, they have lost proportionately more than countries such as ours.

Mr. Arbuthnot: That is true. I am thinking in particular of the Canadians, who have lost a large number of troops in Kandahar province. We need to remember that we are not alone in Afghanistan. Some other countries are doing extraordinary things with small resources, and we are extremely grateful to them for working alongside us.

Let me start with Iraq. We still have more than 4,000 UK personnel deployed in Iraq as part of Operation Telic. I personally think that that is the minimum number that we can have as a viable self-sustaining force in Iraq. We were told as much by a general in Iraq last year and by the Minister of State. I am delighted that the Minister is in his place now, because I want to tell him that he was right.

The role to be played in Iraq is one of overwatch, which is necessary in support of an Iraqi army that is doing well but still needs support. Intervention through ISTAR—intelligence, surveillance, target acquisition and reconnaissance—artillery, air power and other methods is right and proper, as are the need for training and mentoring and the need to do a small part of patrolling the border with Iran. The next change in the number of troops in Iraq—I hope that it will not be too far off—should take our presence down to a small number, with between 200 and 400, or perhaps 500, troops. They should do much more specialist things, relying on others for logistics and support.

I do not understand how the figure of 2,500 was ever on the table. How was that figure reached? It was always unrealistic and, I think, meaningless. The suspicion is that it was politically motivated—a figure plucked out of the air. That suspicion needs to be dispelled, if it can be. How on earth did the Secretary of State come to agree with it? I have to express my disappointment that it was ever put forward or supported by the Ministry of Defence. There is a risk that the MOD budget is predicated on the basis that we would be down to 2,500 troops in Iraq by now.

Dr. Julian Lewis: My right hon. Friend refers to the Secretary of State's agreeing with the reduction to 2,500. I remind him that there is widespread suspicion that the first the Secretary of State knew about the reduction was when he heard it announced in the international media.

Mr. Arbuthnot: We look forward to hearing the answers to these important questions, which relate to the relationship between Ministers and the armed forces whom they lead.

The Defence Committee visited Iraq last summer, and we hope to do so again this summer, subject to the points that have already been made about our medical fitness. Every time we go to Iraq we are immensely impressed by the men and women of our armed forces whom we meet. They are absolutely outstanding and so are their achievements.

Obviously, questions remain about the coalition mission in Iraq. The US surge seems to have been successful in many respects in controlling the levels of violence. The Iraqi security forces seem to be growing in capacity, although they still need support. In that context, I believe that the recent operation in Basra, led by the Iraqis with the support of the British and the Americans, was not a bad thing but a good thing. It was the Iraqis taking control of their own destiny. Let us never forget that that is what we want them to do. The more they can do that, the less necessary the presence of our troops will be.

Moving on to Afghanistan, as we reduce our troop levels in Iraq, however slowly we are able to do that, we have increased our commitment to Operation Herrick. We now have about 7,800 service personnel in Afghanistan—more than any other country apart from the United States. On the Defence Committee, the hon. Member for Midlothian (Mr. Hamilton) has drawn attention to the real risk that the conflicts in Iraq and Afghanistan are conflated in the public's mind. They are very different operations; they arise from different circumstances. We must make the case for each of them separately. An unpopular incursion into Iraq, although it has achieved some real successes, looks likely to drag down in the mind of the public the much more difficult incursion into Afghanistan.

The events of 9/11 are fading gradually into people's memories as history. The horrors and fears that 9/11 raised are diminishing with time, although in reality the dangers of al-Qaeda and international terrorism remain absolutely huge. Of course, both in Iraq and Afghanistan, we are reminded of the important point that when we invade a country, we need to be sure what we will do with it when we have been successful, and we need to provide the resources to secure the peace as well as the war. That is what we in the west have failed to do.

The Defence Committee visited Afghanistan in April last year. We hope to return to Afghanistan later this year. In the report that we published in the middle of last year, we concluded that reconstruction efforts required a strengthening of the comprehensive approach. There

[Mr. Arbuthnot]

is no one answer to the issues; there is no silver bullet for Afghanistan. We said, among other things, that more work was needed to support the training of the police and the judiciary, and that much more work was needed on the winning of hearts and minds in Afghanistan and, indeed, at home. We were, of course, concerned that the burden of fighting and of the resources going into Afghanistan was falling disproportionately on a handful of NATO countries, but I have already paid tribute to the Netherlands and Canada for the outstanding nature of their contribution. Other countries are also contributing a great deal.

I have said that Afghanistan presents a much larger task than Iraq. NATO is trying to create a democratic Government in a country that has no real history of one, and which seems to exhibit little desire for one. The raw material of Afghanistan—resources, education and infrastructure—and the availability of weapons practically everywhere make the task hugely challenging. That challenge is not yet matched by the political will and the resources in the developed world to get the whole country on to a viable road; until it is, we will not succeed.

The future of NATO and ISAF are closely linked. Some NATO members are simply not pulling their weight in Afghanistan; others are bearing greater burdens than are reasonable. We welcome President Sarkozy's announcement of additional French troops to be sent to Afghanistan. I would welcome even more French troops being sent there. Problems remain—there are national caveats and problems of force generation—but that is symptomatic of the broader soul searching that is needed in NATO as a whole.

We as a Committee published a report on the future of NATO earlier this year. We thought that it was an important contribution to the debate, and some of our conclusions moved in these directions. We said that the strategic concept of NATO needed to be renewed. Next year is the 60th anniversary of NATO. It needs a new focus. It needs a new clarity of purpose. It needs new political will, above all. That was what we identified as the major shortcoming of NATO at the moment. The point is not just that many NATO countries have fallen considerably below the target of 2 per cent. of GDP, but that the populations of the NATO countries seem to have forgotten what NATO is for. They concentrate much more on the European Union than on NATO, while still being less and less prepared to pay for the defence in which they are clamouring to have a greater say. It is a very odd business.

The Committee placed great importance on the outcome of the Bucharest summit; it was a vital summit for the future of the defence of the western world. I was extremely disappointed that we did not have an oral statement on the outcome of the summit even from the Secretary of State for Defence, let alone the Prime Minister. That meant that we did not have the opportunity to question the Secretary of State or the Prime Minister on NATO at a crucial stage. For example, what is the response to Russia when it begins serious talks with separatists in Georgia? What is the response to the shooting down of an unmanned aerial vehicle owned and flown by Georgia? Those two things were a direct response to what came out of NATO. We needed an oral statement.

NATO is the linchpin of our security. We must make sure that it adapts to the challenges of today. If we do not, the United States will lose interest in NATO, and if the US loses interest in NATO, NATO will be dead. The future of the mission in Afghanistan is very important to the future of NATO and to its whole credibility, the upholding of which forms part of the most important duty of Government—the defence of our country.

I must not take up too much time, so I conclude by saying that we must not let our natural focus on Iraq and Afghanistan obscure the many other commitments of our armed forces. We still have substantial forces in Cyprus, although they are often part of the reserve that rapidly goes backwards and forwards to Iraq or Afghanistan, and we have just deployed 600 additional troops to Kosovo. It is essential for the UK to train for, and to be prepared for, the events that we are not facing now but may face in future. However, we are not doing that, because there is nothing left in the locker. We have been told that by the Chief of the General Staff.

We must lift our eyes, we must lift our ambitions, we must lift our pride and we must lift the priority that we place on the defence of our country and on the wonderful men and women who undertake that task on our behalf. That requires leadership and commitment from the very top.

3.58 pm

Mr. Quentin Davies (Grantham and Stamford) (Lab): In the brief time for which I will speak, I want to take up four points that were raised by the Secretary of State, a couple of points that were raised by the Opposition and perhaps make one point of my own.

First and most important, on the issue that we are most concerned about, the Secretary of State was reasonably encouraging—responsibly and moderately so—on the two great deployments that we have in Afghanistan and Iraq. He was absolutely right in the phrase that he used. They are the front line of our security. I have not the slightest doubt—I have said it in the House before—that had the terrorists who attacked London and Glasgow last summer had the benefit of a six-month training course in bomb-making and detonation techniques in a safe haven for terrorists in a Taliban-dominated Afghanistan, they would have succeeded in killing hundreds and perhaps thousands of our people. That is the fundamental reason for our deployment there and for the brave British servicemen and women fighting there doing such a vital job. The risks to their health and lives—and it is tragic if those risks result in death or serious injury—are risks that have to be borne. We must be deeply grateful to those who are prepared to take on that enormous responsibility on behalf of the rest of our country.

It is clear from the history of any counter-insurgency operation that 70 to 80 per cent. of the outcome is down to psychology. That is why it would be fatal to go down the road set out by the hon. Member for North Devon (Nick Harvey). I know from personal experience that he has considerable knowledge of and interest in these matters and takes a responsible line on defence issues, but he is trapped in a party that has a terrible record of mixing short-term party politics with the defence of the nation. The greatest possible threat to our making a permanent positive contribution to providing stability

in Afghanistan and Iraq, to defending ourselves from terrorism, and to ensuring that we have the best possible chance of leaving those countries with reasonably stable and democratic Governments for the long term—the best way of undermining any such chance of that scenario—would be to do what the Liberal Democrats urge on the Government, which is to make public statements on exit strategies or set public deadlines for pulling out of either of those operations.

Willie Rennie: I hear what the hon. Gentleman says, but did he regard the Prime Minister's statement last year that we would reduce the number of troops to 2,500 from the spring as that of a statesman or of someone who was seeking short-term party political advantage?

Mr. Davies: It was clear at the time that the Prime Minister believed that the situation in Iraq was such that it enabled us, and made it sensible for us, to reduce the number of troops from between 4,000 and 5,000 to 2,500. One can readily understand how in certain circumstances that would be a reasonable thing to do. Obviously, it would be desirable if it were possible to do that without jeopardising the success of the operation. Matters have become more complicated since then, however. It has become important to support the Americans during their surge and the al-Maliki Administration in Baghdad in trying to gain control of the country. It is very much a matter of psychology. The events in Baghdad and Basra over the past few months have shown how difficult things are. The Iraqi forces initially ran into quite a lot of trouble and bother. It was sensible to decide that this was not the moment to reduce further our forces in Iraq.

I listen with great interest to the right hon. Member for North-East Hampshire (Mr. Arbuthnot), the Chairman of the Defence Committee, and often learn a lot from him, but I did not follow what he said today, which was to the effect that we could either have a viable critical mass in Iraq of 4,000 to 5,000 troops or have 500 or fewer. Things do not work like that. It may be possible to go down to a lower level of troops provided that there is a commensurate reduction in the threat. Clearly, if there is no threat, we do not need any force protection. Presumably, those are the circumstances in which he envisaged having a small training programme, or something, involving a few hundred of our troops. I would have thought that if there were a threat to them, they would need their own force protection, which would require a number of troops being available substantially in advance of that. It may well be that the Prime Minister felt last autumn that we were moving towards that situation. Clearly, we are not, but that does not mean to say that over the long term we will not succeed in making a considerable success of the operation. Perhaps in five or 10 years' time, if we can withdraw from an Iraq that is reasonably stable—if it is, for the first time in its history, a democratic country—we will be able to look back with pride on having kept our nerve despite the obvious and understandable public pressures to throw in the sponge and pull out prematurely.

The second thing on which I want to congratulate the Government is quite remarkable: the number of initiatives that they have taken in the past year or two to provide material support for our troops. There has been an announcement in short order of two armed forces pay reviews, which have been accepted by the Government. I think that the results of those public sector pay reviews are the only ones to have been accepted. The one last year increased the pay of people in the lower ranks by 9 per cent. That is real money, frankly.

At the same time, we have had the introduction of the tax-free deployment allowance and concessions on council tax, and rightly so, but they are without precedent. Commitments have been given to spend more money on improving housing, and it is very important that that be done. I will not make a party political point by saying who is actually to blame for the present administration and ownership of military housing in this country. Instructions have been given to health authorities to do what they really should have been doing automatically since 1948 and the introduction of the health service—to give priority to patients presenting with symptoms as a result of service in our armed forces.

I have left out several things, such as the significant increase in the compensation limit. There has been an enormous number of initiatives in this field. It is a remarkable record of achievement, and as far as I can see the Government have got absolutely no credit for it whatever. I suppose that it is not surprising that they were given no credit from the Opposition Benches—party politics comes into issues even as important as this—but the media have not picked up at all on these points. However, there is no doubt that the armed forces are aware of the continuing effort.

Thirdly, the Government have also made tremendous progress in addressing the issue of the equipment of our forces deployed on these difficult operations. There is no doubt that, as often happens when one suddenly has to send an expeditionary force to an entirely new combat zone thousands of miles away, there are bound to be deficiencies. I suppose that there has never been a case in history of a country deploying such an expeditionary force far from home and at short notice, and there not being severe deficiencies in the personal and other forms of fighting equipment, and people not having what they ideally would have liked in those difficult circumstances. However, that issue has now been addressed, and very creditably so. The urgent operational requirements system is really working, and we are getting equipment out to Afghanistan and Iraq within a few months of the requirement being identified by the military on the spot.

In the past few months, I have had the opportunity to speak to more than 300 serving men and women in this country, many of whom had just recently returned from deployments in Afghanistan and Iraq. The universal view of everyone whom I asked about personal equipment—I ask that question on every occasion, as you can imagine, Mr. Deputy Speaker, because this is a live issue often debated in the House—was that the equipment now available to them in Iraq and Afghanistan is absolutely second to none, including to that of their American counterparts. They were very conscious of that point. That is another considerable achievement on the part of the Government.

Unfortunately, because of the delays in coroners' inquests, coroners' judgments are still being made about the unfortunate deaths of our servicemen and women from three years ago. The Government have taken steps to spread out the inquests across the country, so those delays will now decline. References to the inadequacies

[Mr. Quentin Davies]

of personal equipment are at least three years out of date. The tabloids pick up on that and present it as a current story—as a reflection of current reality—when in fact, that position ceased to exist some years ago. That is completely unjust and unfair, and needs to be corrected.

The fourth and final issue that I want to address and that was raised by the Secretary of State is the quite different one of anti-ballistic missile defence. I totally agreed with what he said: the Government are absolutely right to renew and update our co-operation with the Americans on this subject, giving them the benefit of the output at Menwith Hill and Fylingdales. The Government are also right to keep the matter under review. I do not want to draw any conclusions as to what we should be doing over the next few years in this area, but it is a very serious problem.

The fact is that the Iranians are investing in ballistic technology to an extraordinary degree. They have developed the Shahab 2 missile and are now developing the Shahab 3, with which they can potentially already achieve a range of more than 1,000 km. One has to ask why they are doing that. If we believe last December's American defence community report—it said that the Iranians abandoned their nuclear weapons programme in 2003, which would be very good news indeed—we have to ask what other kind of payload the Shahab 3s are designed to carry. Presumably, it is biological or chemical weapons—weapons of mass destruction. Mr. Ahmadinejad may be a lunatic but even he cannot be quite so mad as to spend this vast amount of money in developing ballistic missiles simply in order to carry high explosive. The cost-impact ratio would be utterly ridiculous by any standards. There is a real threat and problem there.

The Secretary of State is right that, for the foreseeable future, we need not think about locating terrestrial land-based anti-ballistic missile systems in this country. But I am reassured that the Americans are in agreement with the Polish and Czech Governments on locating systems there. We should keep the matter under constant review and come back to it from time to time in the House. I appreciate that the Secretary of State took the initiative in raising the subject this afternoon. No one asked him to do so or raised it with him and I hope that the Government will continue to keep us informed. There will be consensus among reasonable people in this House on taking whatever responsible measures may be required in the light of the threat over the next few years. I put it no more strongly than that.

The official Opposition—the Conservative Opposition, whom I used to support officially, but not always with great conviction in recent years—made me feel this afternoon that I was glad that I was not on those Benches. I thought how embarrassed I would have felt if I had been. The hon. Member for Woodspring (Dr. Fox) implied strongly that he thought that it was a priority for us to get into the business of building icebreakers.

Robert Key: No, he did not.

Mr. Davies: I listened very carefully to what he said and I cannot imagine what other purpose there was of saying that Arctic warfare was so important and that we had only one icebreaker, HMS Enterprise, unless it was to make it clear that he thought we should start building icebreakers. Of all the ridiculous priorities in the world! *[Interruption.]* The hon. Member for Salisbury (Robert Key) protests loyally in trying to defend his defence spokesman, but I cannot imagine what other interpretation could be placed on the hon. Gentleman's remarks. He spoke for several minutes about Arctic warfare and HMS Enterprise. What other signal was he trying to send to the House?

Robert Key: It is so simple but clearly beyond the hon. Gentleman's understanding. For those who did not hear my hon. Friend the Member for Woodspring (Dr. Fox) the first time, he said that NATO did not have adequate capability if we were looking at new scenarios in the north. It is all very well for the hon. Gentleman to deride my hon. Friend, but he did not deride him or my party when he served with me as a defence spokesman for our party.

Mr. Davies: When the hon. Gentleman and I served as defence spokesmen in the Conservative party we certainly did not get on to icebreakers or Arctic warfare as a serious challenge. That was in the last decade and I am not sure that the geopolitical situation has changed that much. I interpreted the comments quite differently. In referring to NATO not investing in icebreakers, it sounded to me as though the hon. Member for Woodspring felt that we, as a part of NATO, should be helping to make up that deficit. He said that the Canadians were investing; the implication was that we should be as well.

I am glad that we have had this matter exposed and I hope that the Conservative party now realises how utterly ridiculous, risible and foolish it would appear if it suggested that scarce military resources be spent on building icebreakers. The very best interpretation that can be put on the hon. Gentleman's remarks is that they were totally irrelevant and that he was wasting the House's time by raising an issue that even he did not think was relevant to the defence needs of the nation.

Mr. Kevan Jones: May I inform my hon. Friend that this is not the first time that the hon. Member for Woodspring (Dr. Fox) has raised the issue? He raised it on 1 May in a visit to Plymouth when he spoke at length on what he bored us with this afternoon. It is interesting that when he was asked to give a commitment to future basing or to the future of the surface fleet, unfortunately he could not.

Mr. Davies: I am grateful to my hon. Friend for raising that point.

The judgment of the hon. Member for Woodspring needs to be reflected on, most urgently by the hon. Gentleman himself but also by his colleagues on the Conservative Benches—*[Interruption.]* No, I have not quite finished on this subject. The Secretary of State revealed something else that I found absolutely extraordinary. I listened to it with amazement, but I know that I heard the words quite clearly, and I think that I understand the English language. It appears that the hon. Member for Woodspring has put on his website a proposal that NATO should buy up the poppy crop in Afghanistan. I cannot think of anything quite so ludicrously

misconceived. To do that would enormously increase the demand for the poppies and create an enormous increase in production. It would also greatly increase the dependence of farmers and peasants in Afghanistan on poppy production and divert them from diversification into the other crops that we are trying to encourage them to grow.

That is an extraordinarily ill thought-through set of policies. I raise this matter not because I wish to justify my leaving the Conservative party—I do not need to do that; I am very happy with my decision—but because I believe that the public need to be warned. The opinion polls show that the Tories are in the lead. That means that, if there were a general election tomorrow—I do not suppose there will be—and if the polls were reasonably accurate, we would have a Conservative Government and a Secretary of State for Defence with an obsession with icebreakers who wanted to buy up the poppy crop in Afghanistan. The public really need to reflect on these matters, and I do not apologise for raising them. I am sorry that the hon. Gentleman is not here now, but it is not my fault if he chooses not to sit through the debate, or if he chooses to make his speech and then simply walk out.

There is one final matter that I want to raise. As the House probably knows, the Prime Minister asked me just before Christmas to lead a study into national recognition of the armed forces, which meant examining the extent to which the public understand, appreciate, identify with and support the armed forces. That study has now been completed and submitted to the Prime Minister, and I hope that it will be published very soon. Obviously I do not wish to anticipate the recommendations that it will make, but I want to make one point in that regard.

Our conclusions were twofold. First, it will not surprise the House to learn that there is enormous public support and gratitude for the armed forces in our country, and that it is deeply and widely felt. That comes out quite clearly in the homecoming parades and in the success of the charity appeals that have been held over the past few months. There has also been evidence of that support in our debate this afternoon. For example, my hon. Friend the Member for Stafford (Mr. Kidney) talked about the relationship between the general community in Stafford and the military personnel based in the barracks there. That is an interesting example of a medium-sized town in which a very good relationship of that kind can exist.

There is a widespread sense that members of the armed forces are very special. Most human beings would not be capable of spending six months of their lives in a desert without even the occasional drink, with none of the pleasures of family or social life, under constant threat of being seriously wounded or killed, sometimes living on ration packs—not, as is sometimes stupidly said in the tabloids, for months on end; that certainly does not happen, but it happens during the course of individual operations—and leading an austere and dangerous existence. The people who are prepared to do all that are extraordinary human beings. As I have said, they play an indispensable role, and civilisation would not last very long if there were no men and women prepared to do it. There have been one or two nasty incidents that appear to illustrate a certain hostility towards the armed forces, but they are the work of a very small twisted minority of people.

Our other conclusion was that, over the years, there has been an increasing separation between the armed forces and the rest of society, although not because anyone wanted that to happen. That separation is a reflection of two things. First, as each year goes by there are fewer people with experience of serving in uniform, or who have a close family member who has served in the armed forces. A generation or so ago, the second world war generation was still largely alive and every male—at least in principle—had done national service. Conscription ended in the early 1960s, but until then almost every family had a member with experience of the military. People understood the constraints, disciplines and dangers—as well as the camaraderie, pressure and tension—that accompany military operations. Such things were better understood in society as a whole then.

Secondly, a cultural change has taken place. I do not want to go outside the ambit of the debate, but it is generally agreed that, over the past 20 years, society has become increasingly hedonistic, short-termist and individualistic. Some might say that it has become more atomised, but I want my remarks to be a statement of fact rather than a long social critique. The fact is that the military must be based—they cannot be otherwise—on a more traditional ethos involving concepts such as public service, team effort, self-sacrifice, devotion to duty and discipline. The social and psychological divergence that has taken place is not healthy for the country as a whole or for the armed forces, because it means that people increasingly lack the familiarity, contact and knowledge on which positive feelings of gratitude and support for the military can be based. Therefore, our recommendations will be directed above all to finding ways to narrow the gap that I have identified.

Other countries have achieved that. The evidence from America is clear: 30 years ago, after the Vietnam war, the relations between the general public and the military were very bad. To anyone who knows America now, that is extraordinary, given the American public's support for, and identification with, the military. The relationship can only be described as symbiotic. It is immensely impressive and very moving, and of course we cannot move that far in one leap. Our traditions and psychology are very different—no doubt people will say that Americans are more effusive by nature than we British are—but nevertheless there are some interesting lessons to be drawn from other countries. For example, Canada and France are other democracies that regularly deploy troops in combat situations.

If our military are to do their job, it is very important that people support, understand and have contact with them. They need to feel that the pressures and sacrifices that they face are fully appreciated by the general public.

4.23 pm

Robert Key (Salisbury) (Con): I listened to the speech of the hon. Member for Grantham and Stamford (Mr. Davies) more in sorrow than in anger; it will be one of his last defence speeches, and I suspect that we will miss his amusing ramblings after the next general election. Despite that, I wish him well with the recovery of his left hand. He seems not to have finally developed his left hook yet, but I wish him very well in his retirement. I now wish to return to reality.

[Robert Key]

I sometimes wonder whether we have come very far since 1892, when Rudyard Kipling wrote his famous poem "Hurrah! For the Life of a Soldier". You will recall it, Mr. Deputy Speaker:

> "For it's Tommy this, an' Tommy that, an' "Chuck him out, the brute!"
>
> But it's "Saviour of 'is country" when the guns begin to shoot".

A few weeks ago, the Tisbury branch of the Royal British Legion invited me to address it at a public meeting to talk about the military covenant, and this I was privileged to do. At a full church of St. John the Baptist in Tisbury, I addressed this theme: "Tommy Atkins: do we care?" Of course, in my constituency, Her Majesty's forces are part of the fabric of our community, as are the families who follow the flag and the industrial, scientific and administrative civil servants on whom the fighting units depend. For us, it is all part of the community in which we live, and we do not consider the military to be in any degree separate from the rest of our community. We know that that is not the same all over the country, as in places where there is not the same density of military activity and personnel. There are also in south Wiltshire a large number of retired service personnel who mind very much about the reaction of the younger generation to Her Majesty's forces—the way we think about them, the way we treat them on the street and, above all, the way that we, as politicians, ask them to do the impossible and do not provide adequate resources for them to carry out their role, which we admire so much.

That occasion gave me an opportunity to remind the Tisbury branch of the Royal British Legion that defence has changed enormously since the operational requirements to defend our country in the second world war or to fight for other people elsewhere in the world. That is one arm of our capability in defence, as is the defence of our homeland territory, but we no longer face hordes of Russian tanks approaching across the north European plain. We face a completely new sort of threat, and we have had to respond to that. Much of it, around the world, is to do with ideas, and much of it is to do with resources. Population is one of the greatest drivers of instability in the world. That is recognised in the development, concepts and doctrine centre—an excellent directorate-general in the Ministry of Defence that is often neglected but absolutely crucial to our understanding of what is going on. It points out that sustained population growth, aggressive economic competition around the world, and increasing consumption, particularly in the far east and in Asia, together with rapid modernisation and urbanisation, will result in intensive exploitation of and pressure on resources of all kinds. Those tendencies will be aggravated by the consequences of climate change, environmental changes and an increased human footprint on the globe. Consequently, the availability and flow of energy, food and water will be critical in future, with potential fluctuations and imbalances in production and distribution at global, regional and local levels. When resource challenges are identified, population expansion has the greatest single impact relative to local resources and economic growth.

All that, together with the expansion of global media and information and communications technologies, will heighten people's sense of grievance and marginalisation and differences between the haves and have-nots nationally and internationally, leading to increased tensions and instability around the world. We can add to that the spread of communicable diseases. Those are already a feature of human life, but enhanced international travel makes it easier than ever before for them to move around the world. Familiar diseases may be eradicated but others will take their place.

We face a completely different sort of defence threat, and we need to adopt a different defence posture. Nevertheless, as my right hon. Friend the Member for North-East Hampshire (Mr. Arbuthnot), the Chairman of our excellent Defence Committee, pointed out, we must keep our eye on the ball as regards evolving relationships between nations within NATO and our neighbours. I mentioned Greece a little earlier. It is important that we understand that much of the future of NATO depends on countries such as Greece managing to come to an accommodation with neighbours such as Turkey, particularly over Cyprus. That is crucial to the forward development of NATO relationships, not to mention the future of the European Union. I make no apology for mentioning the critical role that Greece has to play, and I hope that it realises the responsibility it carries in that respect.

I would like to add to what my right hon. Friend said about what is happening in Iraq. Very rarely is the Royal Navy mentioned in connection with Iraq, but its role there is crucial both in protecting the oil terminals on which the future prosperity of Iraq depends, and in training the Iraqi navy. The role of the Royal Navy should never be underestimated or forgotten. We wish to pass over what happened last year, and I think that we will. We have managed to expunge much of it and learn from the experience of it.

We should also pay tribute to the other partners in the naval operation there, notably the Australians. The Australians operate with coalition taskforce 158, which operates in the north Arabian gulf; they are part of the protection force for Iraqi oil platforms and they are very welcome. They are doing a first-class job, and they are making a substantial contribution, along with their frigate, in the north Arabian gulf. That particular maritime component, in the shape of the frigate HMAS Arunta, is the 17th rotation of an Australian ship since 2001. The Australians call that Operation Catalyst, incidentally.

The Australians have an interesting concept of partnership with NATO. They have a rather more developed and sensitive view of the relationships between strategic defence organisations around the world. They do not want to join NATO, but recognise that partnership with NATO is crucial for global well-being and defence. The new Australian Government are developing plans in their defence White Paper for the size, capacity and shape of Australia's defence for the next 20 years. I hope that in this country we will take seriously the need to develop relationships with Australia. They do not wish to be part of NATO, but they have relationships of their own in the Pacific with New Zealand and the United States. In the Pacific, other relationships exist between, for example, the United States, Japan, South Korea and Australia, which are very much in our interest.

People in this country have never had cause to contemplate the fact that there is a direct relationship between our standard of living and quality of life in this country—our ability to import white goods from China and electronics, television sets and motor cars from all

over the world—and the security of our trade routes. Today, 90 per cent. and more of our imports are still coming by sea, and Australia is part of a global defence, particularly as far as south-east Asia and the far east is concerned. When thinking of defence in the United Kingdom, we need to think about our relationships with friends—kith and kin, if I may say so—on the other side of the world. That is important.

I will not mention icebreakers, but I would point out that Australia has territorial claims over 40 per cent. of Antarctica. Australia's new arrangements, agreed by the United Nations, for the potential exploitation of mineral reserves in Antarctic waters not immediately abutting Antarctica are important for the future energy supplies of the free world. I hope, therefore, that we see that as part of the equation, and as another reason why we should be serious about our intentions towards our partnership with Australia.

My hon. Friend the Member for Woodspring (Dr. Fox) was absolutely right to talk about the importance of the Arctic. Denmark happens to have the presidency of the Arctic Council—not many people have heard of that—from 2009-11. Denmark's Ministry of Foreign Affairs has called a high-level meeting later this month on the Arctic region, to be hosted jointly by Denmark and Greenland, and Denmark's Defence Committee met our Defence Committee only last month, when that business was mentioned.

Canada, the United States, Russia and Norway, as well as Greenland and Denmark, will discuss the importance of gas and mineral exploitation and redrawing global trade routes round the north-west passage. All that is important to us, too. I would be grateful if the Minister could find out between now and winding up whether we will attend that conference as observers. The relevant United Nations treaty provides that observers may attend such meetings. Will the British Government attend?

I want to consider the defence budget. Member after Member has said that we provide around 2 per cent. of our gross national product to the budget but that many other NATO and European countries do not, and that there is a lack of political will. That was one of the big messages that the Defence Committee sent to the Bucharest conference in our report on the future of NATO. Our citizens do not genuinely understand what our forces are for. They understood that in the second world war, and in the days of empire, they understood why we had armies and went out and conquered other countries, but they do not understand now—and we do not make it plain—why it is in their interest not only to defend our ideas of freedom and uphold the United Nations charter, but to have a significant defence interest, thus ensuring that our quality of life and standard of living are maintained.

There is no doubt that the United Kingdom is a force for good in the world. Above all, we defend British interests around the world. To do that, we need global reach. We simply must ensure that we can reach anywhere on the globe—in partnership, not necessarily alone. To do that, we must be realistic about defence and have the political will to pay for defence. The United Kingdom must tackle that, as must our European and NATO partners.

I regret to say that Government Front Benchers, Opposition Front Benchers, the Treasury and our shadow Treasury team all need to be convinced by people such as me that our constituents care, too. That message was emphasised at the meeting of the Royal British Legion in Tisbury last month. My constituents, whether retired service personnel of all ranks, families following the flag, scientists or simply those who admire and recognise the need for strong forces, understand that we must pay. They have the political will.

One or two senior figures in the shadow Cabinet groan when they see me coming, because they know that I am going to say, "Double the defence budget." I am on record as saying that, and I repeat it: we should seriously consider doubling the defence budget. That would have an electrifying effect on this country's economy and much else for which the nation stands. We need to rebuild confidence in our nationhood and a good way of achieving that is through a substantial increase in the defence budget so that we do not simply moan and whinge about the lack of resources for the military but tackle the problem. Politicians in the House of Commons must convince our electors that we need to pay for defence. I hope that that message will come from my constituents loud and clear. I believe that I represent them properly when I say that no one has yet disagreed with my proposition that we need a substantial increase in defence expenditure.

Several hon. Members *rose—*

Mr. Deputy Speaker (Sir Michael Lord): Order. A number of hon. Members are seeking to catch my eye, but we are running out of time. If contributions can be kept reasonably brief, I shall do my very best to call all of them.

4.39 pm

Mr. Kevan Jones (North Durham) (Lab): May I, first, apologise to you and the House, Mr. Deputy Speaker, for not being present for the beginning of the Secretary of State's speech? I was with other hon. Members at the funeral of Gwyneth Dunwoody.

It is a pleasure to follow the hon. Member for Salisbury (Robert Key), who is a fellow member of the Defence Committee. One thing that we can say about his contribution is that it was certainly not lightweight. It was good old-fashioned Toryism, which we all recognise. Indeed, the public would perhaps understand such forthright talk more than the spin that we get from those on his Front Bench.

Today's debate has been about equipment and big geopolitical issues, but I want to talk about the important element of defence—the people involved in it. My hon. Friend the Member for Grantham and Stamford (Mr. Davies) has already mentioned the fact that the general public's understanding of the armed forces is not as strong as it was, say, 50 years ago, because our armed forces have a smaller footprint and because there is less daily or weekly contact in public life in certain parts of the country. I look forward to reading my hon. Friend's paper, which will reinforce some of those points.

What catches the public's attention is the fact that our armed forces are deployed in two areas of conflict and that people are coming back maimed or are making the ultimate sacrifice. That makes it more important to try

[Mr. Kevan Jones]

to ensure that the general public not only support our armed forces but understand the debt of gratitude that we owe them.

I have been a member of the Defence Committee for the past seven years. I have had the privilege of visiting Iraq on five occasions and Afghanistan on three. I hope to return to both countries later this year, if I can pass the strict fitness test that the MOD has implemented. However, looking at the girth of both the Secretary of State and the Minister, I think that I may be in with a chance. On a serious note, let me stress to the Minister that we should not implement rules that prevent parliamentarians from visiting our armed forces in those two theatres. My visits proved invaluable. Many members of the Defence Committee and others who visited returned with not only knowledge but pride at seeing our young men and women doing the job that they are doing.

Mr. Quentin Davies: Does my hon. Friend agree that military personnel serving in those difficult situations do not want to feel that they are a forgotten Army? They appreciate visits by Members of Parliament and journalists, including embedded journalists, who can report in detail on their daily activities.

Mr. Jones: I am not sure that our armed forces abroad welcome visits by all journalists, but every time I have visited them, I have always felt welcome. People sometimes ask, "Are they forthright in their views?" and I have to say that they are.

I pay tribute to the work that the hon. Member for Hemel Hempstead (Mike Penning) has done on increasing public recognition for those serving in Afghanistan and, along with the all-party Army group, on organising the reception on the Terrace for 52 Brigade a few weeks ago. It was a tremendous event and everyone involved should be proud. We should continue such work—indeed, I know that he plans to. I met two inspiring individuals at the reception: Marine McBean lost an arm and a leg in a landmine explosion in Afghanistan and Marine Mark Ormrod lost both legs and an arm. However, speaking to them and sensing their courage—they were not going to let their terrible injuries hold them back—was very humbling. I also want to pay tribute to the City of London for last night's celebrations, as it is important that we salute heroes.

What I am going to say might bring groans from the Opposition, but I want to pay tribute to Prince Harry and Prince William. The two wounded soldiers to whom I spoke were tremendously grateful that the princes had taken the trouble to go to Headley Court to speak to them. Last night, many of the soldiers' families clearly welcomed the princes' involvement. This issue has turned into a political football, but we should try not to make it so. From speaking to these young men who went through traumatic, life-changing experiences by losing their limbs, it is clear that they are dedicated to getting back into service. They want to put something back; they are neither negative nor in any way seeking to apportion blame.

I want to pay tribute to Headley Court's nursing staff, who are to some extent unsung heroes. I met a number of them at a reception recently and it was clear that they were dedicated and hard-working men and women. They are doing a tremendous job.

Let me mention another young man from Newcastle, who shows the determination of some of the individuals involved. Following treatment at Headley Court, 21-year-old Lance Bombardier Anthony Makin, who lost part of his lower leg in a landmine explosion in Afghanistan, is going back there later this year. He is determined to make a continuing contribution to the defence of this nation. People such as him should be accorded huge recognition and respect.

Great advances have been made in medical services. I want to refer to a forgotten report of a few weeks ago, which did not get a great deal of coverage: the seventh Defence Committee report, "Medical Care for the Armed Forces". I believe that it was not widely reported because it highlighted a good news story. The opening summary states:

> "The clinical care for Servicemen and women seriously injured on operations is second to none."

All members of the Committee of all political parties were tremendously impressed by what goes on at Selly Oak and other defence medical establishments around the country. Our Chairman, the right hon. Member for North-East Hampshire (Mr. Arbuthnot), said that when we were in Afghanistan, we saw the great work done in theatre, with doctors embedded at the front line and people receiving medical services and treatment of the highest quality. There is no way that many of those people would have survived without it.

Mr. Ellwood: Without detracting from the fantastic work done at Selly Oak and Headley Court, which I recently visited, does the hon. Gentleman agree that more should be done in respect of the mental health of soldiers who have served in Afghanistan and Iraq? I was astonished to learn from a parliamentary answer that 15 members of the armed forces had committed suicide while still in uniform after returning from Afghanistan and Iraq. I do not know the figure relating to those who hung up their uniforms after returning, but I suspect that it is at least double. I believe that we should do far more to look after the mental, as well as the physical, welfare of our soldiers.

Mr. Jones: The report deals with that issue. We recognised what the Government had done to support Combat Stress, and I pushed hard to ensure that we could monitor people throughout their lives. It is no good letting people leave the armed forces and be forgotten by the system. One recommendation—there seems to be some reluctance to take it up—was to have a patient passport. That would allow people to be monitored throughout their lives—not just their physical health, but, more importantly, their mental health. I wholly agree with the hon. Gentleman about that.

Willie Rennie: I am a member of the Defence Committee, which produced the report, and I found many instances of first-class care. However, one of the evidence sessions in Scotland was cringeworthy. The quality of the advice and support from the officials and the Executive was disgraceful. Last week, the Scottish Executive announced a fund of £127,000 over three years for veterans in Scotland, which is a miserly and pathetic response to the report.

Mr. Jones: As the hon. Gentleman says, when we took evidence in the Scottish Parliament we were shocked by the arrogance and how ill-informed the contributions were. I hoped that our report, which is quite critical of that, would go some way to put it right. If it has not, I am concerned, and the Committee might want to return to the matter.

Anyone who goes to Selly Oak must be impressed not only by the level of care but by the commitment and dedication of staff. However, we were critical of the media's reporting of Selly Oak—I was not surprised that that did not receive much media coverage. I raised with the director and the armed forces personnel there every single story in the press I could find about lurid topics such as soldiers being abused by Asian patients, and not one of them could be substantiated. In our report, we said:

"It seems clear that there has been much inaccurate and irresponsible reporting surrounding care for injured Service personnel at Birmingham, and that some stories were printed without being verified or, in some cases, after the Trust had said that they were untrue."

The Committee roundly condemned that, and we said that editors should be responsible about what is reported. Anyone who is looking at Selly Oak should go there and talk to the people and listen to some of the stories, because world-class medical care is being provided. I urge Members of all parties not to repeat some of these stories, because they are completely untrue and do a lot to undermine the credibility of the great work that is being done.

I was also impressed with the medical services that are now embedded in the NHS. I know that the decision to close stand-alone military hospitals has been controversial. The decision was taken by the previous Conservative Government, and it was right, because a high level of clinical expertise is now embedded in some units and the clinicians acquire experience that they could not get in stand-alone military hospitals. We therefore think that that was the right decision, and we also support the continued closure of Haslar—although I know that the hon. Member for Gosport (Peter Viggers) is not very happy about that.

Overall, what we found was a good news story, although the Committee must keep things under review. I must also echo a comment: were things all right three or four years ago? I am not sure that they were; I think we have improved, and that the pressure that has been applied has helped.

Another issue being kicked around like a political football is one on which we must try to get some perspective: compensation for armed forces personnel injured or killed abroad. If we had a bottomless pit of money, we would open it up for these people, but there is not a bottomless pit of money in politics—that also applies for future Governments of any political persuasion. However, this Government have made some major moves forward, and they have been unfairly criticised for what they have tried to do. I served on the Bill Committee that dealt with the armed forces compensation scheme, which for the first time ever brought in lump sum payments for people who are injured—sometimes horrifically, as we have seen in some examples in Afghanistan and Iraq. That was a major move forward. Before that, there were no lump sum payments. From the media frenzy around this, it might be thought that this Government have done nothing at all, but we have: we have given the lump sum payments plus the lifetime pension. People can score political points if they want, but the previous Conservative Government did nothing on this, and we should be proud of what we have done. It is, however, right to keep the issue under review, and the example of Lance Bombardier Ben Parkinson showed that the scheme needs tweaking. The Government are looking at that.

I urge people not to jump on bandwagons. I have great respect for the Royal British Legion, but having sat on the relevant Committee I am aware of the implication that other Members argued for more lump sum payments. Nothing was said at the time, and people should give the Government credit when they do the right thing.

Mr. Gerald Howarth: I wish to put it on record that there was concern at the time that the tariff would not take full account of the potential range of injuries to which the men might be subject. The scheme was also financially neutral, with no extra money.

Mr. Jones: Those points were raised, but there was no criticism of the actual changes. The hon. Gentleman sat on the Committee with me, and I tabled an amendment to extend pension benefits to unmarried partners, who did not have any automatic entitlement. He should remember that he opposed that amendment, so I do not want any lessons from him about support for the armed forces. Many hundreds of unmarried partners would have had no access to benefits if we had followed his line.

I hope that the Government introduce a coroners Bill in this year's Queen's Speech. It is unacceptable that families should suffer the delays that they are suffering. I mean no criticism of individual coroners: the problem is the archaic system that they face. Such a Bill should recognise the unique nature of military deaths. I urge the British Legion not to jump on the bandwagon that favours legal assistance for military families to attend inquests. That will just feed lawyers. I want to see good support and information given to families who attend inquests and it may be that we need more money for family liaison officers, but we should not feed lawyers and barristers. People will know of my prejudice against the profession if they followed my contributions to the passage of the Legal Services Act 2007.

I hope that the long-awaited Command Paper will challenge us on some issues. We need a detailed discussion on the role of the MOD in relation to service charities. I passionately believe that service charities do a fantastic job and possibly deliver some services to service families better than the state could ever do, but we need to know where the dividing lines are. At the moment, the Government are being criticised and people ask why they are not doing certain things, but service charities can do them better.

We owe a debt of gratitude to those brave men and women who have given their lives in Iraq and Afghanistan. If people want to see British youth at its best, they should visit our armed forces on operations. Courageous decisions are taken and huge responsibility is placed on very young shoulders.

4.59 pm

Bob Russell (Colchester) (LD): I am mindful of the needs of others, and of your request for shorter speeches, Mr. Deputy Speaker, so I shall jettison half my speech. Unfortunately, not every hon. Member plays the team game.

The subject matter of the debate is defence in the world, and I shall concentrate all my remarks on that issue, rather than on some of the subjects about which we have heard in the past few hours. Some 3,500 soldiers from 16 Air Assault Brigade, based in Colchester garrison, are in Helmand province, Afghanistan. I know that the whole House will wish them well, and a safe return. I visited Afghanistan earlier this year, and I passed the medical test. I suspect that if I can pass it, many others can too.

The serious point is that we owe a great debt of gratitude to our brave men and women serving in Iraq and Afghanistan, as well as to those who have served in other theatres in the past, for what they have done. I want to return to a point that I have put to both the present Prime Minister and the previous Prime Minister, and that has also been made today, about the lack of support from other NATO countries for our troops in Afghanistan. We should thank those on the roll of honour—Holland, Denmark, Latvia and Estonia, alongside the US and Canada—for their contribution. The question is: where are the troops, air frames and logistical support from Spain, Poland and Italy, and Germany and France in particular?

To my mind, our army is under-strength and over-stretched. If it was not for the fact that 10 per cent. of the British Army is drawn from overseas, that situation would be even more dire. Clearly, something has to be done to improve recruitment and, more particularly, retention.

Let me briefly bring together the aspects of retention that the Government need to address. The new single-person accommodation provided at Merville barracks at the Colchester garrison is first-class. We should seek to repeat that success wherever we can. The married quarters, however, are not as good as they could be. I find it unacceptable that in the past 10 years or so the MOD has paid more in rent to Annington Homes than the Government received in 1995-96 when the MOD housing stock was privatised. If that same amount of money had been invested in modernising and improving our housing stock, every married quarters in this country would be the best they could be. I put it to the Minister that the Government should consider ways of converting rental payments as a hire-purchase means of regaining a capital asset that was sold in a ridiculous privatisation—a rip off, giving Annington Homes a licence to print money. For example, more than 200 MOD houses are standing empty in my constituency, for which Addington Homes receive about £750,000 a year for doing nothing. The public purse will pump billions of pounds over the next few years into upgrading and modernising housing stock that the public will not own.

I pay tribute to the garrison welfare services and the community in Colchester for all the support that they give families in Colchester. I pay particular tribute to the *Colchester Gazette*, which produces a "Support our troops" news item almost daily. That is the sort of thing that the Prime Minister and the Chief of the Defence Staff are urging communities to do.

So that our soldiers in Afghanistan can be relieved of their worries at home, I ask defence Ministers to discuss the proposals to shut the secondary school in Colchester with their colleagues in the Department for Children, Schools and Families, in the spirit of joined-up government. Approximately a quarter of the schoolchildren at the Alderman Blaxill school have a father—sometimes, a mother, but usually a father—serving in the Army, and most of those dads are in Afghanistan, knowing that the school that their children attend is under threat of closure. I believe that that threat could and should be lifted, and I urge the Ministry of Defence to discuss that with their colleagues, in a spirit of joined-up government, to get that closure stopped.

5.5 pm

Mr. Tobias Ellwood (Bournemouth, East) (Con): It is a pleasure to participate in the debate. My first question is whether "Defence in the World" is an appropriate title for such debates. As we have heard in all the contributions today, we must consider not simply what the military are doing in the corners of the globe, but exactly how their operations fit into the peacekeeping, nation building and growth of the communities involved. That is well beyond the remit of any military, and I therefore suggest that these debates be widened to include the work of the Department for International Development and the Foreign and Commonwealth Office, so that we fully understand how the MOD operates in connection with those other organisations. For example, in Iraq, security remains bad, but is it the military's fault that not enough schools are built, that there are not enough hospitals and that we have not established the local and regional government structures that should have been put in place in the very early months when there was an element of peace?

Today, five years after the invasion, Basra teeters on the brink of civil war and Anbar province—the biggest province—has been ethnically cleansed. In the social context, unemployment is rife, electricity is intermittent and petrol for transport remains sparse. Some 25 per cent. of Iraqis totally depend on food rations, according to the UN, and only 3,000 of the 15,000 schools destroyed or damaged have been repaired. According to UNICEF, up to 75 per cent. of children are not attending schools. Iraq's Ministry of Water says that only 32 per cent. of the population have access to drinking water and only 19 per cent. have access to good sewerage systems.

Hon. Members might ask what that has to do with defence in the world. The point is that we are still in Iraq, and because these issues have not been solved, we continue to stay in Iraq. My argument is that other aspects of Cabinet Departments are not doing enough to support our military to ensure that once the umbrella of security is created, our military can leave, leaving behind a strong sense of governance and the building blocks for a nation to continue on its own.

In my view, we cannot call what we see in Iraq a success story. It has been a costly failure in peacekeeping—a textbook example of how not to nation-build—resulting in a prolonged, testing and ultimately unwinnable task for our armed forces, which, after providing a small window of peace, are now hopelessly and totally abandoned by the FCO, and, indeed, by DFID. There was no plan, no strategy and no idea how to harness the euphoria of the fall of Saddam Hussein and to sow the seeds of governance.

I do not wish to take away from the individual work and strengths of DFID and Foreign Office representatives, but those two Departments have totally failed the MOD and the military who are still stuck on Operation Telic many years after those other organisations have disappeared. DFID is no longer to be seen in any sense or form in Basra on the scale that should have been there when we first went in. We have moved from being liberators to being occupiers. I am afraid that our military have borne the brunt of that, and they get very little thanks for what they have managed to achieve.

It could be argued that perhaps if Saddam Hussein had invaded somewhere, or done something proactive, we would have had to expedite a force to go out and rush in there. However, as memoirs are written and the information comes out of the system, we see that General Franks, who led the initial invasion, was approached, as the commander of US Central Command, back in November 2001 to start to create the plans of attack to invade Iraq. There was plenty of time to formulate a plan for what we would do after the invasion was complete. In May 2003, President Bush stood on top of the Abraham Lincoln, saying, "Mission accomplished." We have failed in Iraq because we did not use that important window of opportunity. Rather than our being able to take advantage of the confusion, the power vacuum has been filled not by us, and not by good Iraqi governance, but by al-Qaeda, which was not there in the first place. That is what has led to our being seen not as liberators but as occupiers. We have lost the hearts and minds of the good people—the Iraqis—who wanted us to move forward.

To confuse matters, we now talk about the militants in Basra. The situation is more complicated than that. The Fadhila party and the Mahdi army are two different operations. The Fadhila party has responsibility and the mayorship of Basra, but the Mahdi army wants that power. The conflict between the two militias is causing the friction, and the only thing that united all the militias in Basra was a hatred of the British. That forced us to move from Basra palace to the airport itself. I am saddened by how we were forced to withdraw. My battalion—the 4th Battalion, The Rifles—was part of that, and it did a fantastic job in trying to patrol in very difficult circumstances. However, we must ask whether it is correct for 750 soldiers to patrol a city of 1.5 million people if those soldiers do not have the support of DFID and the FCO.

The problems manifested themselves in the uprising on 9 April. The Secretary of State said today that the grip of the militias had now been broken, but I beg to differ. As we heard from other interventions at the time, it is clear that the Iraqis could have contained the situation only with the support of the Americans. Indeed, *Time* magazine has reported this week that US and British planes had to be called in and that medical supplies and even bottles of water were needed to support the Iraqis. According to the Iraqi Government, many soldiers refused to fight. Many surrendered and many switched sides; 1,300 soldiers deserted. That is why UK and American special forces were needed to try to quell the uprising. The situation is not under control; it is very much teetering on the brink of civil war. We have walked away from the issue and it is less in the headlines than it has ever been before. However, there will be a period of uncertainty before there is any long-term peace in the south and in the Shi'ite sector.

The scenario for the Sunnis in central Iraq is a different one. As I said, ethnic cleansing has taken place in Anbar province, and although there is relative peace there, that is because of the awakening project in which the Americans paid militias and gave them uniforms so that they could patrol their areas. That might have purchased a temporary peace, but what will happen when the Americans depart and that money dries up? When I was on a recent visit to Iraq, the Iraqi Government made it clear that they would not continue to pay the militias for what they were doing. The militias are outside the structure of governance and there is a worry that they will turn their sights on the south and the Shi'ites. We will then have full-scale war. I hope that that will not happen, but it is certainly on the cards. The prospect of things heading that way is very worrying.

I am saddened that we seem to be running away from Iraq with our tail between our legs after we had such an opportunity in the relative peace to do something positive. Unfortunately, we face a similar situation in Afghanistan. Again, a lack of co-ordination within the international community means that money and effort are not getting to the front line. The centralised model of governance means that we do not recognise or celebrate the mixture of tribes, alliances and allegiances that actually make up Afghanistan. The Americanised constitution that was imposed on Afghanistan ignores the Loya Jirgas that set up their own democratic structures, and we rushed into creating an elected system of governance that is limited to Kabul only. We need to look at recognising better the Pashtuns, the Tajiks, the Hazaras and the Uzbeks, and the differences that exist across the nation, and to take a much more federalist approach than the centralist model, which is clearly not working.

Time is against me, and I must conclude. Kinetic activity is not the only thing that the Ministry of Defence needs to be concerned about. It is part of the fight to contain insurgency, but a wave of support must come in behind it. There must be reconstruction and redevelopment. If there is not, all we do is end up killing the bad guys; the good guys wait around for something to happen, and when it does not, they ask, "What have we actually witnessed?" That is the big difference between following through our commitment and leaving it to the military to create a peace of which no one ever takes advantage.

It is clear that the Kabul Government are weak and that we are not harnessing the exports because there is not the infrastructure to do so. The international community needs to do more to get the road and railway systems working so that things can be exported. Afghanistan was one of the world leaders in exporting fruit, which was its main export before the Soviet invasion. Not only is the country now unable to grow fruit in any great measure because the irrigation system was not repaired properly after its destruction by the Soviets, but there is no method of getting it out of the country and linking up with world export markets. We have been there for a number of years, and even today no one is working on those things under the limited and fragile umbrella of security put together by the military.

Fighting asymmetric battles is not just about shooting the bad guys, but about helping, and being seen to help, the good guys. ISAF, in its limited role, needs to expand what it does. I heard General Richards speak at an

[Mr. Tobias Ellwood]

event last night. He was shocked to hear how much Royal Engineers were doing to repair our own barracks again and again, in and around the various Afghan towns and cities, rather than their being sent to do work outside where the civilian contractors refuse to go.

We have the ability in NATO to do more for the reconstruction effort. There is a question mark over NATO's future. More can be done to expand the peacekeeping mission to include not just fighting, but a proactive approach to peacekeeping itself. Iraq and Afghanistan are our generation's war. My worry is that the lack of a plan in both cases means that we will be fighting it for much longer.

5.17 pm

Mr. Bernard Jenkin (North Essex) (Con): I commend my hon. Friend the Member for Bournemouth, East (Mr. Ellwood) on his remarks about the lack of co-ordination between DFID and the armed forces in Iraq and Afghanistan. It is one of the abiding problems that NATO as a whole and even our own Government have failed adequately to address.

In a wider context, it has become something of a cliché to say that following the tearing down of the Berlin wall, we now live in an age of uncertainty. Increasingly, however, the Government are becoming lost in a fog of their own making about how to engage in the new world disorder. The central policy of this tired Government has become to abdicate their responsibilities, seeking to subcontract their foreign and defence policy to international institutions. While they waste their political capital on such an unrealistic policy, there is almost complete paralysis in the Ministry of Defence. It is so stretched by the demands that are placed on it by the Government's foreign commitments that it is now living virtually from month to month. The three-year spending round is clearly insufficient to pay for current procurement programmes or to match the stated manning requirement, but the Government seem determined to avoid the consequences of that. There was a meeting in the Ministry of Defence last week to try to resolve the spending difficulties, but substantial decisions still come there none. The Government will do all they can to avoid facing up to the key point that they have not adequately funded the armed forces. While Ministers keep their heads in the sand, the serious point is that the UK is in danger of relegating itself to a third division status among the world powers.

The current Government's attitude to foreign affairs appears to involve a further retreat into a reliance on international institutions, such as the UN, the EU, the World Bank and the International Monetary Fund. Here, so the Prime Minister told us recently, can our influence be most effective, reforming those institutions to make them more powerful and more effective for the 21st century. The Prime Minister's foreign policy speech in Boston identified many of the further challenges, but the world's problems will not be solved by committee meetings in New York or Brussels; they will be solved only on the streets of Baghdad, Kabul and other cities in Asia, Africa and the middle east.

The Prime Minister says that

"global problems require global solutions; the greatest of global challenges demands of us the boldest of global reforms".

However, such truisms do not seem to grasp the fact that the only real actors in global events are not the international institutions but the nations they represent. Hence, China will not compromise on industrialisation in the face of western fears about climate change; Iran will not give up her desire to obtain nuclear weapons, or stop interfering in the security of her neighbour, Iraq; and Russia will not stop pursuing the aggressive, bullying nationalism that has characterised the Putin presidency, such as the threatening of energy supplies to its neighbours. Those very same countries render impotent the international institutions in which the Prime Minister keeps vesting so much of his political capital.

The west is not immune, either. The Government should reflect on the fact that the United States will not recognise the jurisdiction of the International Criminal Court because, somewhat justifiably, it wishes to protect its soldiers against malicious legal actions. France will be France; Germany will be Germany. The idea that major international actors such as the US, China and Russia are altruistically going to give up national interest to pursue a so-called global agenda is little more than a cod-Marxist fantasy. If the Prime Minister is to make a real impact on the world stage, he must deal with the world as it now is and not how he wishes it to be, and be prepared to assert our own role on the world stage.

Willie Rennie: What the hon. Gentleman is saying is interesting, but does he not recognise that sometimes there are common interests between countries, and that we should therefore work together where we have those common interests?

Mr. Jenkin: Of course we have common interests on which we should work together, but we cannot allow other nations effectively to veto our own foreign policy by exercising their veto in the international institutions. As the previous Prime Minister, Tony Blair, proved time and again, in the end it may only be the bilateral and multilateral ad hoc options that are available to us. Insisting that the only way to validate one's foreign policy is to have it stamped by the EU or the United Nations is to tie one's hands to national agendas that are different from ours—to the agendas of countries that have no intention of allowing us to veto those agendas.

So we see the UK disappearing into the background on the world stage. The Prime Minister's absence from the Lisbon treaty signing was met with anger on the part of foreign politicians, diplomats and journalists. How can the Prime Minister expect to have any influence if he absents himself? One official said that

"he has no position in Europe, he occupies no ground".

At last month's NATO summit, the Prime Minister was similarly invisible. Where was Britain's voice when the issue of Georgian and Ukrainian membership was being discussed? We heard strong arguments on both sides from America, France and Germany, but virtually nothing from the United Kingdom. By the time the vital meeting with the Russians took place—on the final day of the summit—the Prime Minister had fled the scene. The last to arrive at Lisbon, the first to leave Bucharest: is that the way to promote the UK on the world stage?

To compound that, the Prime Minister failed to come to the House to give an oral statement on the outcome

of the NATO summit—a quite extraordinary precedent given the importance of the summit for Afghanistan, for the enlargement of NATO, for missile defence, for relations with Russia and for the unresolved issue of EU-NATO relations. The Defence Secretary told the House last week that everything was going well in Afghanistan, but a report drawn up by the Foreign Office at the Prime Minister's request and distributed to our NATO allies warns that

"Critical military gaps remain to be filled."

That is not the story we are told on the Floor of the House; it is the sort of candour we could do with.

The Prime Minister's effort to dissociate himself from Mr. Blair means that he has adopted a one foot in, one foot out approach to our deployment in Iraq. Again, this is the worst of all possible worlds. While the Americans surged into Iraq last year—despite all the obstacles and difficulties, they have made a lot of progress—the British Government were looking to get out of Iraq. Even that has failed. In the wake of his pre-election stunt to try to overshadow the Conservative conference, the Prime Minister told the House in October that he was planning to reduce the size of Operation Telic from 5,500 last September to just 2,500 by now. That simply defied the military logic, as explained by the Minister for the Armed Forces to the Select Committee in July. He said that

"in an actual overwatch situation we cannot go much below 5,000 because we have to sustain the force and self-protect the force itself."

So it has proved. Operation Telic is now stuck at around 4,000 for the foreseeable future. The Prime Minister has made himself look foolish and devious in the eyes of our servicemen, the British public and our allies. He raised the hopes of our servicemen—who thought they were going to be home soon—and their families, and then dashed them.

Southern Iraq is supposed to be a British responsibility and yet it is the Americans who have had to divert troops from central Iraq to fight in the south. I wonder what it feels like to be stationed at Basra airport watching the Americans do our fighting for us because the British Government have lost the political will and run out of the military capacity. A Labour Member said earlier that overstretch was just a myth promulgated by the Conservatives; he should listen to some of his hon. Friends, who will tell him the truth about how little military capacity we now have. The fact that we are now deploying to the Balkans the 2nd Battalion, The Rifles so soon after their return from Iraq underlines how overstretched we are.

The Government's bungling in Iraq has seriously undermined our credibility with the Americans as well. The Government's failure to commit the necessary resources or show the stomach for the fight has caused a sense of private and sometimes public betrayal among the American military and politicians. Of course General Petraeus is going to say something diplomatic when he appears before the press in London, but the disillusion goes up to the most senior levels. Senator McCain has said of the British withdrawal from southern Iraq that he

"did not think it was a good idea."

That is about as blunt as the special relationship gets in public from a US presidential candidate—the one I hope will win. While we are still talking about scaling back our forces in Basra, the US army has sent a brigade to the city. Is that what we mean by standing shoulder to shoulder with our allies—indeed, our most important ally?

The underlying problem is that the Government have failed to underline the reality of their foreign policy with their defence policy. Since 1999, the Government have pursued an interventionist foreign policy without providing the armed forces with the necessary resources. We do not need to rehearse all the figures again. The strategic defence review promised, but did not deliver.

The Government point out that they are increasing defence spending, but after the additional spending they have pledged specifically for accommodation, salary increases, council tax rebate, the carriers and Trident's successor, the increase over the course of the comprehensive spending review is just 0.6 per cent., not 1.5 per cent. per year as published by the Government. The picture is worse when one factors in defence costs inflation, which was raised earlier in the debate. The spending increases are tiny in comparison with those that the Government have found so easily for other public services such as health, education and overseas aid.

The numbers in the armed forces are falling: there are 1,000 fewer soldiers this year than last. Major projects have been delayed and there are endless stories of budgetary chaos at the MOD. The Government have become ashamed to come to the House of Commons to discuss military matters, hence the written rather than oral statements on NATO and our deployment to Kosovo.

The MOD has found itself a prisoner of the Prime Minister's indecision. It cannot cut one of the big programmes because of the cost in headlines and job losses, but it is not being given the money to pay the bills either. General Sir Kevin O'Donoghue told the Select Committee that he suspected that cuts would have to be made

"but which they are and what they will be I do not know. We are in the middle of a planning round."

That was months ago, yet there is no sign of any decisions having been made. When asked how the scale of difficulty in this planning round compared with others, he said:

"I think it is a greater challenge this year than it was in 2007".

When asked whether he remembered the situation ever being as much of a challenge as it is today, he replied:

"Yes. When I was an MA back in the late 1970s we had some pretty challenging times"

Of course, a Labour Government were in charge in the late 1970s.

Mr. David Gould, the chief operating officer, said:

"The Chairman specifically asked whether this was as serious as we had ever known it at least in recent years. To that I would say yes, although my memory goes back to the 1970s as well and I can think of times when maybe it was worse. That is not an atmosphere in which it is easy to take big decisions on commitments."

It was because of that atmosphere that the Committee felt it necessary to conclude in its report that the Ministry of Defence

"needs to take the difficult decisions which will lead to a realistic and affordable equipment programme".

We see no sign at the moment of those decisions being made.

[Mr. Jenkin]

The national security strategy says that

"we are entering a phase of overall reduced commitments, recuperation of our people, and regrowth and reinvestment in capabilities and training as much as equipment."

I put it to the House that that is clearly fantasy. Since that statement was published, our numbers in Afghanistan have risen and are likely to remain high for the foreseeable future, the draw-down from Iraq has been cancelled, and we have now made the deployment of 2nd Battalion, The Rifles to Kosovo. This is not a phase of reduced commitments, and nor is it likely to become one. The Government are totally detached from reality if they think that we are about to enter such a phase in the short, medium or long term.

The MOD's development, concept and doctrine centre at Shrivenham has made it clear that global instability is likely to get worse, not better, over the next generation. It forecasts a relative decline in US power, continued weapons proliferation, pressures caused by big demographic changes and population growth, more famine, the effects of climate change, and increasing competition for limited resources such as fresh water, food and energy. Much of that will be concentrated in the most unstable parts of the world. Who is going to deal with these problems if we are stepping back from our role on the world stage?

Future Governments will have to decide what they want the armed forces to be capable of. Will a reformed United Nations step in to fulfil the role? Dream on! And there is certainly no sign of other European nations doing so. Only on Monday, the former German ambassador to the United Kingdom told the *Financial Times*:

"Most EU governments will not be capable or willing to raise their defence budgets substantially".

If not Europe, then who? India, perhaps? Or do we want to see China or Russia doing more? I do not think so. The fact is that there are only three major democracies in this world that are prepared to project military power on the world stage. We are one of them, and if we abdicate our role, we will become yet more dependent on the United States, while having less influence over what it does.

The debates that we have in this House on Britain's defence in the world are likely to become less and less relevant to what is happening in the world, unless we in the House are prepared to commit the resources that our armed forces need to do the job that they do so heroically on our behalf.

5.34 pm

Willie Rennie (Dunfermline and West Fife) (LD): I understand, Mr. Deputy Speaker, that I have six minutes in which to complete my remarks. I am pleased to have this opportunity to contribute to the debate. Defence in the world is one of those topics that could cover anything, and I regard it as including Rosyth, which is in my constituency and which I hope will be the base for the final construction of the aircraft carriers. However, the title of the debate clearly does not include the Scottish National party as, yet again, none of its members are present this afternoon. I do not make that point purely for party political reasons, but one of the important responsibilities that that party now has is for veterans in Scotland, and it has been found sadly lacking in that regard.

I want to speak first about Iraq. The situation there has become, if not humiliating, then certainly embarrassing. The various U-turns over recent months have included the Prime Minister's change of mind about reducing troop numbers there to 2,500. In addition, 26 Mahdi army prisoners were released, only for them to take part in the uprising that took place a few months later. Finally, the Defence Secretary boasted about the training of Iraqi forces, but then had to rely on the Americans to prop us up over the course of that uprising. The Government's policy is in tatters, and our troops in Iraq deserve better.

I hope that the Minister winding up the debate will tell us what is going to happen next. Will there be another great prediction of when our troops will be withdrawn? My hon. Friend the Member for North Devon (Nick Harvey) said that they should be withdrawn over a phased period, and I support that, but I want to hear what the Government have to say.

I turn now to Afghanistan, where the poppy crop is an indicator of our success or failure. In itself, it is not the problem but a symptom: it flourishes when there is a lack of security. I am reminded of the film "Groundhog Day", as we have gone over the same arguments again and again about creating alternative livelihoods and putting in place the necessary security. I hope that the Minister will tell us what barriers prevent that from happening. I was a member of the Defence Committee, but it was never spelled out to me exactly what needs to be done to break the vicious cycle that has led to an increase in the size of the Helmand poppy crop.

We have not heard much about Pakistan today, although that country has been a great concern over the past few months. What has the Minister to say about the relationship with Pakistan? Is it now playing an even more important role in making sure that extremists do not cross the border with Afghanistan as freely as they have in the past? Has the change of leadership in Pakistan led to greater co-operation with Afghanistan?

Two important developments in disarmament are coming up. First, there are due to be talks on nuclear proliferation in 2010, and I hope that the Prime Minister will make them a top priority. He included them in the security statement that he made only a couple of months ago, but almost as an afterthought. I hope that the talks rise higher in the Government's list of priorities and that, instead of playing about with numbers, they make it clear that their aim is to get rid of nuclear weapons altogether. That would be a bold ambition, but it is one that needs to be delivered. The Prime Minister should take the lead in the talks, so that other countries realise that Britain regards getting rid of nuclear weapons as a top priority.

The second development in disarmament is that a special conference on cluster munitions will be held at the end of this month, when many countries will come together to talk about possibly ending their use. I do not know whether the Government still hold on to the false differentiation between smart and dumb cluster bombs. I hope that we can get rid of all such differentiations, and realise that cluster bombs of all type should be banned.

Finally, it would be remiss of me if I did not mention aircraft carriers, as people in Rosyth are very concerned that no decision has yet been taken about the main contracts. The Defence Secretary announced the final go-ahead before last summer's recess but I am not sure what the point was as, although some minor contracts have been awarded, there has been little progress since.

5.39 pm

Dr. Julian Lewis (New Forest, East) (Con): It is often alleged that this Government have no strategy and are hopeless, adrift and directionless, but there was a time when they did have a strategy, so that criticism is a little unfair. The strategy was very clear—order the carriers, leave Iraq, call a general election—but unfortunately it was sunk without trace by a well-aimed torpedo from my hon. Friend the shadow Chancellor of the Exchequer. That is partly why the Government find themselves in the difficulties that they face.

As was pointed out by my hon. Friend the shadow Secretary of State, today is the 63rd anniversary of Victory in Europe day. At that time, back in 1945, there were some similarities with and many considerable differences from the situation that we face today. Among the similarities was the fact that the country was pretty exhausted and pretty well drained of the resources that were needed to sustain strong military forces. However, one reason why the country was able to take comfort was the fact that it still just about had the remains of an imperial network of bases, so if its interests around the world were threatened it would be able to deploy forces from those bases. As it turned out, with decolonisation that situation did not last very long, but as it also turned out, the main threat that the United Kingdom faced for many years after the victory in 1945 was close at hand—the threat on the continent of Europe. From 1949 onwards, the focus was therefore very much on forces based nearby in friendly countries on the continent of Europe as part of the NATO alliance.

What has happened since the end of the cold war was well encapsulated in the 1998 strategic defence review. Although there is a great deal of consensus that we need once again to review the balance between the commitments and the resources that our armed forces must respectively fulfil and have available, the situation that we faced at the time of the strategic defence review has not changed in one important respect—that if we are to apply military power around the world, and as we no longer have the network of imperial bases that we still had back in 1945, we must be able to project power on to the land from the sea. That was the basis of the concept of the strategic defence review being centred on the provision of two aircraft carriers. There need to be at least two because no ship, however powerful and well designed, can remain continuously at sea.

I want, if I may, to press the Minister to give an answer as a follow-on to the admirably clear answer that he gave me on the question of when the orders might reasonably be expected to be placed. He said:

"Construction of each ship will take an estimated five and a half years."—[*Official Report*, 1 May 2008; Vol. 475, c. 593W.]

If that is so, and if the new in-service dates for the carriers—the date for the first one was originally supposed to be 2012; now it is 2014—are to be adhered to, and if we have to allow time for the sea trials, which will take at least a year and possibly longer, as in the case of the Type 45 destroyers, as well as time for working up before the ship really joins the fleet, then we are perilously near to the very last opportunity for ordering the carriers if those dates are not to slide off again.

While we are on the subject of the Royal Navy, may I give the Minister an opportunity to put my mind at rest about something disturbing that I read in *The Sunday Times*? It may be that the MOD has issued a response to it, but if so, I have not seen it. The article was written by Marie Woolf and headed "Pirates can claim UK asylum". It said:

"The Royal Navy, once the scourge of brigands on the high seas, has been told by the Foreign Office not to detain pirates because doing so may breach their human rights. Warships patrolling pirate-infested waters, such as those off Somalia, have been warned that there is also a risk that captured pirates could claim asylum in Britain. The Foreign Office has advised that pirates sent back to Somalia could have their human rights breached because, under Islamic law, they face beheading for murder or having a hand chopped off for theft."

I tabled questions on that subject to the Ministry of Defence and the Foreign Office, and in neither case has the reply explicitly made it clear whether that is the position or not. I would like reassurance that if the Royal Navy encounters any murderous brigands on the high seas, it will take the sort of action that the people of this country and seafarers worldwide are entitled to expect.

Let me move on to some of the contributions made in the debate. The Secretary of State and the shadow Secretary of State focused on Afghanistan, Iraq and Kosovo, as we might expect, and on future threats. The Secretary of State was mainly concerned about ballistic missile defence and my hon. Friend the Member for Woodspring (Dr. Fox) was concerned about the possibility of a re-emergence of Russian offensive activities. We have to be somewhat chagrined to see the handover that took place in Russia recently; it is not quite what we had in mind when we thought that Russia was going down the democratic path.

We need to be well aware of what threats might be, as well as present threats. That leads me to the remarks of the Liberal Democrat defence spokesman, the hon. Member for North Devon (Nick Harvey), some of which I strongly agreed with. In particular, I thought that it was good of him to place it clearly on the record that, as far as Afghanistan is concerned, the Liberal Democrats—I use his words—"absolutely support" the long haul in that country. I was a little uncertain where he stood on the question of withdrawal from Iraq, because he seemed to be saying that we should do it as fast as can be considered safe. I am not sure whether he is referring to safety for the troops in the process of withdrawal, in which case we could get down to the task immediately, or safety for those who would be left behind, in which case there is little difference between him and the other parties in the House. We would all like to see the troops withdrawn, in the knowledge that the time has come when the people left behind—the Iraqis—will be safe.

The hon. Gentleman also said that we do not face an imminent threat of state-on-state warfare. He referred to what he called the warfare of this generation, meaning the counter-insurgency campaigns in which

[Dr. Julian Lewis]

we are currently engaged. I have only two minutes left, and I would like to say a little about that thesis, because it is not the first time that I have heard it. I have heard it increasingly from senior people in the Army, and they take the view that because the Army is fighting two significant counter-insurgency campaigns with inadequate resources, we will have to denude the armed forces of their long-term ability to fight in state-versus-state conflicts in order to win the wars in which we are currently engaged.

My hon. Friend the Member for Salisbury (Robert Key) put his finger on it when he said that it is a matter of the defence budget. He then said—he is able to say this with the freedom of the Back Benches—that he would like to see the defence budget doubled. I am sure that I would like to see it doubled, too, and I am sure of one other thing: if my hon. Friend the shadow Chancellor intends to announce an increase in the defence budget that would be brought in by a Conservative Government, he will do it at an equally lethal moment to that of his last announcement about inheritance tax, and that will not be two years out from a general election.

Our being two years away from power is no excuse for the Government, who are currently in power. There is one thing that they are not doing—adequately resourcing the commitments in which they are engaged. We have heard that time after time, from speaker after speaker, at least on the Opposition Benches. When we get into government, the Conservative party will either put full resources into commitments or not undertake them. It cannot be done both ways. The way the Government are doing it is by fighting current wars on a peacetime defence budget, and that is imperilling the long-term future of our armed forces.

5.50 pm

The Minister for the Armed Forces (Mr. Bob Ainsworth): I do not have much time to reply to the debate, and I am sure that I will not be able to answer all the questions that have been asked.

Our armed forces are valued and respected throughout the world. They are widely recognised as being among the most capable, the best trained and, despite what is often alleged, the best equipped in the world. As today's debate showed, many hon. Members have a deep understanding and appreciation of our military. During the time that I have had the privilege of holding my position, there has been a growing understanding and appreciation among the wider public of the demanding and dangerous operations that the military carry out on behalf of the nation.

In Basra, significant developments have taken place. The Iraqi operation in the city has made progress in dealing with the militias and improving security and the rule of law. At the centre of those operations is the Iraqi army 14th Division—the force with which we have been so involved recently. We can take pride in the fact that our assistance, support and training have helped to bring them to the level of capability that they have reached. We must concentrate on completing our training of the 14th Division and provide effective security for the economic regeneration of the port of Umm Qasr and Basra airport, both of which have huge potential.

In Afghanistan, I was fortunate enough to make an overnight visit to our troops in Musa Qaleh in February, only seven weeks after the town had been taken from the Taliban. Two things were striking. First, it is not only generals and brigadiers who talk about the comprehensive approach; it is understood and practised down through the ranks. The evening operational briefing was not dominated by plans for military effect; it was a case of military people talking in detail about stability, security and development, which they delivered on a daily basis. That is why progress has occurred in places such as Sangin and Musa Qaleh. Secondly, those on the front line, living in the most austere conditions, displayed the highest morale. They are using their skills, training and equipment for hard soldiering and they take a genuine pride in what they do.

We are involved in many other areas, including Sierra Leone, Kosovo, the Falkland Islands, Colombia and the Caribbean. We are a force for good wherever we are helping, whether with post-conflict stabilisation, conflict prevention, human rights training or drug interdiction. As the Secretary of State said in opening the debate, all that activity is aimed at shaping the international environment to protect our country, defend our interests and promote our values.

The hon. Member for Woodspring (Dr. Fox) asked me several questions specifically about Kosovo. He asked about the length of the liability. The request is for a month, as reported to the House. Nobody has tried to hide the fact that the time can be extended, and we have the responsibility until the end of July and the start of August to continue that provision. We are not volunteering for it, and we have shared it with other nations. The Germans recently fulfilled a commitment there and the Italians have done so in the past. It is a relatively short-term commitment—I hope only a month, but it can be extended till the start of August.

However, I was surprised that the hon. Gentleman said—and I quote him—that if we have this commitment to NATO, we must honour it, but then said, effectively, that when we knew that the commitment was going to be called upon, we should surely have found ways and means of getting out of it. I am awfully glad that he is not an ally of mine and that I do not have to be in a trench alongside him, if that is how he honours commitments of the sort he referred to, at least when he started his sentence.

Equally astonishing was the hon. Gentleman's comment about southern Afghanistan. He said that if we had to fight to the last man, it would be to the last Briton, American and Canadian. The Danes, from a small country with a small commitment, have lost 14 people in Afghanistan and the Dutch are the lead nation in Oruzgan, along with the Canadians. The hon. Gentleman is the most extraordinary coalition-builder, going round making such comments. It is a good job that he does not work for the diplomatic service. However, we are making progress in both our main theatres of operation.

My hon. Friend the Member for Chorley (Mr. Hoyle) mentioned the Territorial Army. He spends an awful lot of time with the TA and I know that he is intimately involved with it. We have started the reserve review. It is not a finance-led review, but it will be difficult to square the need to provide deployable skills and get the most out of our reserves with the need to make an attractive offer to people who, at the end of the day, are volunteers.

I know that my hon. Friend will understand fully the tensions involved in trying to strike that balance.

My hon. Friend welcomed the £24 million that we recently invested in Headley Court. It is a world-class treatment centre already, but the infrastructure needs further development, so the investment is needed. He also asked about accommodation. The Department has invested significantly in accommodation in recent years. We plan to spend more than £8 billion in the next decade, of which more than £3 billion will go on improving and upgrading accommodation. Nearly 13,000 service family accommodation properties have been upgraded to the top standard of condition since 2001, with 600 more properties to be upgraded this financial year and 800 each year thereafter.

The hon. Member for Dunfermline and West Fife (Willie Rennie) raised, among other issues, both the fact that the Scottish Parliament has just assumed responsibility for veterans and the recent contribution that it has made. He should not be so churlish about that; indeed, we should welcome the contribution. There is a well known phrase, which my right hon. Friend the Secretary of State mentioned to me when he heard about the contribution, that is appropriate in this context: every little helps. We ought to welcome that contribution in that spirit.

My hon. Friend the Member for Stafford (Mr. Kidney) continued to raise his concerns about the establishment of the super-garrison, the future of Beacon barracks and the other armed forces commitments in the Stafford area. We are committed to the establishment of super-garrisons and convinced that the west midlands is a good location for one. If we can get there as soon as we can, we will do precisely that. I am certain that Stafford will play an important part in the development of any super-garrison. I will remain closely involved with the Borona project and will try to keep my hon. Friend as engaged as I can.

My hon. Friend the Member for North Durham (Mr. Jones) asked people not to play politics with the compensation scheme. The situation is not as simple as is deliberately and repeatedly made out. We make a commitment to our injured service personnel for life. The up-front payment is but a small part of that. My hon. Friend is right to say that it is wrong to portray the scheme in the way that the media often portray it.

Mr. Deputy Speaker, I will try to respond to any points that I have been unable to deal with in the short time available. On the carrier, which is important, if I have the time—

It being Six o'clock, the motion lapsed without Question put.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Thursday 15th May, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Edward Leigh relating to Public Accounts not later than three hours after their commencement; proceedings may continue after the moment of interruption; and Standing Order No. 41A (Deferred divisions) shall not apply.—*[Liz Blackman.]*

DRAFT MARINE BILL (JOINT COMMITTEE)

Resolved,

That this House concurs with the Lords Message of 2nd April, that it is expedient that a Joint Committee of Lords and Commons be appointed to consider and report on any draft Marine Bill presented to both Houses by a Minister of the Crown.

Ordered,

That a Select Committee of eleven members be appointed to join with the Committee appointed by the Lords to consider the draft Marine Bill (Cm 7351).

That the Committee should report on the draft Bill by 22nd July 2008.

That the Committee shall have power—

(i) to send for persons, papers and records;

(ii) to sit notwithstanding any adjournment of the House;

(iii) to report from time to time;

(iv) to appoint specialist advisers; and

(v) to adjourn from place to place within the United Kingdom.

That Linda Gilroy, Nia Griffith, Anne Main, Martin Salter, Sir Peter Soulsby, Mr Robert Syms, Paddy Tipping, Mr Charles Walker, Joan Walley, Dr Alan Whitehead and Mr Roger Williams be members of the Committee.—*[Liz Blackman.]*

Domestic Violence

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

6 pm

Mr. Virendra Sharma (Ealing, Southall) (Lab): Thank you, Mr. Deputy Speaker, for allocating me my first Adjournment debate in the Chamber. It is an honour and an excellent opportunity for me to raise this very important subject of Government support for organisations that support the victims of domestic violence. Tackling the problems associated with domestic violence is of great importance and interest to me and to my constituents who regularly speak to me at my constituency surgeries.

I hope today not only to discuss the general problem of domestic violence against women, but to lay out the particular problems that women from black and minority ethnic communities face. I will also address how central and local government can support women suffering domestic violence and deal with the organisations in the voluntary sector that provide support services.

Domestic violence still claims up to two lives a week, with around half of all female homicides being committed by a partner or ex-partner. About one in four women will be a victim of domestic violence. With those appalling statistics as a backdrop, we must all ensure that there is zero tolerance towards domestic violence and that we do all within our power to support individuals and organisations tackling this widespread and evil problem in our society.

The causes of domestic violence are well known: male chauvinism, poor parental role models, outdated and controlling attitudes of weak men, often fuelled by alcohol and gambling problems and added to by financial pressures, and a lack of condemnation and punishment from society. Victims find it extremely difficult to get support to escape a violent situation for fear of retribution and fear of testifying against their partner in court to bring about a conviction.

Fortunately, times are changing and I congratulate the Government and the Minister on the excellent work that is going on across government in tackling the causes, which is having a discernible impact on the problem. For example, the Government have introduced trained domestic violence prosecutors, specialist domestic violence courts and extra support for victims, which has resulted in the successful prosecution rate for domestic violence increasing from 46 per cent. in 2003 to 69 per cent. by December 2007. I endorse the Government's approach as recently laid out in the Government Equalities Office report "Tackling Violence Against Women".

The general challenges for women suffering from domestic violence are immense, but they are added to and intensified for black and minority ethnic women, who have to deal with a host of additional difficulties. Some of these are forced marriages, fear of honour killings and the social evils of the caste system, the dowry system, human trafficking, immigration practices and cultural pressures. For those coming from outside the UK, there is also the problem of language barriers and a lack of knowledge of the system. All these pressures can result in BME women being forced into exploitative cheap labour and, in extreme circumstances, prostitution. In my constituency, those women are the majority of sufferers and I hear tragic accounts almost daily.

I applaud the Government for the initiatives they are taking to support these women, such as through the joint Foreign and Commonwealth Office and Home Office forced marriage unit, the Forced Marriage (Civil Protection) Act 2007 that comes into effect in October this year and provides civil protection for people threatened with forced marriages, the establishment of the UK Human Trafficking Centre in Sheffield and the £2.4 million allocated over the next two years to the POPPY project, which provides safe accommodation and support for victims of trafficking escaping from prostitution. The Government's Ethnic Minorities Innovation Fund is helping to fund a number of accessibility-related services on the ground, including a holistic service for south Asian victims of violence against women.

There is a lot of work to be done, but if the Government work in partnership with support organisations on the ground, a real difference can be made. We need to publicise, and raise awareness of, the help that women can receive and the support networks that exist.

Organisations such as the Southall Black Sisters are working in the BME community and are reaching women who would otherwise be suffering on their own. They speak to women in their own language and with cultural sensitivity and awareness. They have real expertise and have worked closely with the Government to help draft the 2007 Act, and they are the real voice of many women who are suffering from all kinds of domestic violence.

Keith Vaz (Leicester, East) (Lab): I congratulate my hon. Friend on the excellent work he has done on behalf of his constituents since his election. He mentioned the Southall Black Sisters. As he knows, the Home Affairs Committee is conducting an inquiry into domestic violence. We have visited the Southall Black Sisters. It is vital that such organisations are adequately funded so that they can continue to do the excellent work that that organisation has done over the past 30 years.

Mr. Sharma: I am grateful to my right hon. Friend for his kind remarks, and for his support for the organisation.

Given the Southall Black Sisters' expertise and international reputation it is very concerning and shocking to note that it is currently threatened with closure because of short-sighted grant commissioning policies due to be implemented in my borough of Ealing but which are currently due for judicial review. The council has cynically used the Government's cohesion agenda to stop funding specialist services for those who historically have been the most marginalised and least able to assert their human rights.

Fiona Mactaggart (Slough) (Lab): I hope that my hon. Friend agrees that the Government's human rights commitment does not, as I believe Ealing council has claimed, mean that there is an excuse to stop specialist expert services such as those provided by the Southall Black Sisters. Members who have spoken so far in this debate have greatly welcomed that organisation, and it should not be prevented from offering the best possible service to south Asian victims of domestic violence. I

hope that the Minister will make a strong statement on that when she responds to the debate.

Mr. Sharma: I thank my hon. Friend for her helpful comments and her support.

Other secular Asian women's domestic violence services are threatened by the cohesion-faith agenda and by the wholesale redefinition of equality so that it is no longer about protecting the historically disfranchised. Central Government need to produce robust guidance on cohesion policies and their implementation for local authorities, and should look to developing a central strategy on funding for key services, such as on domestic violence, that are not dependent on local authorities. I hope that the Minister will find a way to help that first-class organisation, which helps so many women in Southall, Ealing and beyond. I hope that Ministers will consider carefully the responses to the recent public consultation "Marriage Partners from Overseas", and I welcome the Government's intention to establish a new scheme under which victims of domestic violence with indefinite leave to remain in the UK may qualify for a contribution to their housing and living costs.

More thinking also needs to be done to try to protect those women without leave to remain who often end up being exploited and driven into prostitution. A starting point would be speeding up the time that the Home Office takes to make decisions. I urge the Government to consider reducing fees for genuine domestic violence ILR applications.

Another area that needs to be looked at is dowry and the exploitation of women and their families through the abuse of this system. In India, dowries are illegal but are still widely entered into and are still part of the culture amongst south Asians here in the UK. In 2005, the Indian Government passed the Protection of Women from Domestic Violence Act. In its definition of "domestic violence", the Act includes

"harassment by way of unlawful dowry demands to the woman or her family."

A similar clause in UK law is necessary if some of the abuses that are occurring in the UK today are to be tackled.

I thank colleagues for their support and contributions to this debate and I now look forward to hearing the Minister's reply. I am also grateful for the opportunity to raise these important issues in this debate.

6.12 pm

The Solicitor-General (Vera Baird): I shall begin by saying how much I welcome this debate and the opportunity that it presents to set out the work that the Government are doing in this area. I also wish to compliment my hon. Friend the Member for Ealing, Southall (Mr. Sharma) on his consistent and clear approach to supporting this issue since he became a Member. I also compliment him on his understanding of it, and I acknowledge the key points that he has made about trafficking and dowries.

Although I am answering the debate for the Government, I should point out that the Home Office leads on issues of domestic violence, and the lead Minister is the Under-Secretary of State for the Home Department, my hon. Friend the Member for Gedling (Mr. Coaker).

Domestic violence is a devastating crime that impacts across all communities and the Government are fully committed to improving our response. It has to be said that until fairly recently the response to tackling this crime was driven by local services, especially non-governmental organisations, which provided specialist services for more than 35 years, often with little or no help from Government or the statutory sector. I acknowledge the difficult path that domestic violence service providers and the individual women and children had to tread before the Government woke up to this crime.

I was a campaigner against domestic violence long before I came to Parliament, and I am especially proud that, since 1997, our Government have risen to the challenge and brought about a step change in how we address domestic violence. Organisations that deal with domestic violence have, of course, played a critical role in that, and we owe a significant debt to those groups who help, in particular, those who suffer domestic violence in the black, Asian and minority ethnic communities. I freely acknowledge that my hon. Friend is right: the problem of domestic violence can be especially complex and difficult to tackle in those communities.

We are working with Southall Black Sisters—the organisation that everyone has mentioned—on a range of issues regarding domestic violence. I can confirm that the Home Office has recently identified a small amount of funding that will go to Southall Black Sisters for 2008-09 to strengthen its business management practices.

Fiona Mactaggart: One thing that many people outside this House will not understand is the fact that although Southall Black Sisters is a local organisation, the level of expertise that it has developed in dealing with these issues means that it is a national resource. Will the Solicitor-General ensure that her colleagues in Government understand the extent to which this apparently local organisation is providing a national resource in connection with the issues that my hon. Friend the Member for Ealing, Southall (Mr. Sharma) has so eloquently raised?

The Solicitor-General: There are two points, are there not? First, Southall Black Sisters provides local services, and secondly, the organisation works with the Home Office and has historically offered a national resource for policy input. I am sure that that is partially reflected in the fact that some moneys have been found to support its business practices.

Keith Vaz: I recognise that we all have to be cautious because of the ongoing judicial review proceedings, but will my hon. and learned Friend confirm what the Select Committee was told when we took evidence? As she will know, we are taking evidence on the whole issue of domestic violence. Will she confirm that it is not part of the Government's vision that specialist services should not be supported? Some have said that because of the Government's policy, there cannot be individual funding for such organisations. That is not the case, is it?

The Solicitor-General: My right hon. Friend the Member for Leicester, East (Keith Vaz) and my hon. Friend the Member for Slough (Fiona Mactaggart), who have supported my hon. Friend the Member for Ealing, Southall, have both made the same point. I intend to set out my response to that point in exact accordance with what they both said.

[The Solicitor-General]

Let me touch on some of the other things that we are doing about domestic violence. It is important to contextualise the debate. We have a national domestic violence delivery plan, through which we intend to ensure that tackling domestic violence is mainstream in all public services. It is also an important plank on which we want to create a more stable set of conditions for the voluntary and community sectors to continue their role as our partners and our critical friends. That is a role that SBS already plays.

We set ourselves five key goals, and key planks in the plan to assist with meeting those goals are: the ongoing expansion of specialist domestic violence courses, to which my right hon. and hon. Friends alluded; the introduction of independent domestic violence advisers who support complainants in bringing legal proceedings; and the introduction of multi-agency risk assessment conferences that protect people at high risk of serious harm or homicide from repeat domestic violence. Those measures are all underpinned by the Government's new public service agreements, which prioritise serious violence and include domestic violence for the first time ever.

Let me give some examples of the funding that the Government have provided to domestic violence organisations and other services. The Ministry of Justice has funded independent domestic violence advisers to the tune of £3 million this year. We have provided £1.85 million in funding for multi-agency risk assessment conferences in the past year. We have committed £6.5 million to ensure that we can roll out both those essential components of our domestic violence plan nationwide.

We are also funding Co-ordinated Action Against Domestic Abuse—CAADA—which is a training organisation. We need not merely to roll out the schemes nationwide but to ensure that there is appropriate and accredited training so that there is consistency in the quality of service across the country. We continue to fund a matrix of helplines: the 24-hour national domestic violence freephone helpline; the men's advice line for male victims; Broken Rainbow, a service for those in the lesbian, gay, bisexual and transgender communities; and the RESPECT phone line for perpetrators, which offers advice to those seeking help.

While I am on the subject of funding, I want to mention that we have devolved funding for local domestic violence services, as well as for services in respect of all other crime, to local decision makers and partnerships. Funding for the local services provided by Southall Black Sisters must be determined locally. I cannot say a great deal more about that because, as everyone has mentioned, leave has been granted for Southall Black Sisters to take the local authority to judicial review, so we must not consider that matter further. However, in general, decisions on funding for services are based on local areas identifying a need and putting that into their priorities for improvement. The voluntary sector is, of course, key in providing specialised and focused services.

Let me say this as clearly as I can: the gender equality duty, put into the Sex Discrimination Act 1975 by the Equality Act 2006, plays an important role in getting public authorities to consider what forms of positive action they should take in tackling violence against women. However, it seems that the very misunderstanding to which my right hon. and hon. Friends have alluded has arisen, and some people think that the duty somehow means that women-only specialist services, such as those that provide support for women victims of domestic violence, should no longer be provided. I am pleased to take this opportunity to make it clear that such an interpretation of the duty is wrong.

Keith Vaz: Will my hon. and learned Friend give way?

The Solicitor-General: I wonder whether I could finish this important point first. The code of practice makes it clear that the duty is not about providing the same service for men and women in all cases. It is up to each public authority to decide the priorities for its gender equality schemes, but such authorities can be proactive—the Government would encourage them to be—in tackling violence against women, if they wish, through specialist services.

I do not know whether this is the point that my right hon. Friend the Member for Leicester, East was going to make, but let me add that similarly, there is no reason why the race equality duty should prevent authorities from catering for the special needs of racial groups in respect of domestic violence services, as in the case that we are discussing. If that is not what he was going to say, I give way to him.

Keith Vaz: My hon. Friend the Member for Ealing, Southall (Mr. Sharma) has led an energetic campaign on behalf of Southall Black Sisters, and I thank my hon. and learned Friend for her clarity this afternoon. What she is basically saying is that Councillor Stacey and Ealing council can fund that organisation if they want to.

The Solicitor-General: I have said what I have said. Let me put it this way: nothing from the Government says the council cannot do so. Yes, they can fund that organisation if they choose to do so.

We need to do more to ensure that the victims of domestic violence from black and minority ethnic communities benefit from our interventions. We have made that a priority for this year. An example of our commitment is the development of a specific honour-based violence action plan to address the specific forms of domestic violence that affect some of our BME communities. We shall expand the work of the forced marriage unit to ensure that potential victims of forced marriage can speak out with the certainty that they will get the help that they need.

More work is needed, however, with local community leaders to condemn the archaic and repugnant practices that my hon. Friend the Member for Ealing, Southall has alluded to. We are also planning a series of regional and local seminars, starting in the summer, to publicise the work of the forced marriage unit and highlight the emerging strategies of the Association of Chief Police Officers and the Crown Prosecution Service in ensuring that the criminal justice system responds appropriately to protect victims and bring perpetrators to justice.

A step-by-step guide for women in black and minority ethnic communities who are the victims of domestic violence will soon provide what we hope is practical advice on the steps that victims can take to

protect themselves and their children. We hope that, in producing that guidance, we will have taken on board cultural issues, which can prove problematic.

Another example that my hon. Friend referred to, and on which we have been working with both the statutory and the voluntary sector, is to try to find ways of supporting victims with no recourse to public funds. People come in and are dependent on someone who undertakes to support them, but they are then tied to that person if domestic violence starts to become an issue. In March, we announced a new scheme for victims of domestic violence in exactly that situation whose applications for indefinite leave to remain are successful. I acknowledge that we need to speed up the process, and work is being done to do that for people applying for indefinite leave to remain. If their applications are successful, they may qualify for a contribution towards their housing and living costs.

The proposals under the new scheme will strengthen the way in which domestic violence cases are considered, enabling vulnerable victims to obtain the support that they need. We have been working closely with the No Recourse to Public Funds Network to get a national picture of the issue and we will expand on the details of this programme of work later in the spring.

I am proud to say that over the years, I have worked with Southall Black Sisters on a number of occasions, and I am pleased to say that the Government continue to work with the group and are pleased to receive its input. I am glad that we have been able to resource it in a limited way to ensure that its business practices can be made good. I hope that I have made it absolutely clear that nothing in the gender or the race policies—nor in anything else that one can readily think of in the Government's policy or legislation—can give any local authority any reason not to fund such specialist services if it chooses to do so.

We have all come a long way in trying to tackle domestic violence, but there are many things left to do. We will not relax our efforts.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Six o'clock.

House of Commons

Friday 9 May 2008

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

Mr. Michael Fallon (Sevenoaks) (Con): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (Motions to sit in private):—

The House proceeded to a Division.

Madam Deputy Speaker (Sylvia Heal): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 0, Noes 28.

Division No. 175] **[9.33 am**

AYES

Tellers for the Ayes:
Mr. Christopher Chope and Stephen Pound

NOES

Baldry, Tony
Benyon, Mr. Richard
Blackman, Liz
Burt, Alistair
Caton, Mr. Martin
Clark, Greg
Dismore, Mr. Andrew
Evans, Mr. Nigel
Fallon, Mr. Michael
Field, Mr. Mark
Fitzpatrick, Jim
Goldsworthy, Julia
Goodman, Helen
Grieve, Mr. Dominic
Harper, Mr. Mark
Harris, Mr. Tom
Hillier, Meg
Hoban, Mr. Mark
Hollobone, Mr. Philip
Hughes, rh Beverley
Khan, Mr. Sadiq
Mackay, rh Mr. Andrew
McFadden, Mr. Pat
Mole, Chris
Pope, Mr. Greg
Purnell, rh James
Roy, Mr. Frank
Ruddock, Joan

Tellers for the Noes:
David Howarth and Mr. William Cash

It appearing on the report of the Division that fewer than forty Members had taken part in the Division, MADAM DEPUTY SPEAKER *declared that the Question was not decided.*

Orders of the Day

Planning and Energy Bill

As amended in the Public Bill Committee, considered.

New Clause 1

INSULATION STANDARDS

'A local planning authority in England may in their development plan document, and a local planning authority in Wales may in their local development plan, include policies imposing reasonable requirements for insulation standards in domestic and commercial developments in their area that exceed the requirements of building regulations.'.—*[Mr. Dismore.]*

Brought up, and read the First time.

9.49 am

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss amendment No. 11, in clause 2, page 2, line 17, at end add—

'(d) national policies relating to insulation, in the case of policies included by virtue of section [Insulation standards].'.

Mr. Dismore: I congratulate the hon. Member for Sevenoaks (Mr. Fallon) on having got so far with his Bill so early in the parliamentary year; he has done a magnificent job. Although I have a few things to say, I assure him that my objective is not to prevent the Bill achieving its Third Reading, although I cannot speak for other hon. Members.

I want to highlight one or two gaps in the Bill. I have read the report of the Committee proceedings, where the original Bill was ditched and a new Bill was introduced with, I assume, the backing of the Government, which resulted in the replacement of the original clause 1. Beyond that, the Bill did not receive a great deal of scrutiny in Committee, which is regrettable because it has a fair wind behind it and has attracted a consensus on its objective. In such cases, people do not want to get bogged down in the detail, and the net result is that things are left out or not put right.

New clause 1 and amendment No. 11 address insulation, which is one of the most important issues relating to energy but which is missing from the Bill. New clause 1 would add an additional permissive power to allow local authorities to impose additional reasonable requirements on insulation in both domestic and commercial developments, which could go beyond existing building regulations.

As one might expect, amendment No. 11 refers to "national policies relating to insulation".

Why should we focus on insulation? In 1998, my right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) was the Minister with responsibility for construction, and he instituted a comprehensive review of energy-efficient provisions in the building regulations and set out proposed amendments to part L of the regulations, to which new clause 1 and amendment

[Mr. Dismore]

No. 11 relate. The purposes of the amendments to part L were significantly to raise performance standards for insulation in building fabric after two years, to improve supply after six months and to tie those standards more firmly to, for example, the efficiency of boilers.

When my right hon. Friend announced those improvements, the objective was to cut heating bills for homes by one quarter, which would make a substantial contribution to Britain's aim of reducing carbon dioxide emissions. If we are serious about meeting our Kyoto targets, cutting energy consumption and examining different forms of energy supply, we should consider how much energy we are using in the first place. If we want to introduce a green Bill such as this, it is an omission to consider only half the equation—where the energy comes from, but not how much of it we are using.

The new part L of the building regulations set most builders and building service engineers a challenge. The Government worked closely with the industry, and the view was that new part L would yield substantial benefits for occupiers of dwellings and other buildings through lower heating bills. The saving was up to 25 per cent. in the case of dwellings, and it also resulted in lower air conditioning bills—I do not suppose that many houses have air conditioning, but it certainly improves comfort and productivity in other settings. It has been estimated that in 2010 the measures in part L would contribute 1.4 million tonnes of carbon to the overall 23 per cent. cut in the UK's greenhouse gas emissions as set out in the climate change programme, as it then was. The guidance in the new improved documents significantly raised the performance standards for building insulation, which is the subject of new clause 1. It is also important to recognise that part L of the regulations addresses summer performance as well as insulation against winter cold.

The provisions were not restricted to new buildings. Around half the carbon benefits mentioned would come from the application of the new requirements to work in existing buildings. For dwellings, for example, the new rules applied whenever windows, glazed doors, boilers and hot water vessels were replaced. For buildings other than dwellings, the same provisions would apply for windows and systems such as heating, ventilation and air-conditioning, but that was qualified in that reasonable provision depended on the circumstances of the particular case. The sympathetic treatment of historic buildings was also considered to be necessary.

Part L was important, particularly after it was changed again in April 2006, which resulted in even higher standards than those imposed in 2002. When building work is carried out on buildings with a floor area greater than 1,000 sq m, consequential improvements must also be made to the whole building, if they are practical and cost-effective, which includes improvements to increase energy efficiency.

Mr. Nigel Evans (Ribble Valley) (Con): Would it not be tidier not to include the provision in this Bill, and to introduce a requirement to consider building regulations to ensure that they meet the highest standards, which all hon. Members want these days?

Mr. Dismore: The hon. Gentleman has made an important point. We may have to wait for further amendments to the building regulations, which have been significantly improved as time has gone by.

The Bill introduces an important concept, which is to permit local authorities to go beyond the existing national guidance and regulations in the context of, for example, local energy supply. That enables local authorities, which are often more flexible than central Government, to be one step ahead of central Government in a major nationwide reform. My concern is that a similar provision should be introduced for the insulation of buildings.

Stephen Pound (Ealing, North) (Lab): I thank my hon. Friend for the positive way in which he is approaching this excellent Bill. New clause 1 would introduce a requirement to exceed building regulations—a Merton plus, plus model. In view of the work done by experts such as McBride and Healey, is it not the case that the building regulations will always be exceeded, regardless of what they are?

Mr. Dismore: That is my objective. Clause 1(1) allows local authorities to, for example, develop policies for their area that require compliance with energy efficiency standards that exceed the energy requirements of building regulations. I am not introducing a new concept in the context of this particular Bill, because clause 1 addresses energy from renewable sources, low-carbon energy and energy requirements in general. I want to square the circle by saying that we should consider not only where the energy comes from—progress on energy requirements is part of what I am trying to achieve—but the consumption of energy, which is where insulation becomes relevant.

In my view, the starting point for energy policy must be the reduction of consumption in the first place. The subsequent question is where the energy comes from, and further subordinate questions flow from that. The starting point is getting energy consumption down in the first place before we consider supply. It is important to recognise, as the Bill rightly does, that local authorities can sometimes be ahead of the game. My hon. Friend the Member for Ealing, North (Stephen Pound) has referred to the Merton example to illustrate that point, and other local authorities have conducted similar initiatives elsewhere.

When local authorities promote such initiatives, they often provide what are effectively de facto pilot schemes for the national Government. If it turns out that a local authority such as Merton has developed plans that go beyond the requirements of building regulations or central Government guidance or policy, and that those plans are working well, that can short-circuit the development of national guidelines and building and planning regulations because the pilot will have already been tested in the relevant context. My hon. Friend the Member for Ealing, North has made an important point about one of the significant issues in the Bill. We have seen the importance of insulation from the efforts of the Government so far.

10 am

Before I took the two interventions, I was talking about what had been achieved through the April 2006 amendments to part L of the building regulations with regard to insulation. Importantly, those amendments

mean that when more than 25 per cent. of the surface area of a controlled element such as a wall elevation is renovated, the energy efficiency of the whole element has to be improved—in other words, there should be insulation. As part of the material change of use, any retained element or fitting whose thermal performance is worse than the defined threshold should be upgraded. That also involves insulation, although not of the building itself: it involves lagging around pipes, boilers and so forth. As part of a material alteration, any element that becomes part of the external envelope should be upgraded if its thermal performance is worse than the defined threshold. That is a significant change in emphasis towards insulation. That is why my amendment is important: it would bring the Bill much more in line with what the Government are trying to achieve overall on energy consumption.

Chris Mole (Ipswich) (Lab): My hon. Friend is making interesting points about the value of insulation in this whole strategy. I note that the third line of new clause 1 refers to

"reasonable requirements for insulation standards".

Has he considered what is reasonable in respect of cost-effective insulation? A couple of years ago, we used to put in 4 in of insulation; now we put in 6 in—if not 8 or 10 in. However, there is a law of diminishing returns on the amount of thermal retention gained by increasing the number of inches of insulation that we put into lofts, for example. Has my hon. Friend considered how far it is reasonable to go, before we stop getting anything reasonable in return for our investment?

Mr. Dismore: I have done that bit of homework. The Thermal Insulation Manufacturers and Suppliers Association has produced a handy set of notes and guidance on such issues. I was tempted to set some of the detail before the House, but I suspect that that might be going a little too far. I should just mention the association's comments on issues relating to insulation for heating and hot water pipes: it refers to the outside diameter of the pipe, thermal conductivity and the relevant thickness of insulation. Perhaps I should give my hon. Friend the Member for Ipswich (Chris Mole) that worthy tome so that he can read it himself. If he has any comments or questions about it, I could take them as interventions later.

Stephen Pound: He could lag his pipes with it.

Mr. Dismore: Given the thickness of the document and paper's lack of conductivity, that might not be a bad idea. However, the document is interesting, and I hope that it will help my hon. Friend the Member for Ipswich to sleep at night.

As part of the review, the Government made it clear that they wanted to work closely with local authorities on compliance with building regulations and how those regulations could be improved. Measures being implemented or under consideration included a simplified single approach to showing compliance and a substantial information and training campaign targeted at building control bodies—the local authorities, of course—and the industry.

That campaign ran into 2006 and included an e-learning pack, in what were the early days of that sort of thing. It also included simplified technical guidance and new approved documents, backed up by reference documents containing technical details. *[Interruption.]* My hon. Friend the Member for Ipswich is reading those with avid interest. A number of new competent person self-certification schemes were also set up. That was a significant step forward.

In July 2006, the Department now called the Department for Communities and Local Government set out in a press notice some of the measures that it was introducing to make housing more sustainable. One of the key issues was the Warm Front grant scheme. Most Members have constituents who have benefited from that; in my constituency, several hundred households, particularly those of pensioners and people on low incomes, have benefited considerably from the scheme, which has enabled insulation to be installed. The local authority and the Greater London assembly, under the former London Mayor, have provided their own insulation arrangements in conjunction with the energy companies.

Stephen Pound: I am sure that the whole House would concur with my hon. Friend's points about the Warm Front scheme. However, as far as I am aware, there is no separate money Bill that delineates the implications of new clause 1. Is my hon. Friend saying that any additional costs resulting from the local government requirements would be met solely by the householder? One of the great advantages of Warm Front is that it involves zero cost to the householder. Although I appreciate that in the long term these measures mean that the householder saves money and the planet may be saved, there would be an interim problem that affected many of my hon. Friend's constituents and mine. How would that issue be resolved?

Mr. Dismore: My hon. Friend presages some of the points I was going to make on the second group of amendments, and I will not go through them now. I simply say that one thing generally missing from the Bill is a consideration of any costs involved. If my hon. Friend looks ahead, he will see that one of my new clauses in the second group of amendments raises the particular issue of the cost of a variety of matters and their implications for the provision of housing generally.

We know from research that the cost of insulation and energy efficiency measures generally can be disproportionate, given the payback time. Furthermore, the cost of adapting a house or, particularly, constructing a new one to meet energy efficiency standards can be significantly increased. However, I shall not go into those arguments now; I will save their detail until we get to the second group of amendments, assuming that we get that far this morning.

The DCLG also said that it proposed to extend support for energy companies to provide subsidised insulation for 250,000 installations to improve the energy efficiency of existing homes; that relates to the point that I just made. We are extending the landlords energy savings allowance to cover hot water system insulation and draught-proofing, to incentivise landlords in the private sector to improve energy efficiency. That is important, because if we consider the performance as opposed to the policy, we see that although there have

[Mr. Dismore]

been significant improvements, the overall figures show that things are not as rosy as they might be.

In December 2006, my hon. Friend the Member for Dudley, South (Ian Pearson), then the Minister with responsibility for these issues, answered a parliamentary question by giving figures on insulation measures carried out, including cavity wall insulation, loft insulation and double glazing. In 2000, 211,000 homes in Great Britain installed cavity wall insulation, 415,000 installed loft insulation and 2,002,000 installed double glazing. In 2005, the figures on cavity wall insulation had gone up to 240,000, but those on loft insulation had gone down to 280,000 and those on double glazing to 1,340,000. There are two explanations for that. The first is that once the work is done, it is done pretty much for ever and, because of the progress in those five years, demand for such work was tailing off. The alternative explanation is that insulation was getting a little less fashionable and people were not doing as much as they should have.

As my hon. Friend also said in his answer, we should consider the general impact on households. Sixteen per cent. of all households in England, and in Britain as a whole, have full insulation, which means that there is 84 per cent. to go. That answers the question that I posed in relation to the 2005 figures. It is therefore an inevitable conclusion that something happened to stop people doing this sort of work, particularly double glazing and loft insulation, between 2000 and 2005.

The figures get more interesting when we look at the nature of tenure. Those for owner-occupiers are marginally better than those for the national average, with 17 per cent. fully insulated. What is very bad, however, is that for privately rented properties, at only 6 per cent. People in private rented accommodation tend to be socially excluded, and potentially from low-income households and at risk of fuel poverty, so they are at a double disadvantage in that they are probably living in less well-maintained accommodation to start with. We know from the figures that their level of insulation is very poor compared with the average overall: it is only 6 per cent., which means that 94 per cent. of that group do not have the necessary insulation. That means that their heating bills will go up even though they are probably on a far lower income than the population as a whole.

The position is slightly better for local authority households, at 10 per cent. It is also encouraging that registered social landlord—housing association—households are on 20 per cent., so they have made significant improvements above the national average as it then was. My new clause would be another incentive, via local authorities setting out requirements in planning regulations, to improve significantly on those woeful statistics.

Stephen Pound: My hon. Friend underlines in many ways the importance of this Bill promoted by the hon. Member for Sevenoaks (Mr. Fallon). However, I am concerned about whether there is a lacuna in the area of education. I think of my constituent, Mr. Simon Davies, who told me about the house built in south Wales by my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews), which is known as the "Teletubbies house" and is built almost entirely underground and covered with what he calls organic insulation and the rest of us call grass. Given that there is such a change in insulation from the traditional areas of cavity and loft insulation and double glazing, does my hon. Friend think we need an educative process for which the Bill would be the starting pistol?

Mr. Dismore: My hon. Friend makes an interesting point. I suspect that most people would not be able to afford the sort of construction that my hon. and learned Friend the Member for Medway (Mr. Marshall-Andrews) has been able to build for himself in terms of the cost of construction, the land involved and the insulation materials, including the football pitch on the roof.

My hon. Friend is right in his substantive point about the educative process behind my new clause and the Bill in general, although we may be straying into Third Reading territory. The Bill would serve a useful purpose in that respect by providing a system of pilot schemes for local authorities spreading out through local authority consortiums—examples include the Nottingham declaration and Merton, which he mentioned. A local authority that was going to introduce the higher standards required by clause 1 and my new clause—the same principles apply—would have to justify those new standards to its electorate and to those conducting business or developing property in its area. There would inevitably have to be a proper explanation to local people of why it had decided to go down that route.

Martin Linton (Battersea) (Lab): Does my hon. Friend's new clause have the potential to encourage not only registered social landlords but private landlords to improve the insulation standards in their conversions? As a fellow London Member, he will know that there are huge problems with thermal and noise insulation in houses belonging to registered social landlords, particularly those converted some time ago when standards were much lower. Those problems are even greater among private landlords who have converted buildings to flats with little regard for insulation standards, so that their tenants reap a harvest of problems.

10.15 am

Mr. Dismore: My hon. Friend makes an important point. That is exactly what my new clause would achieve. It would enable his local authority, or mine, if it so wished, to get tough with landlords carrying out such flat conversions as regards complying with the regulations. The building regulations as they stand may not be as tough as they should be, and the new clause would enable a local authority to set standards—they would have to be common-sense standards—that went beyond them.

Different areas have different housing needs and demands and different sorts of housing developments. My hon. Friend's constituency probably has a much greater proportion of flat conversions than we have in outer London, so the problems are slightly different. Under my new clause, his local authority would be able, in relation to such properties, to impose

"requirements for insulation standards in domestic and commercial developments in their area".

I see no reason why that could not be broken down between different types of domestic development. For insulation against noise, although we are talking particularly about that geared towards energy, there would be different requirements for a detached house from those for a conversion to four flats in a former terrace. A much higher standard of insulation would be required, perhaps as much as for noise as for heat, between the floors and between the development and the properties to either side. My hon. Friend's local authority could want to impose higher or different standards. That is the beauty of the approach taken by the hon. Member for Sevenoaks in clause 1, and in my new clause 1, which would enable local authorities to tailor the particular demands of their people to the requirements of the regulations that they wished to impose beyond the Government minimum safety net.

Martin Linton: Would there be any scope under my hon. Friend's new clause for higher standards to be imposed at a time when landlords are making renovations? One of the problems that I encounter in my constituency, as I am sure he does in his, concerns people living in Victorian houses that were converted in the 1970s or 1980s, where the conversion consisted merely of putting a new front door on each landing, with no increase in the noise or thermal insulation in the rest of the house. That means that every sound made upstairs can be heard downstairs, and if there is a family living on the first floor with single people living above and below, the lives of everyone in the house are rendered impossible because basic insulation standards were not insisted on at the right time, when the original conversion was made, and they are condemned for ever to living, as it were, as three families in the same house—

Madam Deputy Speaker: Order. I am sure that the hon. Gentleman is aware that interventions are meant to be brief.

Mr. Dismore: I take my hon. Friend's point. I have had personal experience of that problem. The issue of conversion is the same as that of renovation. It applies not only to flats but to bedsits and to the way that properties are broken down into smaller and smaller units. That may lead us into different arguments about the threshold for the number of flats in social housing and to the consequences of the 50 per cent. rule, but I accept that that is not a debate for today. The building regulations as a whole provide a basic safety net. The bottom line is that the regulations with which every building has to comply would also apply to conversions and, I think, to renovations. People could say to a local authority, "Look here, you've got this problem in your area, it's a general issue, and you can do something about it for the people in your area if you wish." It has to be done reasonably, and subsequent new clauses that I have tabled would require proper consultation, but my hon. Friend has hit on an important point. We have to do something to improve living standards through insulation, not just in terms of heating and noise, but by dealing with the impact on people's general well-being. Such problems can be very disturbing. We have all had people in our constituency bring cases of noise problems to us, which can be dealt with by proper insulation, just as heating and energy issues can be. I am sure that we all have half a dozen or more of those cases on the go at any one time. People make complaints about their neighbours that could be dealt with by decent insulation.

Stephen Pound: My hon. Friend refers principally to thermal insulation, but he is on to something quite important with regard to sound attenuation. On the point about the amount of development in inner-London constituencies, in my area, even where there are ceilars—or Kasey Kellers as people call them locally—people have tried to build there. Given his discussions with the Thermal Insulation Manufacturers and Suppliers Association, was he aware of any part of its remit that includes the benign combination of thermal and sound insulation in the same material?

Mr. Dismore: I think that my hon. Friend will find that that organisation simply deals with the question of insulation as a whole, and as I said to my hon. Friend the Member for Battersea (Martin Linton), a useful by-product of insulating a building properly for heat and, therefore, energy consumption, is a better effect in dealing with noise. Of course, the only effect produced by lagging pipes will be that they will not bang so loudly if there is an airlock, but insulation between floors and in roofs, cavity walls and so forth can have a significant effect if someone is being disturbed by their neighbour's stereo. Both my hon. Friends made significant points in that regard.

In November 2006, the new planning policy statement 3 on housing was published, which dealt with the particular problems of climate change. It said that

> "Developers and planning bodies will have to take account of the need to cut carbon emissions as well as the wider environmental and sustainability considerations when siting or designing new homes."

That goes to the heart of my new clause. As I said in my opening remarks, we have to try to cut carbon emissions in the first place, which is done not just through the way in which the energy is produced—be it windmills, solar power or whatever—but by using less energy. The PPS3 guidance is important in that respect.

It is important that the planning guidance be integrated with the building regulations. That is what I am trying to put across in new clause 1. Effectively, the local authority has powers under the planning laws; it does not have the power to mess around directly with the building regulations, but it can do so indirectly through the planning laws. That is why integration through the PPS supplement, with the building regulations is the right way to go. The PPS supplement makes it clear that planning for climate change necessitates clear and challenging roles for regional and local spatial strategies, which are expected to help to shape the framework for energy supply in their local authority area.

At the local level, development plan documents—the things that we are looking at to set out the basic planning framework—will set policies on the provision of low-carbon and renewable sources of energy to provide the platform necessary for securing and complementing the increasingly high levels of energy efficiency required by building regulations. Again, we see the symmetry between the need for policies on

[Mr. Dismore]

low-carbon and renewable sources of energy and the need for energy efficiency required by the building regulations. We have a statement that makes it clear that both sides of the equation have to be addressed. Paragraph 30 of the PPS supplement draft document makes it clear that planning authorities should

"be concerned with the environmental performance of new development and with the impact of individual buildings on, and their resilience to, climate change."

It advocates that they engage

"constructively and imaginatively with developers to encourage the delivery of sustainable buildings"

and to support innovation. At the same time it says that they should not be setting their own standards for environmental performance, as national standards are already set out through the building regulations, and for new homes, in the code for sustainable homes. I think that that last part is wrong. Local authorities should be in the forefront of such work.

The document states

"Planning authorities should assess their area's potential for accommodating renewable and low-carbon technologies, including...micro-renewables"—

for which clause 1 provides—

"in new residential, commercial or industrial development."

It is also important, however, that they have regard, as the planning guidance document says, to other matters, some of which I shall pick up on later if we get to the second group of new clauses. The document emphasises, in a shopping list of about a dozen issues in paragraph 23, the contribution that can be made to meeting the energy performance requirements for new buildings through the building regulations, and by extension, through new clause 1—moving beyond those into local requirements.

Chris Mole: My hon. Friend draws attention in new clause 1 to the role of local planning authorities and their local development plan documents, which are now called local development frameworks. Assuming that new clause 1 is accepted, and the Bill is passed, in a case where a local authority has recently agreed its local development framework, should it take an issue up through supplementary planning guidance to add it back into its local development framework, because it has not been able to take it into account until now?

Mr. Dismore: My hon. Friend makes an important point. Any planning document, whether it is the old-fashioned unitary development plan or the new local development framework, needs to be a dynamic document. It cannot be set in stone, which is an inevitable consequence of the Bill, regardless of new clause 1.

There is no doubt that we all experience in our constituencies pressure from our electorate for measures to deal with the problems of climate change. Those measures can be carried out in a variety of ways, such as recycling, which local authorities can deal with directly. However, we know that among the significant generators of carbon emissions are buildings. They are probably the most significant generator after the motor car—I do not have the precise figures. We can bear down on issues relating to motor fuel or aviation fuel—one of the hot topics at the moment when considering the Kyoto goals—but we must not forget the importance of buildings.

Most forward-looking local authorities will want to consider the Bill, assuming it becomes law, and will find it surprising if, when looking at the issue of microgeneration, they do not have similar powers to deal with insulation. That is probably an easier thing to achieve and probably has a better, more cost-effective payback than some of the microgeneration schemes. We know that some of the green energy supplies—to foreshadow an argument that we may have on the second group of new clauses—can be more expensive.

Stephen Pound: I do not think that there will be many arguments in the House today except on points of detail. My hon. Friend referred to forward-thinking local authorities. I appreciate that we cannot introduce retrospective legislation, or retrofit legislation, and a builder such as Murphys in my constituency will say that it is perfectly happy and comfortable with the requirements for extensions and new build, but is there not a danger that we could end up with a two-tier system where older converted properties are energy-inefficient and the modern ones are efficient? I appreciate that the Government are doing work in this area, but has my hon. Friend given consideration to that in his new clause?

Mr. Dismore: My hon. Friend makes an important point that goes back to the statistics I referred to setting out how few properties are fully insulated. If only 16 per cent. are insulated, there is a reason for that. He is right: when we are building from scratch, it is easier to comply with new requirements. With regard to the building regulations, however, if the Victorian properties to which my hon. Friend the Member for Battersea referred earlier are not modernised, converted or refurbished, all sorts of building regulations will not be complied with.

If one considers, for example, the construction of a staircase, the treads may not be right. That is an inevitable consequence of building before building regulations were introduced. My hon. Friend the Member for Ealing, North asks an important question about how we catch up with the enormous backlog of 84 per cent. The position is probably a bit better now, because those figures are a couple of years out of date.

10.30 am

A carrot and stick approach is needed to catch up with the backlog. The carrot approach includes the warm homes initiative and the various grants that are available for microgeneration. Thought needs to be given to the matter as and when conversions or major works are undertaken. A good example would be that, when one installs a new boiler, it has to meet the new up-to-date standards because that is a requirement of the law. Some improvement is therefore inevitable.

Martin Linton: Has my hon. Friend any idea of how long the catch-up process would take under the Bill, with the new clause? Clearly, people who live in older houses understand that they cannot expect the same high standards, but they look forward to a time when

standards of insulation in their houses will catch up. I have a Mr. Davies in my constituency who has suffered from persistent problems caused by poor insulation. If I could give him some sort of idea of time scale, it would make his life much easier.

Mr. Dismore: My hon. Friend asks a question that I do not believe anyone can answer. There are times in the life of a building when things happen—for example, replacing a boiler contributes to improving energy efficiency; conversions or refurbishments often mean major work; roofs have to be replaced every 30 years or so—and that is an opportunity to do something about insulation. When a house changes hands, what needs to be done is highlighted. Home information packs can be important in that context—I propose to refer to them later. A range of measures are needed and the Bill—I hope with my new clause—would make an important contribution to the process.

My right hon. Friend the Chief Secretary to the Treasury made an important point when as Housing Minister she addressed the all-party group on climate change in November 2006. She said that energy savings could be made in existing homes by simple measures such as cavity wall insulation, which does not have to be very expensive. The review of the sustainability of existing buildings showed that the number of homes with more than 150 mm of loft insulation increased by 4 million between 2001 and 2004, but a further 8.5 million could benefit from cavity wall insulation, which typically costs £340 to fit and pays for itself in 2.6 years. In five years, householders will get a 200 per cent. return on their investment. Earlier, my hon. Friend the Member for Ealing, North spoke about the need to educate the public about such matters. Those figures are simple to convey.

It could take many years to achieve the payback on some of the proposals in the Bill for microgeneration. However, loft insulation and cavity wall insulation have an almost immediate effect. To revert to the point made by my hon. Friend the Member for Battersea, carrot and stick measures include education as well as making grants available to less well-off households, pensioners and so on through the warm homes initiative and various local authority and London-wide measures.

The Bill also has implications for the decent homes standard, which the Government established as a key checklist of fitness for acceptable dwellings. Central Government have made significant grants available to local authorities for improvements to their housing stock. I am pleased to say that, in Barnet, we have £88.5 million from central Government for improving our council housing stock.

Stephen Pound: The Barnett formula.

Mr. Dismore: Indeed, but with one "t".

Stephen Pound: And a bit less cash.

Mr. Dismore: Yes. I have long called for a "Barnet formula" to meet our needs, which are special to our area. Just as Scotland has its special needs, so do we. However, I digress.

The £88.5 million can be used to tackle some of the problems that were identified earlier. Only 351,000—10 per cent.—of local authority properties in Great Britain meet the full insulation standards. How do we tackle that? The decent homes standard and the money that comes with it is part of the solution. Decent homes standards are set separately from building regulations—indeed, their criteria are slightly higher. Performance criteria include providing a reasonable amount of thermal comfort through effective insulation and efficient heating. There is much further detail. The new clause would enable that requirement to be supported by local authorities through their decent homes grant.

Earlier, I mentioned fuel poverty. Fuel-poor households are defined as those that need to spend more than 10 per cent. of their incomes on adequate heat and lighting. The Parliamentary Office of Science and Technology note on the matter states that some 2 million households are affected by fuel poverty. I suspect that the rising cost of energy means that the position is worsening. Without new clause 1, the Bill might unwittingly contribute to making the position worse. I make the point to presage arguments that I shall present when we consider the next group of new clauses.

Renewable energy, from green sources, is potentially more expensive to the consumer than energy from traditional sources. If we are to start requiring renewable energy in the wider sense as part of new developments in clause 1, the cost of heating homes may increase. We could resolve that through accepting the new clause and requiring better insulation, which counterbalances the potential increase in the cost of green energy. We must do something for the 2 million homes in the UK that are classed are fuel poor. Uptake of cavity wall insulation is low, and the hon. Member for Sevenoaks needs to reflect on the Bill's potential impact on fuel poverty.

In response to an intervention from my hon. Friend the Member for Battersea, I mentioned home information packs. From 1 June last year, home owners throughout England and Wales are required to provide a home information pack when marketing their homes. It was a somewhat controversial measure, which is not fully in force. However, one of the requirements is to provide an A to G energy efficiency rating, similar to that given to electrical goods, to give buyers an assessment of a property's likely running costs before they buy it.

We all know that, if we buy a house and get a normal survey, which states that work, such as rewiring, needs to be done, we negotiate with the vendor a reduction in the price to reflect that. The energy efficiency rating element of the home information pack can have the same effect. If one is buying an expensive house with a low energy efficiency rating, one inevitably goes back to the vendor and says, "Look here, your windows are rattling, there's no loft insulation, the pipes aren't properly lagged. I've got an estimate of what it's going to cost to put it right and I want a reduction in the sale price to reflect that." I therefore believe that the energy efficiency rating is probably the most important element of the home information pack, because it is one of the moments in a building's life—when it changes hands—when something can be done about the energy requirements, especially through insulation.

Martin Linton: Does my hon. Friend agree that an important element in the progress that we make towards insulation standards, and therefore towards dealing with climate change from buildings, is not just the regulations that local authorities can insist on, but the publicity that they can give them? A concomitant of better regulations is publicity that will reach the people—owner-occupiers, in particular—who can benefit from them and take advantage of grants. For a local authority to cut its publicity budget is to take a regressive step, because it is one of the essential weapons in making progress towards better cavity insulation.

Mr. Dismore: My hon. Friend makes an important point. The energy efficiency rating for the home information pack will draw the problem to the attention of the purchaser of the property, but it will not go beyond that. It would be interesting if, for instance, on a street of similar houses, the energy efficiency rating could be made more widely available to the owners of all the houses. if people's houses were built at the same time, they might have the same construction problems.

Although several hundred people have taken up the Warm Front scheme in my constituency, I am still amazed at how few have taken advantage of what is essentially free money—and not just free money to do the improvements, but free money in the long term, through the reduction of heating bills. Although the people who run the scheme in my patch are good at telling me what is going on, I am not entirely sure that they are doing as much as they could to tell the wider community what is available. That could be done through various means, including pensioners groups, outreach work—

Madam Deputy Speaker: Order. I hope that the hon. Gentleman will not stray too far down that road.

Mr. Dismore: I apologise, Madam Deputy Speaker. My hon. Friend the Member for Battersea set me off. The Warm Front scheme ties in with new clause 1, as an example of how a local authority could, under my proposals, say that it wanted to ensure that a scheme applied to a particular building.

Stephen Pound: Bearing in mind your rigid strictures, Madam Deputy Speaker, I will not give the warm words of praise to that eager partnership that I would have given otherwise. My hon. Friend's new clause 1 is permissive: he is saying what a local authority may do, not what it shall do, which is implicit in the Bill as drafted. House prices are falling. If one talks to builders such as Mr. Dempsey in my constituency, to whom I talked last week, they will say that in a falling house market, margins are shaved. Even though it goes against the grain of my hon. Friend's naturally liberal and permissive nature, has he given any thought to whether new clause 1 should be an instruction, rather than a permission?

Mr. Dismore: My hon. Friend makes an important point. I hope that we will come to costs in the second group of amendments. At the risk of straying beyond new clause 1, may I explain that I had tabled another group of amendments that would have changed the permissive nature into a mandatory nature, but regrettably Mr. Speaker did not select them for debate. Obviously I would not criticise Mr. Speaker's selection of amendments, although my hon. Friend may have done so indirectly and unwittingly. A potential problem with my new clause 1, and clause 1, is that if we do not require local authorities to do such things, they might not do them.

Stephen Pound: It is important that I place it on the record—not just for the attention of the House, but because of the ever-present ears of Mr. Speaker—that I meant no such criticism.

Mr. Dismore: I would certainly not question my hon. Friend's intentions in that respect. He made his intervention unwittingly, perhaps having read today's selection of amendments, rather than the full list that I tabled earlier in the week. I would not blame him for that, however, because there were quite a few amendments.

I was talking about the importance of home information packs in relation to new clause 1. For the A to G energy efficiency rating,

"Performance is rated in terms of the energy use per square metre of floor area,"

and energy efficiency is

"based on fuel costs and environmental impact".

The pack will include average costs for heating and lighting, as well as, importantly,

"how to cut costs with energy efficiency measures, such as thicker loft insulation, draft proofing, installation of double glazing, more efficient boilers or even microgeneration".

That entirely squares with the point that my hon. Friend the Member for Battersea made about information and education.

It will be interesting if a local authority that has decided to go down the new clause 1 route pulls together some samples of home information packs—they are produced by the vendor, so presumably an authority could collect them together from estate agents—to see whether there is a general pattern in its area. That relates to the point that I made to my hon. Friend earlier about different areas having different requirements, because of different types of property configuration. A local authority could go round the estate agents and collect a good sample of HIP energy efficiency ratings, which could then inform the level of the requirement that it would like to impose through new clause 1 for insulation. If one street turned out to have a particular problem, the local authority could do something about it. That would be a good way to proceed.

10.45 am

Chris Mole: I thank my hon. Friend for giving way a third time. He has said a lot about the implications for domestic dwellings and made some good points about the relevance of the home information packs. However, new clause 1 refers also to commercial developments, for which no similar mechanism exists. Does he feel there should be one, and has he considered the wider implications of new clause 1, in imposing what could be considered an additional burden on business?

Mr. Dismore: My hon. Friend makes an important point. The Bill as drafted makes no distinction between forms of property—it just leaves the question open. Clause 1 as drafted talks about planning policies in

general terms, but does not refer specifically to domestic or commercial properties, which is something of a lacuna. Without wishing to tread on Mr. Speaker's selection, I should point out that I tabled amendments to draw out that distinction elsewhere in the Bill. If we are going down the route proposed, it is important to make it clear—as my new clause 1 does, but existing clause 1 does not—that we are talking about both domestic and commercial properties.

There is no way that the home information pack could refer to commercial properties—I suppose that it would have to be called a commercial property information pack or something like that.

Stephen Pound: It could be called a CHIP.

Mr. Dismore: Indeed.

Home information packs have been controversial, but their object is to protect the purchaser, to try to reduce the costs of the conveyancing transaction and to speed the process up. The process is different in commercial sales, because people are buying for different reasons and the buildings will be all sorts of different shapes and sizes. With domestic properties, there is Buckingham palace on the one hand and my flat on the other. In between, however, we are talking about a pretty standardised range of properties. A commercial development could mean anything from a shop to a factory or office block. That would make things rather difficult, given the scale of some of those buildings, so I am not sure whether that would be the right route. However, local authorities would be specifically empowered under my new clause 1 to impose insulation requirements on commercial buildings.

I suspect—although I am afraid that I have no evidence for this in the research that I have done for today—that the amount of energy lost through poor insulation in commercial buildings far outweighs that lost in domestic buildings, given their scale and the fact that the workers in them do not necessarily have any incentive to save energy and reduce costs. There may be such incentives for the owners, but not necessarily for those working in the buildings.

It is important that commercial premises should be brought within the ambit of the Bill. When the hon. Member for Sevenoaks responds on new clause 1, perhaps he can say whether clause 1 as drafted is intended to include both commercial and domestic buildings. For the avoidance of doubt, let me explain that I framed my new clause 1 to make it clear that it was so intended.

Stephen Pound: I am surprised at my hon. Friend's comments, because I would have thought that for commercial premises there would be a considerable financial incentive for the operators of the process or the owners of the building to reduce energy costs. Again, it would be a benign advantage in that insulation also means cost reduction. As with electricity consumption, where people try to reduce the amount they use, so in this case they would wish to reduce the amount of heat generated. Surely that would provide a commercial imperative.

Mr. Dismore: My hon. Friend may have misunderstood what I said, or perhaps I did not express myself clearly enough—

Stephen Pound: Probably the former.

Mr. Dismore: Probably the latter. I entirely agree with my hon. Friend's point. The problem is that for huge buildings that may also be old—perhaps dating from the 1930s or 1940s—the cost of insulation, reflecting the scale of the buildings, may be astronomical. My hon. Friend may well be right about making energy savings, but my point related to those working in the building, who have no personal incentive to carry this out. The building owners and the commercial company operating within the building certainly would have an incentive, which is why the new clause gives local authorities the power to make requirements for better insulation in respect of commercial as well as domestic buildings. I wanted to spell it out that I was talking about not only homes but both sides of the equation. That is why I framed new clause 1 as I did—precisely to answer my hon. Friend's point and to ensure that commercial buildings are covered as well.

When I looked at the website of my own local authority, Barnet council, I found that it was rather thin on this aspect. It says that the Home Energy Conservation Act 1995

"places a duty on local authorities to improve the level of energy efficiency in all of their houses by 30 per cent. over 10 years. Since then, energy action areas have been introduced in Barnet to help improve the energy efficiency in the borough's housing in line with the Act".

I suspect that most of that is being provided for through the decent homes grants from the Government. I am afraid that Barnet's local authority does not have a very good record or reputation for attributing where resources come from.

The most important aspect here is regeneration, which has been attempted in respect of three big housing estates in my constituency. The regeneration has been talked about for seven years, but very little has been done. Even if the work on one estate were to start tomorrow, it would probably take, including those seven years, 25 years to complete, yet these homes are woefully energy-inefficient. Bearing in mind the large number of properties on the estates requiring regeneration, I suspect that Barnet council will not meet this particular target.

The building regulations, which we have already discussed, are relevant, as is the standard assessment procedure for the energy rating of dwellings. In Barnet, the national home energy rating is relevant and a minimum standard of eight will be sought. As regards the standard assessment procedure, a minimum rating of 81 or a B rating will be required for new homes. Why it is a B rating, I do not know. Perhaps it is a matter of Barnet doing a bit of backsliding.

To conclude my remarks on this group of amending provisions, I hope that I have set out why I believe insulation is an important part of the equation when we are thinking about local authorities having new powers to deal with energy issues and climate change. We all want measures to be taken to reduce the impact of climate change. The Bill goes a long way towards achieving that, but I think that the hon. Member for Sevenoaks left half the equation out. I hope that my new clause will find favour with him and with the Government. We can then move forward with an improved Bill that deals with both sides of the coin.

Mr. Michael Fallon (Sevenoaks) (Con): It might help if I set out my view of the amending provisions. I am very grateful to the hon. Member for Hendon (Mr. Dismore) for tabling the amendment and new clause and setting out the reasoning so fully that there can be no misapprehension by the House of the strength of the case behind them. Equally, however, I would not want the House to labour on with the apprehension that the amending provisions actually strengthen the Bill in the way that he suggests. I shall explain more fully.

The hon. Gentleman must be right that we need to balance the production side of the legislation in encouraging microgeneration with the energy efficiency side in ensuring that, once generated, energy is used as efficiently as possible. By encouraging more energy efficiency, we should be reducing the amount of energy—micro or macro—that needs to be generated. He is therefore right to ask us to look again at the balance between the production and the efficiency side of the equation.

If we look specifically at amendment No. 11, we find that the insulation standards that the hon. Gentleman wants included in the Bill—it is right that they should be—are already included in it under the energy efficiency standards. The national policies for energy efficiency standards are dealt with under clause 1(7)(c) and the energy efficiency standards with which local authorities can require compliance are dealt with under clause 1(1)(c), so we do not need an additional sub-paragraph (d) to specify insulation standards as a national policy when they are already included in the energy efficiency standards promoted nationally, which must be complied with locally. If insulation standards were not included, I would certainly want to include them, but they are already covered, so the amendment does not strengthen the Bill in the way that he suggests.

On new clause 1, let me first give the hon. Gentleman an assurance on the specific point he raised about the definition of development. It is in the nature of private Members' Bills that we try to get the drafting as taut as possible so that Bills are limited and restricted in their purpose, but I assure him that the references to "development" throughout clause 1 include all development—domestic and commercial—so we do not need to break it down as he does in new clause 1 and distinguish between the two.

Indeed, I gently suggest that making that distinction might weaken the Bill because some developments are neither residential nor commercial—public facilities, for example. The drafting for domestic and commercial instances would add a further lacuna—a term that the hon. Gentleman used—to the Bill. Let me reiterate my assurance that the Bill covers all development—residential, commercial or whatever.

Stephen Pound: That same point occurred to me as I wondered where football stadiums would fit into the Bill. Would the hon. Gentleman consider making his clause 1 even more explicit, perhaps by including a term such as "all", or is he entirely comfortable with the current drafting? It worries me that some people, often ex-employees of local authorities, spend an enormous amount of time finding their way around planning regulations and planning policy statements, so would it not be worth being more specific?

Mr. Fallon: I have made it clear throughout the Bill's passage—the current drafting reflects this—that I am prepared to consider any suggestion to improve it, but I am advised that using the phrase "development" covers all development. Public facilities are a very good example. With a new swimming pool, for example, we would want to be careful to ensure that a proportion of the energy should be generated locally, if possible, particularly in view of the amount of energy that such a facility uses. A local library is another example. I am sure that we could think of a number of developments that were neither residential nor strictly commercial. Let me reassure the House that the current drafting, using the broad term "development", covers all development, whether domestic or commercial.

Chris Mole: Before the hon. Gentleman moves on, does he agree that the new clause, in distinguishing between domestic and commercial, has interesting implications for the new breed of construction, which I call mixed-use development or the live/workspace type of development. Sometimes it is viewed as domestic, other times commercial, because people can live and work in the same space. That would potentially fall outside either of the individual classifications suggested by my hon. Friend the Member for Hendon (Mr. Dismore), and would require yet another classification. Is it not ironic that one of the best examples of such projects is BedZED—the Beddington zero energy development—in Merton, a borough that has been referred to several times already?

11 am

Mr. Fallon: Yes, I think that is the danger of introducing more categories into the Bill—and that danger would be amplified when matters come to appeal, for example through the planning process. The more categories we devise, the more developers can find ways around them when their schemes do not satisfy the planners at the initial stage.

The hon. Member for Hendon is right to ask about the inclusion of insulation standards, and he is entitled to probe the distinction between domestic and commercial. I want to reassure him on both counts, and I hope that, on reflection, he will agree that neither amendment No. 11 nor new clause 1 strengthens the measures, and that it is therefore unnecessary to add either of them to the Bill.

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): I congratulate all hon. Members who have so far contributed to the debate: my hon. Friends the Members for Hendon (Mr. Dismore), for Ealing, North (Stephen Pound), for Battersea (Martin Linton) and for Ipswich (Chris Mole), and particularly the hon. Member for Sevenoaks (Mr. Fallon). He has just made a point on development that I entirely agree with: the terms "domestic" and "commercial" as used in the new clause proposed by my hon. Friend the Member for Hendon would not—to answer the question asked by my hon. Friend the Member for Ealing, North—cover Craven Cottage football ground, whereas the generic term of "development" is far more likely to do so.

It is important at the outset to thank the hon. Member for Sevenoaks for the work he has done to bring the Bill to this stage, and we believe that his

amendments that were agreed in Committee have turned it into a workable piece of potential legislation without compromising its original aims. The Bill is coherent and clear in its application, and it deserves to be supported as it currently stands.

On Second Reading, the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), who has responsibility for housing, said we were not initially convinced that the Bill was necessary. I want to make it clear that we are happy to support the Bill as amended. We recognise the positives that can be taken from placing such a power in primary legislation. The technical amendments debated and agreed in Committee were necessary to ensure that the Bill achieves its intended purpose.

The Bill will sit within the wider package of initiatives that we are taking to tackle the impact of climate change. As my right hon. Friend the Minister for Housing said in Committee, we are introducing a raft of measures that reinforce our commitment to cut carbon emissions.

The Climate Change Bill, the Energy Bill and the Planning Bill all take steps to help us to meet our objectives. The Planning Bill—I was fortunate enough to serve on the Committee—will take action on climate change in the preparation of local plans. Local planning authorities will need to include in their development plans documents and policies designed to ensure that development and use of land in their area contributes to mitigating, and adapting to, climate change. That duty was welcomed by all Committee members.

Our Climate Change Bill, which is currently progressing through Parliament, sets out our plans to tackle climate change over not only the next few years, but the next 50 years. It demonstrates to the world that we are determined to grasp the challenge of climate change.

Madam Deputy Speaker: Order. As we are not yet on Third Reading, but are referring to new clause 1, will the Minister confine his remarks to the new clause and the amendment under discussion?

Mr. Dhanda: I am very happy to do that. I was about to come on to new clause 1, but before I do so I would like to respond to some of the comments made in the debate so far.

My hon. Friend the Member for Hendon talked in some depth about the importance of insulation, and he congratulated the Warm Front grants campaign, which has been very effective in many constituencies throughout the land, including my own. I should also thank the Eaga Partnership Charitable Trust for the work it has done, and mention the good progress made—my hon. Friend mentioned this—in respect of registered social landlords.

Julia Goldsworthy (Falmouth and Camborne) (LD): The Minister's reference to the Warm Front scheme tempts me to rise to my feet. In many rural constituencies that are off the gas grid, that is not just free money, because people are asked to make a significant supplementary payment to ensure that they can have energy-efficient measures installed. It is more difficult for such people to see some of the benefits that the hon. Gentleman and the Minister describe.

Mr. Dhanda: I thank the hon. Lady for making her point, although I do not think she is making a commitment now in the Chamber for additional subsidy. I think that Members of all parties agree that the Warm Front grants scheme is effective and good, and that we all welcome it.

I am grateful to my hon. Friend for introducing new clause 1 and consequential amendment No. 11 as it has given us an opportunity to flesh out some of the issues behind those amendments. He wants to introduce absolute clarity that local policies can cover insulation standards in buildings as opposed to other aspects of energy efficiency, such as the efficiency of appliances. I can also see that the new clause and amendment No. 11 logically fit within the structure of the Bill, but, as the hon. Member for Sevenoaks said, they are unnecessary. The existing clause 1(1)(c) does what my hon. Friend wants, because energy efficiency standards would cover insulation standards as well. It is common sense that any energy efficiency standard in relation to development would be taken to include standards of insulation. Clause 1(1)(c) as currently drafted makes it clear that energy efficiency standards may

"exceed the energy requirements of building regulations."

The energy requirements of building regulations are defined in clause 1(2), which states that they encompass both "energy performance" and the

"conservation of fuel and power."

The relevant section of the building regulations which deal with the conservation of fuel and power—part L—covers insulation by imposing requirements to make reasonable provision to limit heat losses and gains through thermal elements and other parts of the building fabric. Technical details of what would constitute reasonable provision to limit heat losses is given in approved document L. Approved documents are guidance given by the Secretary of State as to how the requirements of the building regulations can be complied with. The approved document includes references to design standards and relevant technical parameters that relate to thermal efficiency and, hence, insulation. Similarly, section 1 of the code for sustainable homes, again supported by the technical guidance, sets out that one of the parameters for achieving the energy performance standards relates to limiting heat loss.

Clearly, the highest level of energy efficiency standards and insulation standards are vital to ensuring that we reduce carbon emissions from homes. We have taken substantial steps on that over recent years. We most recently set out the energy performance standards—measured in terms of emissions of carbon dioxide from the use of the building—in the 2006 buildings regulations. The level set in the 2006 regulations is about 40 per cent. higher than the standard set before April 2002. As part of our policy to achieve zero-carbon new homes from 2016, we have announced that we will progressively tighten the energy efficiency standards in the building regulations over time. We will set a standard in 2010 that will represent a 25 per cent. improvement over 2006, which is the equivalent of the level 3 standard in the code for sustainable homes, and a standard in 2013 that will represent a 44 per cent. improvement, which is the equivalent of the code's level 4.

[Mr. Dhanda]

The achievement of those energy-efficiency standards is not purely about insulation; other aspects need to be tackled, such as lighting, and builders can also use renewable and low-carbon technologies to help achieve the standards. Clearly, however, effective insulation to prevent heat loss is crucial. The Department is working closely with industry stakeholders on the preparation of a consultation document on the detail of the 2010 changes—we plan to publish it for consultation early next year—including changes to the relevant technical standards that define thermal insulation.

I assure my hon. Friend the Member for Hendon that we are driving forward a strong policy on improving the relevant standards. There is unfortunate ambiguity in the drafting of new clause 1, because by referring only to "domestic and commercial developments", it could be construed that it does not cover other types of development—I presume that that is not his intention. That is why the Bill uses the general term "development" instead. For those reasons, we urge him to withdraw the motion and not to press the subsequent amendment No. 11 to a Division.

Stephen Pound: I am cheered to hear the Minister delineate the Government's support for this undoubtedly excellent Bill. I entirely concur, and associate myself, with his comment that the work done—one might call it the polishing—in the Public Bill Committee has produced a better Bill.

A couple of points about the wording slightly concern me.

Mr. Dismore: This point comes back to one that I made at the start of my remarks. The problem with the Public Bill Committee was that it only removed the original clause 1 and inserted a new clause 1—no scrutiny was provided beyond that. Despite what my hon. Friend has just said, my concern is that, in fact, no detailed scrutiny was given beyond simply switching one clause for another.

Stephen Pound: I am grateful for my hon. Friend's intervention. Few Members of this House have delved deeper into the interstices of its procedures than he has, and I entirely take his point. I was not just being polite when I made those comments, because I think the Bill was improved in Committee. It could have been improved even more, but we are all capable of greater improvement.

Certain aspects of the Bill slightly confuse, and possibly concern, me. One is the issue of the permissive versus the mandatory. The hon. Member for Sevenoaks (Mr. Fallon) has deliberately included words such as "may" and "reasonable". People whose will is good will react to those words in a positive way and will seek to match the requirements and aims of the Bill. In the same way, the Mayor of London wishes to have a no-alcohol policy on the tube that will be self-policing. One can rely on the good nature of human beings, but what concerns me is that there are people who will always seek ways around such measures.

I have mentioned former local government planning officers, who seem to work as consultants nowadays. Many of them will be as busy as Jimmy Bullard, as we say in west London, trying to find their way around words such as "reasonable" and around the permissive nature of "may". I can understand that the hon. Gentleman is on the side of the angels. Nobody will ever argue for energy-inefficient buildings or against energy-efficient and locally-sourced materials—I sincerely hope that they would not do so. However, in a commercial world, there will always be people who seek to respond to the squeezing of margins by a reduction in standards. I am concerned that when an expression such as a "reasonable" standard is used, one opens the door to an unreasonable action by a commercial builder who understandably seeks to maximise profit. I see a terrible vision ahead; I see people in the Planning Inspectorate in Bristol sitting there day after day trying to analyse, much as medieval theologians calculated the number of angels dancing on the head of a pin, exactly how reasonable is "reasonable".

11.15 am

Being, if I may say so, a reasonable person myself, I have looked beyond that point and tried to see how the provision could be more tightly detailed. The hon. Gentleman said that one cannot have a completely comprehensive list. That is where new clause 1 comes in, because it details the insulation implications and consequences. Amendment No. 11 implies that the insulation standards would be delineated, and if those provisions were accepted, the Bill would be considerably toughened up. If, by our accepting them, the Bill was not jerry-builder-proofed, we would have gone some way towards reducing any amount of conflict later.

The key point in new clause 1 is its emphasis on insulation. Making provision for energy use and energy efficiency in local plans is obviously the first step, and it is one that will be supported by the hon. Gentleman and the Government, and, I hope, by all men and women of good will. However, that is only half the battle, because even if there is energy-efficient construction, there will still be a need for insulation, and perhaps for additional insulation in areas that we have not even gone into before. Perhaps new materials will soon become available that will provide an even greater degree of energy efficiency through insulation, so we need to include the insulation component. Until recently, the fibres used in loft insulation were not only non-biodegradable, but appallingly sourced and of high energy cost. They may have saved heat loss, but they did so at an enormous cost in the production side of the equation.

Mr. Dismore: My hon. Friend has hit on an important point, because not so long ago asbestos was the main form of insulation and, as we know, it has proved to be extremely dangerous to those installing it, many of whom suffer from mesothelioma and asbestos-related injuries, and to any householder who accidentally damaged it.

Stephen Pound: My hon. Friend is right to see this in the historical context. There was a time when asbestos was seen as the wonder material. I still recall wearing asbestos gloves as a young man in uniform. They were issued to members of the armed forces. We even had asbestos hoods to wear when firing naval weaponry. Some in this House may remember asbestos filters in what were known as flash hoods—things do move on.

I am not implying for a moment that any of the modern insulation materials will have anything like the lethal consequences of some of the shades of asbestos; there were white, brown and blue forms of asbestos. My point is that materials do change. Siân Berry, the Green party candidate to be Mayor of London, spent a great deal of time trying to give away insulation material on the streets of London just a few weeks ago, and she was constantly asked where it came from, whether it came from renewable sources and whether it was created in a low-energy environment.

That is why the point about insulation in new clause 1 is crucial, and I genuinely do not think it detracts from the Bill's substance, thrust or ethos. That is why I support my hon. Friend in introducing this aspect, because it rounds out the process. More importantly, it allows us, by incorporating the expression

"exceed the requirements of building regulations"

to realise that it makes provision in respect of exceeding not only the requirements of today's building regulations, but all building regulations. Therefore, if building regulations are tightened, widened, improved and deepened in time to come, his new clause 1 will enable us always to be ahead of the curve. That is why it is an important new clause.

Chris Mole: Far be it from me to disagree with my hon. Friend, but he has just discussed some of the technological changes in the construction industry, particularly in insulation. Technological developments move apace, and a feature of future construction could be composite materials that have insulating qualities. Is not there a risk in creating an artificial divide between insulation and other construction materials that might have insulating properties? There are probably already some construction materials with insulating properties—some timber constructions could be considered to have insulation built in.

Madam Deputy Speaker: Order. I remind the hon. Gentleman that interventions are meant to be brief.

Stephen Pound: I do not know whether the Thermal Insulation Manufacturers and Suppliers Association employs a parliamentary agent, but I am sure that if it ever needs a voice in the House, my hon. Friend will step up to the plate, as he knows a great deal about such issues. His substantive point is absolutely right. I originally lagged my loft with old Labour party leaflets that I had no further use for, as I had an enormous number of them lying around the house. Whether they were produced from renewable sources in an energy efficient way, I do not know—they were not particularly politically effective at the time—but they certainly kept my loft warm and, I hope, retained heat in my house. Nowadays, the Liberal Democrats provide that service for us; I have several tonnes of Liberal Democrat material.

On new clause 1, we should not miss the importance of having a measure on insulation as an add-on to or component of the Bill.

Mr. Dismore: My hon. Friend the Member for Ipswich (Chris Mole) referred to the materials used in construction, particularly timber. In my constituency, there have been arguments about whether timber-framed buildings should be used. An enormous timber-framed block of flats—I forget how many storeys—was going up opposite the Metropolitan police training college, but it caught fire and rapidly burned to the ground, threatening the training college and the nearby local police station. It was spectacular, but is now being rebuilt in concrete. I suspect that any contribution that it made to energy efficiency was offset by the amount of carbon that was released by that timber disappearing into the atmosphere.

Stephen Pound: There are times when I wake up in the middle of the night in fear that I am in a dreadful Friday morning loop in which we come up with increasingly bizarre possibilities. As I stand in this glorious Chamber that is made almost entirely of wood, I have to ask myself whether I am in any danger. I do not think that I am.

My hon. Friend the Member for Ipswich (Chris Mole) made an extremely important point. Construction material is significant, in relation to energy use and efficiency; I hope that no one would argue with that. The massive increases and changes in concrete technology give us a whole range of new options, but I hope that we will continue to use wood for a great many years. When we think about insulating a building, we still think about traditional loft insulation, double glazing, lagging and insulation within the structure of the building, but the structure itself can be a component of insulation.

When an hon. Member introduces a Bill, even one as well regarded, respected and well thought out as the one before us, people will always seek to add to it. There is a constant conflict between measures being over-specific or far too general. By and large, the hon. Member for Sevenoaks has struck a good balance, because he has set a target and, by presenting the Bill, he has sought to give local authorities the power to include and incorporate that target in their plans. The way in which he has done that allows a structure to exist without it being over-detailed. However, new clause 1 and amendment No. 11 would add to it. They would not limit or handcuff the free spirit that is inherent in the Bill, but would aim and direct it a little more.

Martin Linton: Does my hon. Friend agree that a new clause allowing local authorities to exceed the insulation guidelines would be of great benefit to owner-occupiers? My constituent, Mr. Healey, has raised this issue with me. He feels that the value of the insulation that he has installed in his house is more likely to be realised, when he sells his house, if he can point to insulation standards that he has met that have been set by his local authority. The very act of setting higher insulation standards as technology improves would allow people who have wisely installed insulation to those standards to be sure that they could recover the value when they sold their houses.

Stephen Pound: My hon. Friend makes an extremely important point, which is relevant to home information packs, although I do not wish to rehash the whole argument that we had on those. His point chimes with mine, in that, by and large, we tend to seek examples of good practice that have commercial benefit. I

[Stephen Pound]

remember visiting a property in a place called Hangeland, in Norway, where they use a commercially driven system of heat insulation, not just because that is environmentally correct, but because it is an advantage to do so in that part of the world, where there is a huge fiscal advantage. That advantage will inevitably roll on when such properties are sold.

As my hon. Friend the Member for Hendon (Mr. Dismore) said in his well-received contribution, we must consider, in the drafting of new clause 1, those who are not owner-occupiers. I understand the point that my hon. Friend the Member for Battersea (Martin Linton) made, but a huge number of people would not be affected—those in the rented sector. As my hon. Friend the Member for Hendon said, many of them, although they might not be in the poorest categories, might have a propensity to find themselves in fuel poverty and in poverty generally. By making the Bill more specific and mandatory, new clause 1 would widen its remit and assist such people. We know that the Bill is for good people. If one is building a new home, one would see the advantage of this idea. Even some of the most antediluvian councils in the land—there might be one or two left that instinctively oppose such measures—would see an advantage, if not for the planet in the medium to long term, but for the pocket in the short term.

I am concerned about the people who are excluded, and new clause 1 and amendment No. 11 go some way towards extending the remit and benefits of the Bill. I was going to say that they extend the sunshine of the Bill to such people, but I should say that they extend the energy-efficient sunshine of it. The measures are therefore worthy of consideration. I am cheered, as I always am, by the words of my hon. Friend the Minister, who has studied the Bill with great effort and has made some extremely supportive comments. It would not be entirely inappropriate for us to extend the remit of the Bill and tighten, focus and direct it by accepting new clause 1 and amendment No. 11.

Mr. Dismore: We have had an interesting discussion. The objections to new clause 1 seem to be about whether energy efficiency standards, as provided for in the existing clause 1, would encompass insulation, and about whether the new clause would somehow weaken the Bill by referring specifically to domestic and commercial development. On the first point, energy efficiency standards go way beyond just insulation, and it is sometimes better to spell these things out in legislation, rather than allow them to be inferred or implied. The Bill is somewhat general in its expression of these matters. I have seen, through my work on the Joint Committee on Human Rights, how important it is to spell out what is meant in legislation. There is nothing in my new clause that would take anything away from clause 1(1)(c). It would supplement it; it would not take away from it.

11.30 am

It has been suggested that my new clause would weaken the Bill by ensuring that it referred in terms to domestic and commercial development. I certainly take the point made by the hon. Member for Sevenoaks (Mr. Fallon) that commercial and domestic development would not include the construction of a new football stadium or other public buildings. I take the point that I might have been a little too narrow in that regard, but the new clause would not weaken the Bill because it would add to it rather than take anything away. Clause 1 would stay as it is, leaving open the question of what kind of development we are talking about—personally, I would prefer to see that spelled out in the Bill—but new clause 1 would provide an additional requirement that focused specifically on commercial and domestic developments. If the Bill were to go to another place, and if my new clause found favour, that particular problem could be put right.

However, I have listened to what people have said, and we have had a useful debate on this issue. If the Bill goes to another place, some of my comments might be taken into account there and a more tightly worded amendment could be tabled at that stage. On that basis, I beg to ask leave to withdraw the motion.

Hon. Members: No.

Question put and negatived.

New Clause 3

MICROGENERATION

'When exercising its discretion under section 1, a local planning authority shall consider the desirability of increasing the extent of microgeneration in its area.'.—*[Mr. Dismore.]*

Brought up, and read the First time.

Mr. Dismore: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following:

New clause 7—*Local supply*—

'When setting the proportions of energy from renewable sources and low carbon sources under section 1, a local planning authority shall take into account the availability of local supplies of such energy.'.

New clause 8—*Costs of renewable energy*—

'When exercising its discretion under section 1, a local planning authority shall take into account—

(a) the cost of energy from renewable sources,

(b) the cost of energy from low carbon sources,

(c) the cost of energy generation,

(d) the cost of compliance with its proposed energy efficiency standards,

(e) the impact on the provision of affordable housing in the local authority area.'.

New clause 9—*Consultation*—

'When exercising its discretion under section 1, a local planning authority shall consult local businesses, house builders, residents' organisations and social housing providers before settings the requirements permitted by section 1.'.

Mr. Dismore: A range of subjects are grouped together here incorporating a series of new ideas that the promoter of the Bill ought to consider. One of the problems with clause 1, as it is presently framed, is that it refers to

"energy from renewable sources in the locality of the development".

Nowhere does it set out what the renewable sources are meant to be or, more importantly, what is meant by "locality". Paragraphs (a) and (b) of clause 1(1) refer to "locality", while paragraph (c) says "in their area",

which could cause complications when considering renewable sources, and in considering where energy comes from and what the cost will be. The new clauses try to fill some of the gaps in the Bill.

New clause 3 deals with the desirability of increasing the extent of microgeneration in a local authority's area. I refer here to "area" rather than to "locality", because "locality" is such a vague word. It could mean a place within the boundaries of a local authority, within a neighbouring local authority or within a region. The Bill needs to be more specific.

Following on from that, we need to look at the question of microgeneration. The Government have done a great deal to encourage microgeneration. There are two phases to the microgeneration support scheme. Householders can apply for grants of up to £2,500 under phase 1 and, from April this year, under phase 2, commercial bodies and those in the voluntary sector are able to apply for 50 per cent. of the cost of installing microgeneration technology.

If we look at the website of the Department for Business, Enterprise and Regulatory Reform, we see that the Department is running the microgeneration scheme and that it wants to see significant improvements, as we all do. The microgeneration strategy was launched in 2006 with the objective of creating the conditions in which microgeneration becomes a realistic alternative or supplementary energy generation source for the householder. Phase 1 of the scheme allowed householders to apply for grants of up to £2,500 per property towards the cost of having a certified product installed by a certified installer. It is managed by the Energy Saving Trust.

Phase 2 of the low-carbon buildings programme allows organisations to apply for the 50 per cent. grants. Those organisations can include schools, hospitals, housing associations and local authorities, as well as charitable bodies. There is always a question of whether enough money is being set aside for these projects, but it is expected that funds are already committed through to mid-2009.

A lot of information is available about the scheme. It was reported that, by early 2007, the domestic scheme, as it then was, was oversubscribed on the first day of each month. I was therefore pleased when the Chancellor increased the amount available for the householder scheme to £18 million in last year's Budget. The reforms to the scheme that came into force at that time were important. They spread the money a little more thinly across individual grants, but that meant that many more people could qualify for them.

Wind systems could qualify for up to £2,500, while solar water heating systems attracted a grant of £400. Ground source heat pumps were eligible for a £1,200 grant. So quite a lot of money is available from central Government to encourage microgeneration. What we are looking at here is the desirability of encouraging microgeneration through a local authority in its own area. A key issue is planning consent, which is what the Bill is all about. We need to determine what a local authority can do to encourage the provision of renewable energy and, in the context of the new clause, of microgeneration.

Last year, the Government published a consultation containing detailed proposals for permitted development of domestic microgeneration within properly considered, pre-defined limits. I am sure that all of us have known cases of constituents who have wanted to put a windmill on their roof but have been refused planning permission by the council.

Martin Linton: Is my hon. Friend concerned that some local authorities might not be as progressive as Merton, for example, and might take a negative attitude towards imaginative microgeneration schemes that householders or developers might want to install?

Mr. Dismore: My hon. Friend makes an important point, and it explains why I have phrased new clause 3 as I have. In our debate on the previous group of amendments, we talked about permissive powers for local authorities. New clause 3 contains a mixture of the permissive and the mandatory. It states:

"When exercising its discretion under section 1",

which is permissive,

"a local planning authority shall consider the desirability of increasing the extent of microgeneration in its area."

I have tried to square the circle by saying that, if a local authority is going down this route, it must take into account the need to increase microgeneration in its area.

Microgeneration is not a complete panacea for the problems that we are talking about in the context of the Bill. There is always a problem, for example, about the noise created by wind turbines, and they can also be pretty unsightly and rather big. We therefore have to ensure that conservation area status is protected, while at the same time trying to strike the right balance. The original consultation by the Government suggested that local authorities would retain the right to restrict planning permission in cases where the benefit of the technology was questionable.

Martin Linton: Is my hon. Friend aware that some local authorities have been prejudiced against wind turbines, even when there is no noise problem and even when they are in the middle of the North sea? Those authorities have taken an almost dogmatic attitude against the use of wind turbines, although the purpose of my hon. Friend's new clause—and, indeed, the Bill—is to encourage them.

Mr. Dismore: My hon. Friend makes an important point. The giant wind turbines on the offshore wind farms are entirely different from what we are describing in the Bill, but he is right; I know from my own case load of a couple of cases that have arisen in the past few months in which people have applied for permission to install a wind turbine on their roof and been turned down by Barnet council. I have not seen the full details, or the rationale for the decision; the applications have simply been turned down.

There is an argument that domestic wind turbines are not particularly cost-effective, unlike slightly bigger turbines. For example, St. James's school in my constituency has put up its own wind turbine, which has proved very effective in providing energy for the school. The school also sells back to the grid some of the energy that it does not need. It has been able to make that turbine an effective item. There is a question about whether domestic wind turbines will ever achieve

[Mr. Dismore]

the payback that is claimed for them. Of course, other forms of microgeneration go beyond that and we need to see what local authorities can do to encourage microgeneration in their areas.

Let me move on to new clause 7. Clause 1 permits a local authority to set requirements for a proportion of energy to be provided from

"renewable sources in the locality of the development."

It is not clear to me whether

"the locality of the development"

refers to where the electricity is coming from or where it is being used. That is an ambiguity that needs to be resolved. I have assumed for the purposes of new clause 7 that the intention is that the renewable source itself should come from somewhere in the locality of where the development occurs.

Mr. Dhanda: My hon. Friend will be aware that there was some debate in Committee about the definition of the word "local". Does he have a view on what local means?

Mr. Dismore: This is a serious problem. I can understand why the word "local" is used in this context, because a development on a local authority boundary could want energy supplies from the neighbouring council's area, just over the frontier. If one referred to a "local authority area" in that context, that might not achieve the intended objective. On the other hand, the problem with defining the word "local" is that it is the same as asking, "How long is a piece of string?" It makes things difficult. I have used the words "local supplies" in new clause 7 to mirror the construction of clause 1. The definition is vague and ought to be considered when the Bill goes elsewhere, assuming that it does. My hon. Friend the Minister might be aware that I tabled amendments to try to flush out the problem by deleting those words, but they were unfortunately not selected for debate, so I am a little constrained in how far I can argue that particular point. He has highlighted a problem with the Bill, but as those amendments were not selected we will not be able to debate it at length today.

What do we mean by local supplies? In general, if we are talking about renewable energy across the board, all council areas have access to renewable energy if they agree to sign up to a green tariff with an energy company and are prepared to pay for it. It is not cheap, although that obviously depends on the supplier. If a local authority wanted to go into microgeneration and supply its own energy, it could build a small microgenerating power station, for example for a housing estate. I have already mentioned the tiny one that has been built by a school in my constituency. Such a development could provide heat and light for homes in the local area. Indeed, any excess could be sold back to the energy companies or the national grid. There are examples of good practice where that has happened.

The real problem with the Bill is that we do not know what local means in this context. The Government have set a target of generating 10 per cent. of all electricity from renewable sources by 2010, mainly by requiring the electricity companies to provide for green energy generation. As we know, progress has been slow compared with what we would all like to see.

Some local authorities have been doing the work themselves, and a trawl through the internet has produced some interesting examples. Woking council—I am not making a party political point—proclaims itself as the market leader in this respect. Its website talks about local sustainable energy systems, and its approach is

"to supply customers on private wire combined heat and power (CHP) networks as well as implementing energy and environmental services in both the public and private sectors",

working in

"partnership with the private sector".

The council claims to be the first UK authority to have adopted a comprehensive climate change strategy. I am sure that many others would argue the toss about that. Ultimately, the proof is in the pudding.

11.45 am

The Nottingham declaration involved a number of local authorities that came together in partnership to decide how best to support one another in taking action to adapt to the impact of climate change and reduce carbon emissions. Some 200 local authorities signed the Nottingham declaration, but signing a declaration is not the same as doing something, which is why new clause 7 is important. It would achieve something.

In London, through the London Development Agency, we have seen progress through the setting up of the London Climate Change Agency, which is a municipal company owned by the LDA. Until the last election, it was chaired by the Mayor. Whether the new Mayor will decide to chair the agency along with the Metropolitan Police Authority, alongside all the other things he intends to do, remains to be seen. Obviously, that will be a test of his commitment to these issues—but I digress.

The LCCA has set up a joint venture energy services company or ESCO to develop decentralised energy schemes for London. It designs, finances, builds, owns and operates local decentralised energy systems for new and existing development. It was established as a private limited company. The LCCA has a 19 per cent. shareholding while EDF, the commercial partner, owns 81 per cent. That is a way in which a local authority can do something about the need to improve on renewables and to look at the local production of energy. The fact remains that when we talk about green electricity, so long as the premium is paid there should be no limit for domestic use. The fact is that it is more expensive. The data on installations in social housing put the costs of solar water heaters, for example, at £600 per dwelling. It can be quite an expensive operation.

In new clause 7, I am questioning the meaning of clause 1. In practice, green energy will come from the power companies through the grid. It is unlikely to be produced locally except through microgeneration schemes. Whether a microgeneration scheme will produce enough electricity beyond the immediate requirements of the people who have installed it is another matter altogether.

Martin Linton: Is my hon. Friend aware that by encouraging local authorities to take part in microgeneration and in generating electricity locally, he is reverting to something that happened in London more than 100 years ago? Battersea borough council pioneered the setting up of local power stations long before power was taken over by such huge things as Battersea power station, which supplied huge areas very inefficiently. Returning to the original idea of locally generated power is seen as a very progressive move.

Mr. Dismore: My hon. Friend makes an important point. I suspect that when Battersea council first set up its own generating systems, it was using rather dirty coal technology.

Martin Linton: Sadly, yes.

Mr. Dismore: My hon. Friend makes that remark, but one can hardly criticise the municipal fathers of 100-odd years ago for not having foresight about what might happen through climate change because of the use of coal-fired power stations. Unfortunately, we now know what the consequences were. My hon. Friend is right. We need to think about whether local authorities can take the initiative in building their own microgenerating power stations, whether they use wind turbines or some other method.

New clause 7 tries to square the circle with clause 1, because it is open to question whether somebody who has already set up a microgeneration system would be able to provide enough power to fuel another construction. I have some problems with the way in which clause 1 is framed, and new clause 7 is an attempt to resolve those problems.

New clause 8 is probably the most important in the group. It tries to get to the bottom of what we are talking about. It addresses the costs of what the Bill will expect people to do. The issue is not the cost to the local authority, but the cost that a local authority will impose on new developments in its area. If new developments are to be required to use renewable or low-carbon sources, or to generate their own electricity, a price tag will be attached. Likewise, if they have to comply with energy efficiency standards, on insulation or anything else, that also has a price tag attached. Especially in the context of domestic developments, that price could have an impact on the provision of affordable housing in a local authority area.

If we require developers to do x, y or z, over and above the ordinary building regulations or planning requirements, they may say that they will not include the 50 per cent. of affordable homes required under other planning policies, because that would no longer be cost-effective and they could not make sufficient profit. Or developers might argue for a relaxation of the threshold for the number of properties before the 50 per cent. rule kicked in. That assumes that we will still have the 50 per cent. rule in London, as the newly elected Mayor has made a commitment to abolish it.

My concern underlying new clause 8 is the impact of the Bill on housing supply, locally and city-wide, and on Government targets. If we make development too expensive, developers will not build new houses. Solar power, for example, can cost at least 10 times as much as power from conventional sources and is relatively inefficient, as has been found even in Australia, the land of sunshine. More generally, renewable power costs are two to three times those of conventional sources, which can put them beyond economic viability. The cost of an energy-efficient home can be between 40 per cent. and 50 per cent. more. It may be cheaper in the long run, but a £7,800 heat pump will take 15 years to pay for itself, and solar panels that cost £4,500 will take 37 years. Built from scratch, a zero-carbon home can cost some £30,000 more than a normal house, based on current technology prices.

Martin Linton: Does my hon. Friend agree that it is in the long-term interest both of the developer and of the prospective householder that a long-term attitude is taken from the start? Has he not studied the pioneering work that has been done in Sweden on imposing high standards of sustainability on house builders? Such work may take 30 to 40 years to pay off, but it is in the interests of everybody in the long run.

Mr. Dismore: I have not studied Sweden, and I know that it is one of my hon. Friend's special subjects, so he is far more informed on it than I am. I wonder, however, whether Sweden has a chronic housing shortage like ours, and how long people there have to wait for a new home. I take his argument that we have to spend more on building new houses as an investment in the long-term future, but if the result is to make the cost of building a new home prohibitive for first-time buyers or social landlords, so we do not build the homes that we need, people will be in desperate housing need for longer. If Sweden has the same housing shortage as we do in London, I will accept his point. If, however, Sweden does not have a problem with housing supply, I can understand why it takes the approach that it does. If it had the same housing problems that we do, it might have adopted a different approach.

Martin Linton: Sweden does not have the same housing shortage as we do, although it does have a housing need, and that is a result of Government policies over the decades that have ensured that the housing supply remains in touch with demand. If we have not done that in this country and, in the process, have raised the price of existing houses, the lesson is that we should have more Government action to ensure the supply of housing at whatever level would overcome our problems.

Mr. Dismore: I agree with my hon. Friend, but it is a case of the chicken and the egg. The problem is that we have a housing shortage. Should we make that harder to resolve through these measures or not? In an ideal world, we would deal with both issues, but we do not live in an ideal world, so I am concerned about the potential impact of the Bill. In many ways, Sweden is a much better society than ours, buts its population is smaller and more cohesive for a variety of reasons.

New clause 8(a) and (b) mention

"the cost of energy from renewable sources"

and

"from low carbon sources".

It is therefore important to tell the House what the price differentials for customers can be. They vary from company to company and from region to region.

[Mr. Dismore]

British Gas has three tariffs, and the additional costs for a typical consumer vary from between £20 and £84 a year. Scottish and Southern Energy told me that a typical consumer would pay some £19.50 a year more, E.ON said it would be some £17 and EDF Energy said that it would be £14 more on one tariff and £44 on the other. One wonders why anybody would want to be on the second tariff, but presumably there is a reason. In any event, there are cost consequences for the homeowner from the requirements of the Bill. That information was provided by Energywatch.

The costs of generation are also greater. Average generation costs will give the House some idea. Onshore and offshore wind generation costs between 1.2p and 4p per kWh above conventional generation costs. That includes the emission trading scheme. Offshore wind alone can cost between 30 per cent. and 90 per cent. more. So when it comes to the cost of microgeneration, whether in a local authority scheme as we discussed earlier, or to the consumer, the Bill has a price tag attached. We have to consider on Third Reading whether the country is prepared to pay that price, insofar as the Bill affects new developments.

Mr. Dhanda: We all have energy consumption on our minds at the moment as it is so cold in the Chamber—

Madam Deputy Speaker: Order. May I reassure the Minister that I have asked for that matter to be addressed?

Mr. Dhanda: I am grateful to you, Madam Deputy Speaker, and I am sure that the rest of the House is, too.

New clause 8 would require a local authority to take into account the cost of energy from renewable and low-carbon sources. Is my hon. Friend the Member for Hendon (Mr. Dismore) referring specifically to the costs incurred by a local authority or, perhaps, to the on costs for those letting a property?

Mr. Dismore: New clause 8 deals with a series of costs. I referred to the cost of energy generation, whether that is microgeneration or related to the wider question of generation. There will be costs to the consumer living in the house, which could be up to £84 a year for green energy, but will probably be more like £20 a year. Costs will be involved in providing insulation, or whatever.

12 noon

The costs to local authorities would be those involved in policing the mechanism. I suspect that those costs would be significant and additional to the normal cost of building control. More importantly, however, if local authorities adopt the policy themselves and say, "Don't just do what we say; we're going to do it ourselves," they will face additional costs when they buy, renovate or develop buildings for their own purposes. If we consider social housing, which is now more likely to be the direct responsibility of a social landlord than of a local authority, the costs could be very significant. An indirect cost could then come back to the local authority owing to the cost of homelessness and overcrowding, and all the social consequences that flow from that.

The most direct costs are those to the consumer and constructor of the new building and those incurred through the generation itself—the costs of the mechanisms. However, there are also wider costs, which are pulled together by subsection (e) of the new clause as

"the impact on the provision of affordable housing".

A range of costs would flow from the Bill.

Mr. William Cash (Stone) (Con): While the hon. Gentleman is engaged in his filibuster, I hope he appreciates that my grave concern about foreign nationals statistics relates to a matter of great importance that affects overcrowding—

Madam Deputy Speaker: Order. I am afraid that the hon. Gentleman is out of order. We are discussing new clauses.

Mr. Dismore: Thank you, Madam Deputy Speaker. I object to the hon. Gentleman's suggestion that I am engaged in some sort of filibuster—I am not. The Bill received minimal scrutiny in Committee, so it is important for it to be properly scrutinised and discussed now. There was no consideration whatsoever in Committee of the costs involved in bringing the Bill into effect. I am not saying that society as a whole should not meet those costs, but if the House is going to pass the Bill, it should be aware of what the costs are, so it is appropriate that I take a little time to set them out. If I was out of order and filibustering, you would be the first to stop me, Madam Deputy Speaker, because that would be against the rules of the House, of which I am well aware, although the hon. Gentleman is not.

My point about the costs of construction flows from the intervention made by my hon. Friend the Member for Battersea (Martin Linton). On the basis of information that I have received from the Parliamentary Office of Science and Technology, it appears that the additional building costs for a zero-carbon home, compared with a typical house, would be in the region of £35,000 to £55,000. The source of that figure is a December 2006 article on thisismoney.co.uk. A report for the Renewables Advisory Board estimates that the additional costs for a new development in 2016 would be an average of £6,000 a dwelling in a new development, with the figure ranging from £1,000 a dwelling for flats in a large-scale rural development—the hon. Member for Falmouth and Camborne (Julia Goldsworthy) will be glad to know that we are not going to forget rural developments—to £13,000 for houses in small developments. The process would thus be quite expensive.

The BBC recently reported that the first zero-emissions home had been unveiled. The house, which was produced by a company called Kingspan, was the first that had been designed to achieve level 6 on the code for sustainable homes. It was trumpeted that the house's annual energy bill would be only £31, compared with £500 for a standard new home of that size. So there is a saving, through smart metering and so forth. However, the company had to admit that the building cost was 40 per cent. greater than that for standard homes.

If we are to impose those standards on developers through clause 1, the hon. Member for Sevenoaks (Mr. Fallon) needs to be aware of what the impact on development will be. If it will mean that every new home will cost 40 per cent. more, I suspect that there will be 40 per cent. fewer new houses as a consequences—well, the maths does not quite work out, but he gets the point. I have dealt with the issue of the Renewables Advisory Board, which gave an estimate of up to £13,000.

Stephen Pound: My hon. Friend touches on an extremely important point that was alluded to earlier. Does he agree that although the home owner may well be prepared to accept a green premium, as it would add to the value and the resale potential of the property, people who provide affordable housing through registered social landlords or informal mechanisms would be disincentivised by the measures? Does he feel that there is a role for central or local government support, and that some additional fiscal mechanism could be brought into play to prevent the problem from occurring? It would be disastrous if a good Bill ended up not helping people to get the homes that they want and deserve.

Mr. Dismore: My hon. Friend makes an important point. Amendment No. 12, which we will discuss after this group of new clauses, suggests that we be a little more flexible about the commencement date so that we can take account of such matters, and can consider whether we are ready to introduce the mechanisms straight away, or whether they would have the unintended consequence of reducing housing supply. That is an important consideration.

There is no doubt that new construction offers the opportunity to pump-prime new on-site technologies and develop cost-effective systems, particularly in urban areas, where we will potentially be developing at much higher densities. In Mill Hill in my constituency, we are considering a major development of about 2,500 homes, according to the latest tally, on the former Ministry of Defence site at Inglis barracks. My hon. Friend may be familiar with the site, as the British Forces Post Office has just moved from there to a site in the general direction of his constituency or a little bit beyond it, near Northolt. The point is that as part of the overall plan for the area, we were trying to see what could be done to make the development much more energy-efficient. That is the right way to go, because it is much easier to ensure energy efficiency in major, large-scale new developments than in small-scale developments.

The Parliamentary Office of Science and Technology told me that in general terms the cost of building an energy-efficient home is £1,500 per sq m; for a normal, or non-energy-efficient, home, the figure is £1,000 per sq m. The best example of what can be achieved is the result of the challenge set by the former Deputy Prime Minister, my right hon. Friend the Member for Kingston upon Hull—I forget what bit of Hull he represents—

Stephen Pound: East.

Mr. Dismore: I thank my hon. Friend; I am talking about my right hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott). He set companies the challenge of building a £60,000 house that would meet eco-standards. A German company was able to do it by making all the parts of the house in a factory and putting them together on site. Apparently, that is called an MMU. I do not know what MMU stands for. *[Interruption.]* I think the first letter stands for "modular" and the last for "unit".

Of course, the suggestion is that prices will drop as demand increases. As we have mentioned, an energy-efficient house works out rather cheaper in the long term. The Government are now encouraging that modern method of construction, or MMC—an MMU must be a "modern method unit"—which they think can achieve a step-change in the construction industry. That method involves prefabricating houses in factories. The potential benefits are faster construction, fewer defects and reductions in energy use and waste—or so it is claimed. Hon. Members may be aware of the old prefabs that were put up after the second world war to meet the housing crisis; they were far from doing any of those desirable things.

Chris Mole: A business in my constituency used to engage in the off-site fabrication of housing components, which could have high specifications for thermal insulation, acoustic insulation and all the other desirable features to which my hon. Friend has referred. It lacked the drive from the registered social landlord sector to get the business that it needed to sustain its activity on a long-term basis, and it has unfortunately had to consolidate its activities into the constituency of my hon. Friend the Member for Livingston (Mr. Devine).

Mr. Dismore: My hon. Friend has made an important point, and clause 1 can provide the answer. If we can get the right scale of development in the first place, the cost will come down and the proposition will become more attractive. Clause 1 addresses the requirements set by local authorities. If a local authority were to say to a registered social landlord, "We want you to build these new houses in a mixed development working with a commercial house builder," which is the trend these days, the volume of orders to the company mentioned by my hon. Friend would increase and the price would decrease. The Parliamentary Office of Science and Technology has pointed out that as the technology and the ability to produce such things develop, so costs will come down and the proposition will become more appealing.

Stephen Pound: I was initially reluctant to intervene on my hon. Friend because, following an earlier intervention, I have received a number of messages pointing out that the anti-flash hoods worn by young matelots in the Royal Navy did not contain asbestos—they contained some other foul chemical that was incredibly scratchy and very unpleasant, but it was not asbestos. Is my hon. Friend seriously suggesting that off-site fabrication is the solution to energy inefficiency? We have been here before, and we have had industrial building systems methods and a range of off-site fabrication methods, but unless we consider the totality of construction and energy efficiency at the production, construction and occupation phases, we will not address the issues raised by global warming, climate change and energy inefficiency.

Mr. Dismore: My hon. Friend is right. As I have said, one must be sceptical about prefabrication—it may have a new name, such as MMU or MMC, but ultimately it is prefabrication. The question is whether it will produce quality homes. I have mentioned the prefabs that were erected immediately after the second world war. As a young boy, I had a friend who lived in one, and they were not nice houses or substantial constructions. Many of the blocks erected in the 1960s were built from prefabricated units, and we currently face the problem of knocking them down and starting again.

The question is whether standards of prefabrication have significantly improved to enable such houses to be built effectively. I did not see the £60,000 house that the German company put together, so I do not know whether it had lasting qualities, but some new houses that are built on site—we all have such private sector developments in our constituencies—have all sorts of construction problems. I have received all kinds of complaints about houses that were built by companies that are household names. In those cases, even though the quality of the construction is covered by the house builders' guarantee, the construction is not as good as it should be. There is a general question about standards—ultimately, you pays your money and you takes your choice. If we can use that mechanism to produce affordable, energy-efficient, high-quality houses, it must be welcome. However, that is a big if, and my hon. Friend was right to raise that point.

While MMC is less expensive than traditional methods, some house builders have suggested that the costs are 7 to 10 per cent. higher. Such construction methods may well enable properties to be built more quickly than would otherwise be the case through standardisation, and if we are going to try significantly to increase housing supply, they may provide one of the answers. The building regulations set minimum performance standards, which may well be a way of resolving the issue.

12.15 pm

Chris Mole: I warn my hon. Friend that the residents of Inverness road in my constituency would caution him against a general criticism of post-war prefabricated buildings, because they are very fond of their homes. My point in raising the work of the business formerly in my constituency was that the kind of standards to which it was working—particularly given its use of computer-aided design and manufacture—deliver exactly the gains in production quality and speed that he is speaking about.

Mr. Dismore: I certainly would not want to criticise the homes in my hon. Friend's constituency; I was referring to houses that I knew as a boy a long time ago in east Yorkshire.

Mr. Cash: You should have stayed up there.

Mr. Dismore: Obviously, the methods have developed since then.

Madam Deputy Speaker: Order. Will the hon. Gentleman now confine his remarks to the new clauses?

Mr. Dismore: Of course, Madam Deputy Speaker; I am not sure how that digression started.

Stephen Pound: I willingly drag my hon. Friend back from east Yorkshire, although some in the House may wish that he was heading in the opposite direction. In the context of my hon. Friend's comments on new clause 8, is there not a fundamental dichotomy at the heart of the Bill? It is almost a case of, "Make me good, but not yet." There is no point whatever in having energy-efficient homes if people do not want to live in them or if they cost too much. Prefabs are very popular; Baird avenue in my constituency was built before the war and it is very popular.

Madam Deputy Speaker: Order. Once again, the hon. Gentleman is making a lengthy intervention.

Mr. Dismore: I am grateful to my hon. Friend, who has made a good point. Most people would like to live in an energy-efficient house; I would be surprised if anybody did not want to, as fuel bills would ultimately be cheaper, year by year. The problem is the capital cost: people would like the revenue savings, but not the initial capital cost. New clause 8 is getting at whether we can somehow square the circle; subsection (e) is about

"the impact on the provision of affordable housing",

which is ultimately the acid test. If the consequences of the Bill are that we cannot provide the same level of affordable housing, that would be serious.

Stephen Pound: To follow on from that point, I should say that I am becoming more attracted to the original wording. I drive a car that is propelled by liquefied petroleum gas, but I had to pay a couple of thousand pounds extra for that. I was able to do that, but people who cannot will not get the benefits involved. Is not the more permissive nature of the original wording a method of addressing that problem?

Mr. Dismore: It is not an either/or situation. The fact is that the original wording will stay; new clause 8 is a supplement, not an alternative, to clause 1. Clause 1 sets out what a local authority may require developers to do; new clause 8 says that the local authority, in using its discretion to set the new requirement, ought to bear in mind the costs—to the consumer, the house builder and the wider society through the impact of a possible reduction in affordable homes—of doing so. We can have both wordings. All I am saying is that local authorities should set the requirement with its eyes open, and in such a way that local people are aware of the consequences. That would ensure democratic accountability.

Earlier, I mentioned the problems of fuel poverty. I will not go through the costs of energy for the consumer in detail again; I simply remind the House that 2 million UK households are in fuel poverty. If the consequence of this policy is that their fuel bills will increase by £20 a week—potentially by more, given increasing energy costs—that will do nothing to alleviate fuel poverty. It will simply make it worse. We have to take that factor into account. By imposing these new requirements, the hon.

Member for Sevenoaks could reduce the cost of energy to people in fuel poverty, so that is an argument in his favour.

Ultimately, however, we have to consider the impact on housing supply. In my constituency, we have some 13,800 families in desperate need on our waiting list—the fourth highest figure in London. That includes nearly 2,500 families in temporary accommodation looking for transfer. Last year, Barnet, to its shame, provided only 666 new homes, of which only 58 were for rent and eight for intermediate sale—only 10 per cent., the worst record in the whole of London except the City, which is a special case.

Mr. Cash: Is the hon. Gentleman aware of how many of the people he mentions are foreign nationals?

Mr. Dismore: I think that very few, if any, is the short answer to that, bearing in mind that under immigration law, as I recall it, most foreign nationals, unless they are in extreme circumstances, are not entitled to social housing.

Stephen Pound: Does my hon. Friend agree that it matters not whether a person is called Konchesky or Stalteri, and that what matters is the home that they need, not their origins?

Mr. Dismore: My hon. Friend makes an important point. However, the rules would show that most foreign nationals are not entitled to access to social housing anyway.

Madam Deputy Speaker: Order. I suggest that the hon. Gentleman confine his remarks to the content of his new clause and not be diverted away from that.

Mr. Dismore: I try to treat interventions as seriously as I can, Madam Deputy Speaker, so thank you for protecting me from any more that are not relevant to the issue.

Last year, only 10 per cent. of new homes in my constituency were affordable—the worst record in London. If we include properties that were brought back into use, which my hon. Friend the Member for Battersea talked about earlier, the figure reduces to only 8 per cent. If the costs of housing development go up dramatically—say by 40 per cent., as some have suggested—that could have a significant impact on the ability of the London borough of Barnet to deliver the affordable homes that it has so far shown itself to be unable and/or unwilling to deliver.

I am sure that the hon. Member for Sevenoaks does not want a reduction in affordable housing to be a potential consequence of his Bill. Perhaps he could indicate how much impact he thinks the additional costs on a local authority that would flow from new clause 1 would have on affordable housing. We are trying to achieve two desirable objects—reducing energy consumption or using energy from green sources and, at the same time, doing something about the housing shortage in my constituency, in London, and more generally across the country. He needs to consider the price tag of his Bill for a local authority considering whether to impose requirements that go beyond the national requirements. It is good to do green things, and his Bill is a good thing—we all agree on that, I hope—but we must look at the other side of the equation. Local authorities would be given these powers and told that they could impose better standards—a good and desirable thing—but they could get carried away by the great achievement of greening their borough and not think what the longer-term consequences might be.

New clause 9 suggests that when a local authority decides to exercise its discretion there should be maximum consultation. I hope that the hon. Member for Sevenoaks will not object to new clause 9 when he responds. If we are in the era of consultative government, it is essential that people who will be affected by decisions are consulted about the consequences of those decisions. First, we need to consult local businesses and house builders, because they will be directly affected if they are expected to meet higher standards. Residents associations and social housing providers also ought to be consulted, for the reasons we have already discussed. Residents associations should be consulted if a new development is to go ahead, so that we can get the consumers' point of view on whether they are prepared to pay an extra £20 a year to have their energy provided from green sources.

Social housing providers should be consulted because of the impact not only on their tenants but on their ability to meet housing needs, so before any decisions are made to exercise discretion, it is essential that the hon. Gentleman accept that, at the very least, appropriate consultation should take place. There is no need to go beyond the list that I have set out, and I am prepared to consider other suggestions. I do think, however, that new clause 9 provides for the minimum that should be required of a local authority in setting out its policies.

I hope that when the hon. Gentleman comes to reply in what has been a short but, I hope, illuminating debate, he will reflect on some of what I have said, such as the need to consider the extent of microgeneration in the local authority area—we had a difficult discussion about locality and what it means—and take into account the availability of local supplies of such energy. There are also difficulties about the definition of locality in clause 1, the costs involved, the impact on housing, and the essential fact that people must be consulted if additional obligations are to be imposed on them.

Mr. Fallon: The hon. Member for Hendon (Mr. Dismore) asked me to reflect on various points. I am doing that and will continue to do so.

We are talking about a group of new clauses, and it might be useful if I addressed the issue of cost. The hon. Gentleman is quite right: costs are an important part of the move towards alternative energies, and high costs are one of the reasons why that move has been so slow. I want to say several things about costs. First, as the hon. Member for Ealing, North (Stephen Pound) reminded us, the Bill is permissive. It does not instruct any council to do anything, so a council concerned that the costs, for example, of requiring microgeneration in its area are too expensive because of the features of that area does not have to use the scope of the Bill. It is permissive, and does not impose costs on a local authority that does not want such costs imposed on it.

[Mr. Fallon]

Secondly, I took care to consult the London borough of Merton, which pioneered the Merton-style rule, and I received assurances as to what the impact was. I would not be promoting the Bill if I thought that it discouraged the amount of affordable housing provided borough by borough or district by district. Merton reassured me about that, and indeed, it has gone further. It has found no developer in the past four years who had any difficulty in complying with the requirements. I hope that that reassures the hon. Member for Hendon on the issue of cost.

Just as the hon. Gentleman has asked me to reflect on cost, I ask him to reflect on another cost matter. Many alternative technologies—wind turbines, solar panels and so on—are relatively expensive. All new homes have to be zero carbon by 2016—only eight years away. Unless we get going and do more locally as well as centrally, the supply chain—the micro-industry—will not be able to get up and reduce the costs that derive from greater economies of scale. I hope that he will reflect on the fact that passing such a Bill will reduce overall costs because more councils will follow Merton's lead and the Government's PPS, and eventually the industry will tool up and costs will come down.

12.30 pm

New clause 8 deals with viability. The Bill provides that whatever a local authority does, it must be consistent with national policies. I am sure that the Minister will confirm that it is Government policy and part of the climate change planning policy statement that local authorities must consider viability. That is therefore one of the national policies to which they must have regard under the measure.

I am slightly worried by the phrasing,

"shall take into account"

in new clause 8 because it could weaken the Bill. A developer who appealed against a micro-energy requirement that a council was trying to impose on him because he wanted to bring in all the energy from pylons could argue that it had not taken the cost sufficiently into account.

Let me deal with new clause 3. Local authorities must already have regard to several statutory requirements on microgeneration. The Climate Change and Sustainability Act 2006 requires councils to have regard to the energy measures report, which the Government produce and revise from time to time. The new clause would therefore simply add an overlapping statutory requirement, which we do not need.

New clause 7 would require local authorities to take account of the availability of microgeneration in their area. The climate change planning policy statement already requires that. Councils have to understand local feasibility and the potential for renewables and low-carbon technologies in their developments. Again, the wording,

"shall take into account"

slightly waters down the Bill's point. I want to permit local authorities to impose a requirement of up to 10 per cent. of energy—or whatever ceiling they have set. New clause 7 would not strengthen the Bill.

New clause 9 deals with the duty of consultation. We should be concerned about consultation and ensure that it is as full as possible. The Town and Country Planning (Local Development) (England) Regulations 2004 already impose a requirement on local authorities to consult widely when drawing up their local planning frameworks. New clause 9 is not inclusive. It mentions local businesses, house builders, residents organisations and social housing providers, but does not include energy providers or commercial developers, who may have a view on viability. I would therefore prefer the consultation duty to remain as it is under the general town and country planning regulations.

We are considering important issues, and cost is especially important, but I hope that my points will reassure the hon. Member for Hendon.

Stephen Pound: My natural instinct is obviously to support my hon. Friend the Member for Hendon (Mr. Dismore). However, reading new clause 9, as compared with the elegant phraseology originally propounded by the hon. Member for Sevenoaks (Mr. Fallon), I am rather more inclined to support his view than that of my hon. Friend. As the hon. Gentleman mentioned, the list in new clause 9 is not entirely inclusive and might be counter-productive. He mentioned some organisations that could be added to the list—personally, I would like to see tenants associations as well as residents associations. There are also no references to health authorities, primary care trusts or any other health provider. However, an essential component of the Bill and everything that we are discussing is the health of the tenant, the resident, the country and the world.

It is crucial that we consider the wider issues, particularly as, after a week of balmy, sunny weather, the weather forecasts predict a weekend of hail, gales, storms and tempests. Our world is clearly changing rapidly; therefore, we need to make progress. The hon. Gentleman rightly reminded us of the requirement for all homes to be zero carbon by 2016. It is important to realise that we are in a process. What we need to discuss is what best aids us in that process.

I have an instinctive antipathy towards ever-widening processes of consultation. In my many years of experience as a councillor, I found that people always pray in aid consultation when they do not get the result that they want. It is always said that consultation did not spread widely enough, but that usually just means that someone's view did not prevail. The existing legislation on statutory consultation is tried and tested. We already have a process. For instance, the consultation process for Captain Morgan's, a pub that has just opened in my constituency—it is not named after Simon Morgan, the former captain of Fulham, but is the generic name for a group of pubs—involved a wide variety of stakeholders and local residents. However, people who did not want the pub to open still said that they wanted wider consultation. The difficulty with new clause 9 is that if it becomes a statutory requirement that

"a local planning authority shall consult",

that will provide a green light for people who wish to expand the process ever more widely.

As the hon. Gentleman said, the problem is that we have an eight-year time frame. We are already in the process and we need to move forward. I deeply regret

to say that were new clause 9 to become part of the Bill, it would slow the entire process down. That is not to say that we need to parachute in new building systems or create new methods of house construction. However, we need to accept that there is an urgency on the one hand and a need for sustainability and energy efficiency on the other. It is not impossible for us to marry those two. The new clause is widely drawn, including house builders in one category—an enormous range of people could see themselves as coming under that umbrella—but, equally, excluding other people, as the hon. Gentleman mentioned.

The test of utility that should always be applied when considering a new clause—I do not remotely intend to recast "Erskine May" or to influence you, Mr. Deputy Speaker—is whether it adds to the substance of the Bill. Does the new clause make it a better, more workable or more viable Bill? My concern is that if new clause 9 were accepted, it would not pass that test.

Chris Mole: We are talking about the Bill operating in the context of existing town and country planning law. A number of references have been made to the local development framework. Part of existing planning law requires local authorities to set out a statement on the consultation process that will be undertaken on the local development framework. I think that my hon. Friend is saying that new clause 9 over-eggs the pudding.

Stephen Pound: I think that it was on the Floor of the House that I first heard the word "otiose"—I had not heard it used much before—and I have to say that it has sprung to mind frequently since.

Chris Mole: But not when I am speaking.

Stephen Pound: Not, of course, when my hon. Friend is speaking; he makes a very important point.

Something that bedevils local government in its planning activities is the ever-widening process of consultation. When I read new clause 9, it reminded me immediately of when the London Eye was being built. At that time, my proud, glorious and noble borough of Ealing, which is right on the other side of London, had to be statutorily consulted because someone who stood at the top of a hill with a telescope could see the London Eye! I appreciate that many developments that we are dealing with will not be as high as that, but another good example is Ronan Point, one of the largest buildings ever constructed in London. It had a disastrous life, with a quarter of it collapsing. My main point is that the process of consultation is widening. I am not saying that energy-efficient buildings will necessarily be higher, but that the widening of consultation might completely slow the process down. It is like sand in the gearbox, slowing down the process so much.

I understand the motivation of my hon. Friend the Member for Hendon in tabling new clause 9. In presenting the new clause, he acts as he does in all things—in the interests of his constituency and in the wider interests of the people of our city and our country. As a good and proud democrat, who has a great history in that respect, he wants to see wider involvement. What he actually wants to see—if I may try to interpret the words of the new clause—is an element of ownership of the process: a wider ownership beyond the person who builds, the authority that permits and the resident who occupies. He really wants to see wider and further involvement. That is entirely laudable, but I believe that that laudable element is already met by existing planning law, and that if the new clause were implemented, it would slow the process down. Slowing it down is not a bad thing in itself—there is no problem with that—as long as it adds substantively to the original intent behind the Bill, but I am not entirely convinced that it does.

The points in new clause 8, however, are pertinent and important. That is particularly true of new clause 8(e), as

"the impact on the provision of affordable housing in the local authority area"

should and must be considered because that impact could be positive or negative. The hon. Member for Sevenoaks has gone a considerable way towards answering the concerns that many of us expressed about the cost element and whether it might prove to be a disincentive to the overarching ambition of us all to provide decent, safe and energy-efficient housing. The impact on affordable housing provision, particularly over the next few years when the statutory provision of social housing components within all new residential developments will become increasingly contentious, will be very important.

There is much in new clause 8 that deserves to win the House's approbation, but I feel that new clause 9 would take us into a wider area without substantially adding to the overall impact of the Bill. Reluctantly, I have to say that I am more attracted by what I referred to as the original Bill's elegant, terse, sparse—the hon. Gentleman himself used the word "taut"—wording than by the wording of new clause 9. May I, through you, Mr. Deputy Speaker, assure my hon. Friend the Member for Hendon that it is nothing personal; it is simply due to the process of education and self-education that is occasionally a feature of Friday mornings in this place.

12.45 pm

Mr. Dhanda: I should say to my hon. Friend the Member for Hendon (Mr. Dismore) that I am instinctively attracted to new clause 3. Its principle is the promotion of microgeneration, and in my previous incarnation as an Education Minister I did all I could to get more microgeneration into our schools through the sustainable schools programme. As a consequence, we have seen real changes, which local authorities are working with: there are now better standards, and that ties in with the thinking behind new clause 3. Our schools have moved towards being BREEAM—Building Research Establishment environmental assessment method—very good, and some of them are moving towards BREEAM excellent. There are also exciting developments in terms of carbon-neutral schools, as well as solar panels and other forms of microgeneration. Our children are learning from these developments in schools, too. Therefore, this is making a difference in terms not only of energy generation, but of education. However, although I am attracted to what my hon. Friend proposes, as I shall explain, the new clause as phrased is not a good idea.

[Mr. Dhanda]

My hon. Friend talked a great deal about microgeneration, but much less about community schemes such as those involving combined heat and power and biomass, and we must remember that all of these are also important elements of the Bill promoted by the hon. Member for Sevenoaks (Mr. Fallon). My hon. Friend also talked about the costs. I asked whether that was the cost to local authorities or to consumers, and he spoke in some detail on that point. I shall refer to it, too, because the implications in terms of housing are relevant and pertinent to the debate.

New clause 3 would require a local planning authority to consider the desirability of increasing the extent of microgeneration in its area. New clause 7 would require local planning authorities, when setting the proportion of energy from renewable and low-carbon sources, to consider whether supplies are available locally. I asked my hon. Friend about the term "local". That was discussed in depth in Committee. For instance, the Committee debated whether "locality" referred to on-site, near-site or off-site. It is my understanding that the Committee agreed that both on-site and near-site are a part of what is termed as "locality". It is important that such progress was made in the Committee, and I am grateful to its members for putting in that work and for providing such clarity.

New clause 8 would require local planning authorities to consider the costs relating to the policies they are proposing; we had a good discussion about that. New clause 9 would require local planning authorities to consult various organisations and groups when drawing up policies—my hon. Friend the Member for Ealing, North (Stephen Pound) has just let us know his views on that.

I understand the intention behind the new clauses. My hon. Friend the Member for Hendon wants local planning authorities, when drawing up their development plan document—DPD—policies on such matters as local energy supply and energy efficiency, to think about local opportunities and the costs involved. He also wants them to consult those whom they should consult, and, in doing all that, to bear in mind the desirability of increasing microgeneration. These are all worthy goals, and he should be congratulated on promoting them.

My hon. Friend will not be surprised to learn that these are just the sort of concerns that we would expect local planning authorities to consider, and I hope it reassures him to know that I believe that his proposals are not needed to make that happen. I hope that I can convince him in the coming moments that they are unnecessary. In explaining why, I shall touch on each of them briefly.

As for new clause 3, our planning policies already promote more use of both renewable and low-carbon energy. For example, our renewable energy planning policy statement requires local authorities specifically to encourage small-scale renewables through positively expressed policies in their local development documents. The climate change planning policy statement, which was published just before Christmas, has taken this further, and gives a big boost to supplying new development with local energy, including energy from microgeneration.

Mr. Dismore: Perhaps I should explain to my hon. Friend the point that is involved here, because I think he is examining new clause 3 in isolation from the Bill as a whole. New clause 3 effectively refers back to clause 1, which says that if a local authority wants to go beyond the national guidelines, in general terms it can do so. He is setting out what the national guidelines are, but I am saying that if a local authority wants to go beyond them, it should take certain factors into account. He has yet to answer the particular point about what happens when people want to go beyond the safety net that he is explaining.

Mr. Dhanda: I am sure that this is an issue that the hon. Member for Sevenoaks may wish to come in on too. I shall come in a moment to the point that my hon. Friend raises, although the Bill is about encouraging local authorities to go further.

Mr. Fallon *indicated assent.*

Mr. Dhanda: The hon. Gentleman is nodding his head. I think that I have said exactly what he would wish to say. Nothing in the Bill prevents local authorities from going further—quite the opposite, because the Bill encourages them to do so.

Mr. Dismore: That is precisely the point, because through new clause 3, I am attempting to say, "If a local authority is going to do this, it should take into account these factors and all the other factors in the other provisions too." My hon. Friend is simply saying, "The Bill will allow local authorities to do more." That is fine, because we all agree with that, but my new clauses are an attempt to be more specific about what they should do.

Mr. Dhanda: I accept that, but it is not necessary to include in the Bill the things that my hon. Friend is proposing, and I shall try to explain why that is the case.

I am unclear what extra would be achieved by introducing the requirement for a local authority to consider the desirability of increasing the extent of microgeneration in its area. We must put this in the context of not only the Bill, which has been discussed in Committee, but the planning policy statement to which I referred. Microgeneration technologies, such as solar panels and small wind turbines, will undoubtedly be among the range of green energy solutions used in the delivery of the policies enabled by this Bill and expected in our planning policies.

If the argument is that we would have the provision in statute, may I remind my hon. Friend that section 3 of the Climate Change and Sustainable Energy Act 2006 already requires local authorities to have regard to the energy measures report? The report provides information on the steps that local authorities can take to increase microgeneration and other low-carbon technologies. New clause 3 is therefore unnecessary.

Mr. Dismore: That is exactly the same point; what my hon. Friend has done is set out one of the national requirements, as he has done on several occasions in his speech. The point is that the existing provisions in the Bill would enable local authorities to go beyond those national requirements, but if they are to do so, we

should include my new clauses, which are an attempt to explain in a little more detail what they should be doing as part of that process. If he is only going to repeat what the national standards are and say that they are what the Bill provides, the Bill ultimately provides no added value at all.

Mr. Dhanda: One issue that was discussed in Committee was the fact that planning policy statements can change, but that when the Bill goes through Parliament—I am sure that it will go through Report and Third Reading in the coming hours—these matters will be on the statute book. That is fundamentally different from having only PPS guidance. That is why the Bill is important and why we have been commending the hon. Member for Sevenoaks.

I worry that new clause 3 would create ambiguity about the Bill's intentions. It prompts one to ask why there are not other clauses requiring planning authorities to consider the desirability of community schemes that serve more than one building. Examples include combined heat and power schemes in Southampton and Woking, medium-sized wind turbines, and imaginative strategies for using a community's waste to generate heat and power for that community. Focusing on one desirable, whatever its merits—I agree that microgeneration has real merits—risks relegating other desirables. I know that that is not the intention of my hon. Friend the Member for Hendon, but helpful as his new clause has been in stimulating debate, I think that he will agree that it is imperfect as it is currently drafted.

Mr. Dismore: I think that my hon. Friend has overlooked new clause 7, which is sufficiently broad to take into account ideas such as combined heat and power and other forms of energy generation. Again, we must ask what the added value of the Bill will be if we do not go beyond the national standards. If we are to go beyond them, how will we do that if we do not set out targets, criteria and ideas for local authorities to follow?

Mr. Dhanda: Targets, ideas and criteria are better placed in guidance than in detailed legislation. I hope that my hon. Friend agrees. Perhaps I have not made this point clear enough, but we are supporting the Bill because it is about going beyond targets, and about local authorities encouraging ambition and innovation.

My hon. Friend mentions new clause 7. Our planning policy statement on climate change requires local planning authorities to have an evidence-based understanding of the local feasibility of and potential for renewable and low-carbon technologies, such as microgeneration, supplying new developments in their areas. They are required to pay particular attention to opportunities to utilise existing decentralised and renewable or low-carbon energy supplies, and to fostering the development of new opportunities to supply proposed and existing developments.

I worry that the clause would bring ambiguity, as it could be seen to water down the Bill's focus on local energy. Local planning authorities would be expected only to

"take into account the availability of local supplies"

of renewable and low-carbon energy when setting their requirements for energy supply to new developments. We want them to do more than simply take local energy into account; we want them to be more ambitious. As I have said, we want them to push hard on local energy if there is potential for it to supply new developments in their areas. We want them to be ambitious, but we want their ambition to be evidence-based, as their targets must be feasible and viable.

1 pm

I turn now to new clause 8. My hon. Friend spoke in some depth about the possible implications for housing in the Bill. The House will be aware that the Government have made their commitments quite clear: we want to develop 3 million new homes by 2020. Earlier, I mentioned our ambitions on zero-carbon homes. From 2016, we are expecting 240,000 new homes to be built to zero-carbon standards. That is a challenging target, which equates to level 6 of the code for sustainable homes. Immediate steps will be taken in 2010, when we will set building regulations at a standard equivalent to level 3 of the code. We will set level 4 standards in the building regulations in 2013.

This is an unprecedented scale of ambition, and we welcome the support that we have received from industry, house builders, the supply chain, local authorities and non-governmental organisations. The Callcutt review, which reported last year, confirmed that the programme was achievable. As has been highlighted in the debate, however, this is a huge ask. The proposals will require industry to get its supply chains into shape to provide zero-carbon products. They will require research into those products and exemplar programmes to show what works and what does not. They will also require a huge marketing effort so that home owners can understand what they will be buying, and they will need investments in skills and processes. Above all, we will need a co-ordinated programme to minimise duplication and to avoid wasted effort. We need to maximise learning and co-operative working, and that will all require a stable framework to provide certainty for investment over the next eight years.

We have spoken before about the legitimate concern raised in the Callcutt report that house builders have to deal with a plethora of different standards and that, however well intentioned the provisions might be, they could get in the way of a co-ordinated programme. We need to avoid a situation in which different building standards apply all over the country. It is in no one's interest to fragment building standards. We recognise, however, that some house builders and local authorities will want to go further and faster than the national timetable, and there will be circumstances in which it is justified to do exactly that. That will be important for the exemplar projects, for example. Some householders have said that they are going to move ahead as a matter of policy, without waiting for new building regulations. In Committee, my right hon. Friend the Housing Minister noted the example set by Berkeley, which has said that all its new homes will be built to code level 3 from here on in. I hope that hon. Members will be aware that we have put in place our own exemplar programmes, through the carbon challenge being run by English Partnerships, and our eco-towns programme.

In our "Building a Greener Future" policy statement last July, we said that we welcomed house builders and local authorities working together on exemplar

developments, and that local authorities could bring forward policies to encourage and mandate such developments when the circumstances could justify that. The planning policy statement on climate change sets out the policy in more detail. Those who are particularly interested can find the details in paragraphs 30 to 33.

I sympathise with my hon. Friend's concern about taking costs into account. This is one of the reasons why the Government have welcomed the amendments tabled by the hon. Member for Sevenoaks. The Bill, as amended in Committee, will require local planning authorities to have regard to national policy when drawing up policies under the terms of the Bill. That will be the effect of clause 4. In England, that will include our planning policy statement on climate change. The Welsh Assembly Government are working on their own planning policy on climate change. Our climate change PPS sets out clear steps for testing local requirements to ensure that they are reasonable. They cover the type of concern that my hon. Friend had in mind when tabling his new clause.

As I have said, the tests in the PPS are not intended to tie councils down. Quite simply, if targets for using local energy and on energy efficiency requirements are to make a serious cut in carbon emissions, they must be achievable and compatible with delivering the affordable homes, jobs and regeneration that are needed in our local communities. If we were unable to deliver all that, we would be making a mistake in supporting the Bill. We believe that we can achieve that aim through a combination of the PPS and the Bill. That is why targets should be set, and tested, through the preparation of development plan documents. Helping communities to grow and high environmental standards are not alternatives but should go hand in hand.

My hon. Friend the Member for Hendon will not be surprised that I am worried that new clause 8 will bring ambiguity to the Bill. It might intend to place a requirement on local planning authorities to consider the viability of their proposed policies, but on the other hand it might intend to ask local authorities to consider the energy costs to the end user. By "end user", I mean the individual who buys or rents a development once it has been completed. The clause could of course be asking for both intentions to be considered, but the drafting does not make that clear—hence my question to my hon. Friend earlier. Local planning authorities should not have to second-guess what a piece of legislation requires. I call on him to withdraw new clause 8 because of the way in which it is drafted.

Finally, on new clause 9, requirements for consultation on drawing up development plan documents are already set out in the Town and Country Planning (Local Development) (England) Regulations 2004. The Government have consulted on the simplification of the regulations in the interests of devolving such matters to local authorities, which we consider to be best placed to make those decisions. We intend to make the simplified regulations that result from the consultation later this month and the new procedures will take effect from late June. It is unclear how the new clause would fit in with either the existing arrangements or the streamlined proposals, which have received substantial support. I am sure that my hon. Friend is sympathetic to the notion that such matters are best run by local authorities.

The new clause also covers many interests, including those of local businesses, house builders and other groups. Energy providers or commercial developers would be high on our list of those who would have an interest, as well as many others mentioned by my hon. Friend the Member for Ealing, North. The new clause could make many of those organisations think they had been excluded from the consultation expected in the preparation of a DPD. I do not think that that is in any way the intention of my hon. Friend the Member for Hendon, but it is the unintended consequence of the new clause's wording.

I hope that I have persuaded my hon. Friend that the new clauses are unnecessary. The intentions behind them are noble, but are covered elsewhere. I hope I have also shown that their drafting means they are not risk free and could undermine the Bill's intentions. At the same time, the whole House is grateful to him for the work that he has done in allowing this level of scrutiny. As he said, the Bill was considered in Committee, but many issues have been aired in such detail for the first time today.

Mr. Dismore: We have had an interesting debate on a wide range of subjects related to these new clauses. The hon. Member for Sevenoaks (Mr. Fallon) was right when he said that this is a permissive Bill, and I would not want to take anything away from that. My main concern with the new clauses was to say that if a local authority goes down such a route, it ought to think about certain matters when it does so. My view was that it was better to put those matters in the Bill.

I am pleased to hear that the hon. Gentleman has consulted Merton borough council and that no developer has been in difficulty with the requests that it has put forward. Of course, there is a risk that a local authority might go beyond what Merton suggests. Ultimately, it comes down to the question of price. A developer will build whatever someone wants if he is given the money to do it. One issue that has arisen is whether the developers would charge more to do the sort of things that boroughs are asking about.

I agree that alternative technology is expensive, although the more people buy it, the cheaper it will become, as I said to my hon. Friend the Member for Ipswich (Chris Mole) in reply to his intervention. We need to encourage that to happen, and I hope that the Bill will do that.

My main concern in this debate is the source of the value added. If we are saying that we will reinforce national policy—my hon. Friend the Minister reminded us of that—the Bill would not seem to increase the value added very much. My hon. Friend points out that we have the planning policy statement, but the point of the Bill is that it would allow local authorities to go beyond the PPS. My hon. Friend says that the PPS can change, but the point that I made earlier is that that could happen in response to a pilot scheme operated by a local authority in accordance with this Bill. So we return to the issue of where the value added can be found. To my mind, it must come from the provisions that I would wish to add to the Bill in new clause 3 in particular.

I take the point about the wording "shall take into account" in new clause 7, but it would not water down the Bill, because it is an addition to the Bill not a removal or substitution. We do need to consider how we will emphasise the value added if we do not go beyond the national guidelines.

On the issue of costs, my hon. Friend asked whether my concern was about the viability of the policy or the ultimate energy costs to the end user. Of course, I am concerned about both. If my hon. Friend thinks that new clause 8 is not worded sufficiently tightly, that is a fair criticism. If the Bill goes to the other place, perhaps that issue can be addressed there.

New clause 9 is about consultation, and I take the point that my shopping list may not be as long as it should be when it comes to energy suppliers. One could argue that they would come within the definition of local business, but if there is sufficient consultation within the existing framework, I would not want to try to suborn that through the new clause. However, it is important that the obligation to consult be put on the face of any legislation that will impose new obligations that would cost someone else at the end of the chain. I accept that the wording may not be appropriate, and perhaps an amendment could be tabled in the other place to impose a general duty to consult.

I have listened to the debate and we have had a useful airing of the issues. I do not intend to press the matters to a vote and I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Clause 3

SHORT TITLE AND EXTENT

Mr. Dismore: I beg to move amendment No. 12, page 2, line 26, at end add—

'(3) This Act shall come into force on such date as the Secretary of State shall appoint.'.

This amendment is an attempt to plug a gap in the Bill, which contains no commencement provision other than the general implication that it would come into effect. If we are to give local authorities these new discretions and powers, as I hope we will, we need to allow some gearing up time so that they can get ready to exercise them. Some local authorities may be advanced in the preparation of their local plans, but it would be wrong simply to leave the matter in the air.

It is not uncommon for Bills to have commencement clauses that give discretion to the Secretary of State to decide when they should come into force through the normal process of subordinate legislation, and that would be appropriate in this case. I have drawn new clause 12 as tightly as possible in that respect by referring to

"such date as the Secretary of State shall appoint".

That means that the Secretary of State must appoint a date at some stage. We have discussed such clauses before on other Bills, and there is House of Lords authority on the difference between "shall appoint" and "may appoint". I know that, because I was involved in the case that decided it before I became a Member of Parliament. If the provision included the word "may", the Bill could remain on the shelf indefinitely. However, if it says "shall", the Secretary of State will have to do something and keep the matter under active review until the Bill is brought into effect.

David Howarth (Cambridge) (LD): Nevertheless, does the hon. Gentleman accept that the amendment would allow considerable delay in the Bill's implementation? It would be a great pity if developers brought forward their development plans as early as possible to avoid the provisions of the Bill, so that the energy standards that councils might wish to introduce would not be in place.

1.15 pm

Mr. Dismore: The hon. Gentleman makes a fair point. However, the lead-in time for such developments is often many months, if not a year or two. Given what my hon. Friend the Minister has said, and the fact that the Government support the Bill and have the intention that it will come into effect, we would not be talking about an inordinate delay. However, unless there is some discretion, the Bill might come into force before anyone is ready to implement it, which would be a worse evil.

Stephen Pound: My hon. Friend will be as aware as I—and the whole House, I am sure—that the Easter bank holiday legislation that was passed 80 years ago has never been implemented. It could be commenced at any stage, but no Secretary of State since the 1920s has felt inclined to do so. Does he not think that it would be appropriate to fetter the discretion of the Secretary of State slightly by giving at least some indication of an implementation time in the Bill?

Mr. Dismore: It is a little while since I read the Easter Act 1928. However, if my hon. Friend were to read it, I think that he would see that the phrasing of its commencement provisions is rather different from that of amendment No. 12. The amendment would give the Secretary of State the mandatory duty of keeping the matter under review and acting to bring the Bill into effect.

My hon. Friend the Minister has said that the Government are sympathetic to the Bill. It is important for the Secretary of State to have discretion because if we are to give these powers to local authorities, they will need to be ready to use them when the Bill comes into force. There is nothing worse than the House passing legislation that is not taken up, but that could well happen if there was a flurry of publicity surrounding the Bill becoming law, but everyone then forgot about it because local authorities were not ready to implement it. Things would then simply fall back to the national standards to which my hon. Friend referred. We need discretion to ensure that the Bill may be brought into force in an orderly manner, given the additional discretions that local authorities will have under it.

Mr. Fallon: I hope that I have not been unsympathetic to the various points raised by the hon. Member for Hendon (Mr. Dismore) throughout the sitting. He has asked the House to reflect on matters such as costs, which we did not have time to consider in Committee.

[Mr. Fallon]

I disagree with the hon. Gentleman about commencement, and I was not persuaded by him. He said that he wanted to delay the start of the Bill because local authorities might not be able to implement the measures on the day of Royal Assent. However, the Bill is permissive. It does not tell all local authorities that they must do something straight away. It allows those local authorities that want to get on with the process to do so.

The hon. Gentleman might not be aware that many local authorities want to get on with this. More than 100 local authorities—behind Merton and those councils that have adopted Merton-style policies—are at various stages in respect of their desire to incorporate such policies in their local planning framework. It is not the case that Merton has started and everyone else is wondering whether to follow. Many local authorities are already in the queue behind Merton and want to get on with things.

The point is that there is uncertainty. There was uncertainty while the planning policy statement was being prepared and went through various drafts. People waited for the final text, which was fine, and now they are waiting for the detailed guidance on it. There is still some uncertainty about what local authorities can do if they want to, so I see no reason for delay.

Finally, as I said earlier, all new homes have to be zero-carbon by 2016. That is only eight years away, so we really have to get on with it. Unless the hon. Member for Hendon or his colleagues can think of any other arguments, I cannot see any substantive reason why there should be any delay in putting the Bill into force, if it is fortunate enough to receive Royal Assent.

Mr. Dhanda: It is not the Government's intention to delay the Bill in any way. The hon. Member for Sevenoaks (Mr. Fallon) eloquently argued why it would be good to get on with it. As hon. Members have said, the amendment would enable the Secretary of State to decide when the Bill should come into force. It is intended that the Bill will come into force immediately. The amendment would delay the Bill, and we feel that there is no reason for that.

There is no commencement provision in the Bill to delay it, and that is quite deliberate. The Government were in agreement that there was no need to delay commencement, and our views on the matter remain unchanged. The Bill does not affect the continuing exercise of rights by individuals or their legitimate expectations. There are no specific measures that require local authorities or developers to gear up for a change of policy, either. Unless the Bill is amended to such an extent that a reason for delaying commencement is introduced, we see no reason to delay it. As the hon. Member for Sevenoaks says, this is a permissive Bill. It encourages local authorities to do things that they may well wish to get on with. I therefore urge my hon. Friend to consider withdrawing the amendment.

Mr. Dismore: I listened to what the hon. Member for Sevenoaks said. It is certainly not my intention to delay the implementation of the Bill inordinately, and I heard what he said about local authorities wanting to get on with things. My main aim in tabling the amendment was to ensure that the Bill was brought into force in an orderly fashion, but if my hon. Friend the Minister thinks that the amendment is not necessary—he says that the Government want to bring the Bill into force straight away—I will certainly not argue. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Order for Third Reading read.

1.22 pm

Mr. Fallon: I beg to move, That the Bill be now read the Third time.

I will not delay the House long, because I am anxious for the Bill to proceed today and to come into effect, but I want to put on record my gratitude to colleagues across the House for the support that I have had. I include in that those who spoke today and who raised points that we were not able to consider in Committee.

This is a short but, I venture to suggest, important Bill. It enfranchises local authorities and puts their ability to adopt Merton-style policies on a statutory basis for the first time. To refer to a point that the Minister made, the Bill also means that those who want to move faster than the Government originally intended can now do so with certainty, provided that they do so in a way that is consistent with Government policies. That means that local authorities will no longer have to wait for a revision to the planning policy statement, for more detailed guidance, or for a change of Minister or—who knows?—of Government. They can now get on with implementing Merton-style policies with whatever speed they wish. That is important. If we are to engage our communities in facing the challenge of climate change, we cannot simply leave things to central Government. We have to get local communities involved, and that means putting local councils in the driving seat. That is the aim of the Bill, and I am most grateful to colleagues who supported it.

1.24 pm

Mr. Dhanda: We have had an interesting debate about the purpose of the Bill, and I am pleased to reiterate our support for the Bill, as amended in Committee.

Again, I congratulate the hon. Member for Sevenoaks (Mr. Fallon) on promoting the Bill and on taking it along the sometimes difficult path for private Members' Bills through the House; he has done very well. Earlier, he told me that he could measure his progress by the number of the officials involved in meetings. Towards the end of the process, quite a few officials were involved, and he should be pleased that the Bill has reached Third Reading today.

Both Government and Opposition Members helped to shape the Bill in Committee, and I am particularly grateful to my hon. Friends the Members for Ipswich (Chris Mole), for Ealing, North (Stephen Pound), for Hendon (Mr. Dismore) and for Battersea (Martin Linton). Liberal Democrat Front Benchers have also contributed, albeit briefly. I also thank the hon. Member for Sevenoaks for his contributions today.

As I have said, I am pleased that the Bill aligns itself with the approach set out in the planning policy statement on climate change. It was important for hon. Members patiently to wait for the PPS. I know that the Bill has had a difficult birth, because of the waiting before Christmas, but the PPS is there now, and we are the better for it. The publication of the new PPS on climate change was an important milestone in terms of local government's role in tackling climate change.

It is worth spending some time reminding ourselves what the new PPS does, what difference it will make and how it dovetails with the Bill. The PPS confirms the central role of planning in helping to achieve zero-carbon homes from 2016. No one, I hope, doubts the need to achieve significant carbon emission reductions from homes, which generate around one quarter of the UK's carbon emissions. The homes that we build today will be with us for 100 years or more. In the long run, it is far cheaper to build them to have low carbon emissions in the first place than it is to retrofit them in the future. That is why the Government have set a progressive timetable towards zero-carbon homes by 2016, which, as hon. Members have said, is just eight years from now.

I want to remind the House about the scale of that ambition. That unprecedented target is unmatched anywhere in the world, and we have set it in the context of our equally ambitious plans for house building—3 million new homes by 2020. I want to remind hon. Members about some of the steps that we are taking to drive forward that policy. I have mentioned the steps that we will take to enshrine the standards in the building regulations, and we will consult early in the new year on the first of those steps.

The changes to the building regulations are scheduled for 2010. We are working with the industry on the detailed changes to the assessment methodology that underpins those regulations. We announced in the Budget that in order to give the industry the certainty that it requires to prepare for delivering the ambition, the Government will set out the definition of zero carbon for the purpose of the 2016 ambition by the end of this year, after consultation, which will take place this summer. An important aspect of that will be the contribution made by renewable energy.

In the Budget, we also undertook to provide pump-priming funding for a new 2016 delivery unit to guide, monitor and co-ordinate the zero-carbon programme. We are discussing the final details with the industry and other key stakeholders. As of this month, we have introduced a mandatory rating for new homes in respect of the code for sustainable homes. The first of those homes are starting to be rated against the higher levels of that code.

From April, we are introducing energy performance certificates for new homes. We have similar ambitions for new non-domestic buildings; the Budget announced our ambition for all new non-domestic buildings to be zero-carbon from 2019. This year, the Government will consult on the time line for and feasibility of that ambition, and they will review progress in 2013. Achieving the goal will establish Britain among the world leaders in the field and make a significant contribution towards mitigating climate change by saving approximately 75 million tonnes of CO_2 in the next 30 years.

The Government are taking action to reduce the CO_2 impact of public sector buildings; I mentioned the example of schools. It is already the Government's ambition that all new schools should be zero-carbon from 2016. A task force is being set up to advise on how to achieve zero-carbon schools, on whether the time scale is realistic and on how to reduce carbon emissions in the intervening period.

We have also moved a long way on the Building Research Establishment environmental assessment method, or BREEAM, requirements. As I said, many schools are getting "very good"; many are moving ahead to "excellent" BREEAM status as well. The Budget also announced an ambition for all new public sector buildings to be zero-carbon from 2018. Key barriers will have to be overcome in the coming months and years to deliver on that. There may be areas in respect of which achieving zero carbon presents particular and nuanced challenges. The Government will therefore establish a task force to advise on the time line, on how to reduce carbon emissions in the intervening period and on the particular challenges faced in places such as hospitals, prisons and our defence establishments.

The planning policy statement will help speed up the shift to renewable and low-carbon energy by challenging councils to do much more to support the delivery of local renewable or low-carbon energy, including through setting percentages of energy for new development to be generated from local renewables or low-carbon sources such as microgeneration or community schemes. It also expects councils to think about the potential for local low-carbon energy generation and about cutting carbon emissions when identifying the best sites for development.

That is in the context of the challenges of the renewable energy targets proposed under the European Union renewable energy proposals. The European Commission has published a draft directive that provides the framework for achieving the EU's agreed target of securing 20 per cent. of all its energy from renewable sources by 2020. In particular, it proposes contributions from the UK and other member states towards that goal. As part of the target of 20 per cent. renewable energy, each member state is required to achieve a 10 per cent. share of renewable energy in road transport fuels as long as sustainability conditions can be met. The Government welcome the Commission's proposals as a good starting point for discussion in the Council. The Commission has proposed that 15 per cent. of all the UK's energy, covering the electricity, heat and transport sectors, should come from renewables by 2020.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I am sorry to interrupt the hon. Gentleman, but given that we are on Third Reading of the Bill, I would feel a little more comfortable if I heard him make one or two more cross-references to it.

Mr. Dhanda: I am trying to get across to the House—I am sure that you will correct me if I digress, Mr. Deputy Speaker—the fact that this important private Member's Bill was held up in its previous stages and could not be concluded until we had the PPS in place before Christmas, as well as explaining the overlap and why these two pieces of work have to mesh

[Mr. Dhanda]

closely together. I will endeavour to do that without going away from the principles of the Bill and why it is so important.

The Government welcome the proposals that I outlined as a good starting point. We have been set very challenging targets by the EU, as our existing share is less than 2 per cent.—lower than that of most other member states. However, I believe that the Bill will help us in our journey to get closer to these targets. The UK is completely committed to meeting our share, which will be decided along with other member states' shares in negotiations over the coming months.

Mr. Dismore: My hon. Friend is coming to the meat of the Bill. In what ways does he think that it will help us to meet those European targets? It is important that we are clear about its value added, and that it does not sit on the shelf.

Mr. Dhanda: Absolutely. Probably the most pertinent comment with regard to the Bill's linkage with this was made by the hon. Member for Sevenoaks when he talked about local authorities having the flexibility to go further and faster and to do more, learning from the experiences of Merton and others.

It is important to set out the framework, the targets and the contexts. We are already putting in place measures to increase renewable energy supplies, which I hope will support and help local authorities as they deliver targets and work on the opportunities that are available to them through the Bill. Further measures will be necessary—there are no two ways about that—so the Government plan a consultation in the summer on the options for meeting our share of the EU 2020 renewable energy target. We will publish our renewable energy strategy in the spring of next year once the EU directive is passed and the UK's contribution is decided. In evaluating these contributions, we need to consider the role of every individual local authority. That is why the Bill is so important.

Stephen Pound: Before my hon. Friend moves away from the read-across to Europe, which is extremely important, is he aware that organisations such as BRE and others who specialise in the area are in consultation with their brother and sister agencies in Europe to see whether there are lessons that we can learn from one another in addressing a problem that is being addressed locally but is also a major facet of a global problem?

Mr. Dhanda: My hon. Friend is absolutely right. Perhaps not everybody in the Chamber at the moment is a Europhile, but there are a great number of things that we can learn about recycling, how we use our energy and energy efficiency. Stakeholders such as the one that he mentioned are getting out there and learning the lessons in Brussels and elsewhere across the European Union.

My third point about the linkage with the PPS concerns the stimulus to action by local authorities. As we have learned in the course of the debate, local government has a vital role in ensuring that local communities and infrastructure are able to cope with the impact of climate change—not only the effects that are felt today but those that can be anticipated in future. The PPS, therefore, reflects the central role of planning in shaping places that are resilient to climate change and habitats that sustain biodiversity.

Planning is not the only area where local authorities can play a key role in that agenda. Many local authorities are taking innovative action to tackle climate change already, which is what the Bill hopes to explore and support. Local authorities have demonstrated their commitment through initiatives, such as signing up to the Nottingham declaration, and through saying that they want to include climate change indicators in their local area agreements. The climate change PPS sets out how we expect planning to help us to prepare for low-carbon living. New jobs, homes and infrastructure need to be planned in ways that cut carbon emissions. Planning has to help places to adjust to expected changes in our climate.

Planning's big contribution is what it does best—shaping new development and places. How much development, what sort of development and where are all factors that will be considered with more focus in the context of the Bill. Planning helps to get infrastructure in place in the first place, including the energy required to feed such developments. Planning has a big role in helping to deliver our world-leading standard on zero carbon, and planning the right development for the right location, alongside more sustainable transport, means that we will not need to travel as much, and when we do, less carbon will be emitted.

Tackling climate change is firmly at the centre of what is expected of good planning. The PPS supplement, PPS1, in which we set out what we want from planning is backed in our Planning Bill with a new duty on local planners to take action on climate change. That will not just be a bolt-on, but a key integrating theme in plans for planning decisions. Planning can support our ambition for low-carbon lifestyles through direct influence on energy use and emissions; by bringing together and encouraging action by others, we want to capture local enthusiasm, and give planners and local communities opportunities to take action at a local level. We expect planning strategies to be tested on their carbon ambition, which means securing the fullest possible use of sustainable transport and making the most of existing and planned opportunities for local energy.

Planning is a key partner in the promotion of technological innovation and in supporting our national framework to cut carbon emissions from new buildings. Where there are local opportunities to accelerate our national timetable, the PPS says that councils can plan for that. That chimes with the Bill, which would allow local authorities to go at their own pace. Those that want to go more quickly should be encouraged to do so. Local renewable and low-carbon energy is given a big role in the PPS because emissions are generated from heat and electricity use, which means that we need to exploit local energy, rather than offsetting carbon emissions by providing low-carbon energy elsewhere or by planting trees. That is why the PPS requires councils to have a policy setting a percentage of local energy to be used in new development.

I shall bring my remarks to a close to allow other Members to have their say, but I hope that we have got across to the House the importance of the Bill, and of how it can, within the framework of Government policies, including the PPS, make a real difference to communities. It will provide local authorities with the ammunition they want to develop in a more sustainable way for the future, and to make a real difference in tackling climate change.

1.44 pm

Mr. Richard Benyon (Newbury) (Con): Like the Minister, I start by paying tribute to my hon. Friend the Member for Sevenoaks (Mr. Fallon), who has skilfully and dextrously steered the Bill to this point, carrying the Government and hon. Members of all parties with him. I have not been a Member of Parliament for long, but I know that one has to put in an awful lot of hard work and have much parliamentary skill to achieve that. I know from my hon. Friend's comments on Second Reading that, to some extent, the voice in his head was that of the late Eric Forth. He was able to point out that the Bill is permissive and does not require compulsion. It enables local authorities to do what many of them want to do.

I pay tribute to hon. Members who have contributed to the debate and who took part in Committee, and to Ministers, who have liaised with my hon. Friend and worked through the difficulties to reach the point whereby a good Bill stands a chance of getting on the statute book.

David Howarth: Tribute should also be paid to the hon. Member for Gower (Mr. Caton), who is not present, but who attempted to introduce a similar measure and tabled amendments to the same effect to a Government Bill on Report. His work should be acknowledged.

Mr. Benyon: I am happy to support that tribute.

I am grateful for the chance to speak on behalf of the official Opposition in support of the Bill. The backdrop is the work of the intergovernmental panel on climate change and that of such eminent people as Lord Stern. We must act at all levels of government and play our part. In this Parliament, the Climate Change Bill will be an important part of that process, and the Bill that we are considering will allow local government to play its part.

As a sponsor of the Sustainable Communities Bill, which my hon. Friend the Member for Ruislip-Northwood (Mr. Hurd) promoted, I firmly nailed my colours to the localist mast. In Committee, it was interesting to watch the Government tentatively probing localist ideas, which some Labour as well as Conservative and Liberal Democrat Members proposed. It is good that there is joint working on that agenda. I hope that that welcome development continues.

When, in 2003, Merton council took the bold step of setting a 10 per cent. target for on-site renewable generation, it helped spark unprecedented investment in the microgeneration sector. Investors believed that frameworks such as that in Merton could provide a long-term marketplace for the developers and manufacturers of small-scale, low-carbon technologies.

On the path towards the zero-carbon homes target in 2016, which so many hon. Members, including the Minister, mentioned, there are stepped increases in minimum standards for public housing sector projects. In 2013, the standards jump to a 44 per cent. efficiency improvement on today's standards—or level 4 in the code for sustainable homes.

There is genuine anxiety in the microgeneration sector, voiced by industry groups such as the Micropower Council, that that large increase will result in hugely increased demand for microgeneration. Previous minimum standards could be met through energy efficiency measures alone, whereas the microgeneration sector believes that the 44 per cent. target will demand on-site renewables in almost all cases. It argues that, at its current level, it could not supply that demand, and that that failure could seriously upset the 2016 zero-carbon homes target.

Merton rules provide longer-term security for investment in the microgeneration sector, and will allow it to match demand as standards are ratcheted up. By enshrining councils' rights to set progressive targets, the Bill will enable councils that believe their areas to be appropriate, and with a mind to be ambitious and engage with lowering their carbon pollution, to raise the standards for new buildings.

It is important that, while building standards improve the performance of underachieving councils, those with the vision to perceive the benefits and leadership of moving ahead of the pack have a mechanism whereby they can drive progress. Some authorities may allow developers to account for some of their targets through efficiency measures and others may set independent targets for microgen and efficiency. The rule—and therefore the Bill—also gives a welcome chance to smaller, local property developers to serve local markets that larger developers, with more unwieldy mass-produced product to adapt, might not tap into as easily.

If we are really serious about tackling climate change, every aspect of government must be prepared for dynamic change and to challenge the status quo. We must foster excellence, innovation and new technology, and invest in and develop burgeoning green technologies. We must look ahead and be ambitious in deployment.

Rather than having technological winners picked centrally or dictated by Whitehall planning guidance, which is uncertain in the long term and unsuitably broad-brush for the needs of localism, the new rules allow those communities that are most able and willing—often where land values are higher—to blaze a trail for others to follow. The rules allow the right solutions to reach the endlessly varied regions of our country and give us at least a fighting chance of reaching our 2016 zero-carbon homes target.

I do not intend to go into the details of the many issues that the hon. Member for Hendon (Mr. Dismore) raised, which have been given more than enough coverage. I therefore conclude by again paying tribute to my hon. Friend the Member for Sevenoaks for his hard work and success thus far. Empowering local people to find local solutions is at the heart of my party's message. It gives me great pleasure to recommend to the House a Bill that has that belief at its core, while addressing an agenda that has a global scale and a profound significance.

1.51 pm

Julia Goldsworthy: The Minister said that some contributions to the debate were briefer than others. The length of my remarks will be inversely proportional to how much I support the Bill, so I will aim to keep them very short indeed.

I join others in congratulating the hon. Member for Sevenoaks (Mr. Fallon) on getting so far so quickly—even though it might not have felt like it at times in the debate on the amendments—and on persuading the Government to respond to the issues raised. To echo the comments of the hon. Member for Newbury (Mr. Benyon), that experience stands in stark contrast to the experience of the Committee that considered the Sustainable Communities Act 2007, which faced difficulties in moving the issue forward. In developing in this Bill some of the principles that were laid out in that Act, we have all learned how to work with one another to progress such matters. The process has developed what is contained in the 2007 Act.

Many hon. Members present deserve congratulations on their work, as do those hon. Members who are not in the Chamber, but who helped the hon. Member for Sevenoaks to work and rework the wording of the Bill. It is important that we should pay tribute to those without whom the Bill would not have been possible, namely the local councils. They have been driving the agenda forward since 2003 and have demonstrated genuine ambition in what they thought could be achieved in the development of their areas. They include not just Merton council, but other councils that have been blazing the trail and the more than 100 others that are at various stages of trying to push the issue forward. If those councils had not shown what can be achieved and what they want to achieve, we would not be debating the Bill now.

Fundamentally, the Bill is about ensuring that what councils want to achieve is not just enshrined in planning policy statements or the guidance that accompanies them, but put on a statutory footing, so that it becomes less open to the debate and reinterpretation that can make the planning process so destabilising. Many councils have found it difficult to do anything other than conform to the lowest common denominator set by the Government.

The Bill is not about imposing standards on councils, but about allowing those that want to go further in energy efficiency and energy use to do so. Some councils have, up to now, been experiencing difficulties. My hon. Friend the Member for Cambridge (David Howarth) raised the issue on Second Reading. He highlighted the experience of Cambridge city council, which wants to achieve higher standards, but has been turned down on appeal because of a conservative interpretation of the existing planning policy guidance.

David Howarth: I thank my hon. Friend for mentioning the difficulties and frustrations that Cambridge council faced in trying to get higher energy standards through the national system. That is indeed one of the origins of the Bill. It will be a matter of great relief in Cambridge when it is passed. Will she join me in urging the Government to do whatever they can to get the Bill through the other place as quickly as possible? Some developments—in Cambridge and elsewhere—have had to be dealt with under the old rules, which they should not have been. Until the Bill is finally passed, however, such developments will still have to be dealt with in the unsatisfactory way of the past. Speed really is of the essence.

Julia Goldsworthy: I could not agree more. My hon. Friend's comments contrast with the scenario painted by the hon. Member for Hendon (Mr. Dismore) when he presented some of his amending provisions. The hon. Gentleman said that some councils might struggle to fit into a faster time scale; in fact, plenty of councils are champing at the bit to move this issue forward as quickly as possible. Indeed, they often want to impose parity of standards between social and private housing and to extend the provisions to all other developments.

Issues of energy efficiency in the home have been raised, but we are talking about new developments. In social housing, Housing Corporation funding is dependent on higher energy efficiency standards that do not read across to private sector development. The Bill will allow councils to ensure that such read-across and parity of treatment is achieved. They can go beyond minimum standards and impose "standard" levels and requirements for all new buildings in local authority areas.

Mr. Dismore: I am not sure that I have understood the hon. Lady's last point. Presumably, private sector builders would meet higher standards anyway because of the pressures of the housing market. The real problem has always been with social housing, which has been seen as some sort of second-class construction—*[Interruption.]* The hon. Member for Cambridge (David Howarth) can intervene if he wants to when I have finished my intervention; he cannot intervene on my intervention. As I was saying, social housing has always been the Cinderella and has seldom reached the high standards that we would expect. I agree that we need to level up standards across the board, but the hon. Lady may be drawing a false distinction in her comments.

Julia Goldsworthy: I think that the hon. Gentleman is getting confused. What he said may be the case with existing housing stock, but I am trying to praise the Government—his Government—for the higher standards that are coming from Housing Corporation funding, particularly the higher standards that are required for new build social housing. We need to be very careful to distinguish between problems in respect of existing housing stock, whether it be owner-occupied, privately rented or available for social rent, and the new stock. Nowadays it is easier to impose higher standards for social housing because money is involved and the requirements can follow the funding.

The problem for many councils—it will apply until the Bill becomes law—has been the attitude towards risk. More risk-averse councils—those fearful of the cost of losing an appeal—are wary of doing anything other than meet the minimum standards. Some councils have been blazing a trail, but for others it is a risk that they do not want to take. The Bill will minimise the risk, which is why it is so welcome.

The Bill will make a real and tangible change to the approach to climate change, particularly in respect of development. It will allow local authorities to be freer

to seek higher standards. I am optimistic that it will act as a catalyst in the race to the top in terms of performance on energy efficiency and energy use. It will contrast with the current system of targets, as it will help to create a lowest common denominator, ensuring that the people at the bottom do not drag their feet, without hindering those who want to race forward to achieve as much as they can. It will give real power to communities, showing what they can achieve in a way that is appropriate to their local circumstances.

The Bill is very specific—that is one of its benefits—and we need to realise that. Massive issues—issues that contribute massively to carbon emissions—remain to be addressed in respect of our existing housing stock, and they have not been tackled by the Bill. We must remember that there are issues that need to be addressed. The Bill's text speaks for itself, as does the degree of support that has been won for it, and I ask the Minister to do everything possible to get it on to the statute book as soon as possible, so that we can see real leadership at local level and allow solutions to local needs to be properly championed by local authorities.

2 pm

Mr. Dismore: I congratulate the hon. Member for Sevenoaks (Mr. Fallon) on achieving, I believe, the Third Reading of his Bill today; we have about half an hour to go, but I think he will comfortably achieve his target. To get a private Member's Bill through this House is a remarkable achievement, and very few Members succeed in it. He should be congratulated not only on his success in delivering his Bill through the House today, but on the good-humoured way in which he has set about his work. He has listened to what people have said to him, he has been prepared to amend the Bill to reflect the views expressed, particularly by the Government, and as a result he has produced a Bill that is worthy of support and that should be able to progress further today.

When the hon. Gentleman introduced the Bill on Second Reading, he said:

"This is not a big Bill, but it does one important thing: it will enshrine in law, I hope, the so-called Merton rule".—[*Official Report*, 25 January 2008; Vol. 470, c. 1733.]

The Merton rule is that 10 per cent. of the new energy required for a development must come from renewable or low-carbon sources on or near that development. I am not sure that the hon. Gentleman has quite been able to achieve the objective of enshrining that rule in law, because the 10 per cent. figure is not there, but I actually think he has achieved something more useful. The problem with the Merton rule is that it is potentially inflexible for local authorities that might have difficulties with it. How he has proceeded may be akin to going at the pace of the slowest ship in the convoy, but it means that there will be progress across the piece, because most local authorities will take on board his proposals.

The hon. Member for Falmouth and Camborne (Julia Goldsworthy) has identified one of the key problems both with the Bill and also more generally: the lack of impact on existing housing stock. We debated that today in relation to some of my new clauses—particularly in response to interventions from my hon. Friend the Member for Battersea (Martin Linton), who raised the point. It will be very difficult to interpret the Bill as it now stands as giving local authorities powers to intervene in relation to existing developments. The extent of that problem becomes clear when we consider the figures I mentioned earlier, such as that a low percentage of houses in the country comply with the insulation requirements, never mind some of the other desirable factors that lead to a reduction in energy consumption.

That is a lacuna in the Bill, but it is not the hon. Gentleman's fault. It would be very difficult to devise a Bill that dealt with existing properties and would not be draconian to the householders concerned and potentially leave them facing enormous bills. As my hon. Friend the Member for Ipswich (Chris Mole) said, however, if we start with newbuild we can begin to get economies of scale—through modern prefabrication methods and better use of technology, for example—and start to make some real progress towards achieving these targets. It is important that we do not forget the older properties; we will have to find a way of dealing with them, but that will have to be a Bill for another day, if anyone can devise one that will achieve that.

We need to look at the reasons why the hon. Gentleman introduced the Bill, and why the House should approve it today. The UK has to satisfy two sets of renewables targets, both of which will be extremely challenging. The first is our own domestic target of 10 per cent. of electricity generation to be met from renewable sources by 2010, and an aspiration of 20 per cent. by 2020. The second, as the Minister mentioned, is the EU's binding target, to which the previous Prime Minister signed up at the spring European Council meeting of March 2007, that 20 per cent. of the overall European energy mix be generated from renewables by 2020.

The EU's target, which encompasses all forms of energy, will clearly be much more difficult to meet than the UK's simple electricity target. Electricity accounted for only 18.5 per cent. of the energy used in the UK in 2006, the latest year for which figures are available. Nuclear power—the elephant in the room when anyone talks about energy policy—as a low-carbon source, is to count towards the EU target, and there is to be some burden sharing, but there is no doubt that the proposal will be very difficult to achieve.

As has also been mentioned, this is not the first attempt to introduce a Bill along these lines; my hon. Friend the Member for Gower (Mr. Caton) attempted to do so previously. An Opposition Member has been able to get further than one of my hon. Friends in achieving the same objective, which might be a reflection of how the different Bills were phrased, but it might also reflect the growing awareness in the House of the importance of taking action to deal with the serious problem that this Bill seeks to address. As time goes by, we are becoming increasingly aware of the problems of climate change—the latest figures show that CO_2 emissions have risen consistently over the past four years—and energy efficiency, as promulgated by the Bill, is the simplest and most cost-effective way to reduce carbon emissions.

As we have heard, the planning system does not make sufficient provision for energy efficiency. The Liberal Democrats have told us about the problems that Cambridge city council has faced. It was required to water down its planning policy, which required large developers to

[Mr. Andrew Dismore]

"provide evidence of how they have minimized energy consumption, maximized energy efficiency and considered the feasibility of using CHP systems".

The Government inspector said that the policy was

"unreasonable to the extent that it imposes more onerous requirements than the Building Regulations".

What happened in Cambridge—the man from Bristol interfering in the way that he did—brings into sharp focus the essential nature of the Bill, because it will entirely plug that gap in the law, assuming that the requirements that a local authority intends to impose are reasonable; we do not want unreasonable requirements to be imposed. That is why when we started on the trail of this Bill to talk about percentages and the original Merton rule, we could have created problems, because imposing particular fixed percentages could have created difficulties for some local authorities, although not for others.

The Department for Communities and Local Government has launched two consultations on the planning issues. The first is on the proposed planning policy statement on planning and climate change, and the second is on the Government's plans for moving towards zero carbon development by 2016. Both are underpinned by the new voluntary code for sustainable homes, on whose progress the Minister brought us a little more up to date.

We must ask how the Bill will change the current position; any assessment of the Bill must be based on that question. In responding to my second group of proposals, the Minister would have been aware that I had pushed him very hard on this matter, because there is no point in the House passing legislation if it will not achieve anything or if no value added flows from it. One of my main concerns about how he replied to the debate was his saying, "Well we have these national standards." He seemed to be slightly blinkered in not reflecting on what the Bill will do, which is move beyond those national standards. Ultimately, the Planning Inspectorate, which is answerable to the Minister's boss, the Secretary of State, will also have to reflect on that and on what it will mean. It will mean being prepared to go beyond the national standards. They may well be the safety net and the bottom rung of the ladder—the Minister expanded on those very effectively—but we must go beyond them.

Showing how the Bill will change the current position might not be as easy as it seems. As we have heard today, the Government have introduced policies to encourage on-site energy generation, renewables and energy conservation. In particular, the 2004 planning policy statement on renewable energy and the 2007 planning policy statement on climate change include guidance for local authorities that encourages such action, including on-site generation.

The Bill will provide a statutory basis for including targets in local development frameworks and development plans, but will not specify particular targets. Local authorities will therefore have to think hard and fast about how to do that. Local planning authority policies on environmental standards for new homes vary in their scope, specific requirements and degree of prescription, but there is also variation in how and when local planning authorities seek to apply such policies. Some have identified policies on environmental standards in their adopted development plans, or have proposed them in their draft plans.

Changes to the planning system will mean that all councils will be expected to provide for on-site renewable energy and local community energy schemes to help to cut carbon emissions in new developments. The planning rules will mean that councils and developers should consider using items such as solar panels, wind turbines and heat pumps that can generate energy from a site of new development. The word "locality" has caused some difficulty in that regard. The plans that will come through the system will build on the Merton rule, but will not be as prescriptive.

Moving towards a low-carbon economy is a huge challenge that requires a revolution in the way in which we design, heat and power our buildings, as well as a concerted effort from a huge number of organisations, including local authorities, developers, environmental groups and local communities. A simple analysis of the existing position regarding our homes shows the scale of the challenge. The percentage of homes with cavity wall insulation has increased from 20 per cent. of our housing stock in 1996 to 36 per cent. now, but a further 8.5 million homes could benefit from it. That would save a significant amount of energy each year—and it is not an expensive thing to do. That brings us back to our debate about the educational function of the Bill. Its aim has to be encourage local authorities to require more local renewable energy generation and systems such as combined heat and power in new developments.

The Bill provides a mechanism by which local authorities may be allowed to go further and faster than central Government, which will always be the lumbering supertanker coming up behind—if one can use the analogy of an oil tanker in a debate on renewable energy. The Bill gives local authorities the opportunity to forge ahead, speedboat style, and pilot the supertanker by developing new policies that could, if they work, be adopted by the Government as central policies. My hon. Friend the Member for Ealing, North (Stephen Pound)—a former matelot—is squinting at my nautical analogies. I am probably getting a bit carried away with mixed metaphors.

Stephen Pound: I do not want to be tedious, but there is no way that a supertanker could ever emulate the style of a rigid inflatable boat. Were it to attempt to do so, the consequences would be disastrous.

Mr. Dismore: Yes, but supertankers coming into port need a pilot to show them the way. I hope that local authorities will act as a pilot to the Government in pioneering the way and developing more attractive—

Mr. Evans: While the hon. Gentleman is using naval analogies, if he is talking about the Government, would not the Titanic be a rather better one?

Mr. Dismore: The hon. Gentleman has made his little intervention. I certainly do not think that we can talk about the Titanic in relation to this Government; it is much more apt to talk about Queen Mary 2, the magnificent new construction that graces our seas. I see that you, too, are squinting at me, Mr. Deputy Speaker, so I shall move on.

Mr. Deputy Speaker: Order. I was merely wondering whether the hon. Gentleman should reflect on the fact that Hendon is an awfully long way from the sea.

Mr. Dismore: It is at the moment; one never can tell with flood risk, as we saw on that TV programme the other day. I should also point out that we have the Welsh Harp reservoir in my constituency, and I did grow up by the seaside. Perhaps that is why I am stuck in this nautical phase.

It is important to reflect on the fact that local authorities are major commissioners of building, as is central Government, and it is important that local authorities, when setting these new rules, should reflect on the fact that they will have to comply with them. That could be seen as both a carrot and a stick, in the sense that having to comply with them might involve imposing onerous obligations on a local authority. At the same time, however, they will enable local authorities to set a good example to developers, whether of school buildings, office blocks or other projects. Similarly, central Government will have to reflect on the fact that when they apply for planning consent for central Government buildings such as prisons, which were mentioned earlier, they will have to comply with the higher standards imposed by the local authority, which could go beyond the national requirements.

An important feature of the Bill is the fact that it refers to "reasonable requirements". As a lawyer, when I see the word "reasonable", I always wonder where on earth the argument will end up. Inevitably, litigation will be brought by developers who are not very keen on a local authority imposing the new rules, to decide what the word means. However, I believe that "reasonable" is a common-sense word in this context. It is far better than the percentages that we saw before.

When the Bill goes to another place, we must hope that the meaning of the word "locality" will be scrutinised in a little more detail. It is vague and imprecise, and it will be a recipe for difficulty in interpreting the Bill. We fenced around this issue in our earlier debates, and I understand the problem that the hon. Gentleman had when he phrased the Bill. Reference to a local authority area could be over-prescriptive for developments on the boundaries. Perhaps the Bill intends to deal with an area that is more narrow than a local authority boundary—a local estate, for example, or a new development that might contain only a few dozen houses. So I hope that we can come up with some better wording in due course.

Stephen Pound: At the risk of offering another word of such imprecision as to make lawyers salivate and their bank managers grin, I should like to point out that the Government negotiated with the hon. Member for Sevenoaks, and it is made clear that the expression "in the locality" refers to near-site and on-site renewable and low-carbon energy sources. I think that that is explicit within the Bill.

Mr. Dismore: The term "on-site" is pretty specific, but I am not sure that "near site" is. I suppose that it depends where one is starting from—

Stephen Pound: From the site.

Mr. Dismore: Well, of course, but if one was going to go as far as Timbuktu, Brighton would be quite near. However, if one was going only as far as Ealing, Hammersmith would be near. And if one was going only as far as Victoria, the gardens next to the House would be considered near. That is why I think that those terms are rather imprecise. I think that we shall have to work on them.

Mr. Dhanda: I am enjoying my hon. Friend's contribution, and I really respect what he says, and the way in which he says it. However, I think that we can sometimes over-elaborate individual words. The public might prefer it if we just allowed words to have their normal meaning. Rather than trying to define the term "locality" in terms of certain distances and places, let us just allow "locality" to mean "locality". The word has some kind of resonance for most people.

Stephen Pound: Eric Forth would turn in his grave.

Mr. Dismore: Indeed.

The real problem is that the Minister might think that he knows what "locality" means, just as my hon. Friend the Member for Ealing, North and I think that we know what it means, but we might all have a slightly different idea. The real problem is that, if the language is imprecise, the lawyers will inevitably get hold of it and argue about it to the nth degree in the courts. That is one of the problems associated with my former profession.

I was very pleased that when the hon. Member for Sevenoaks and I discussed my amendments he assured me that all the things that I advocated would be included under the wording of the Bill. He will recall that the first group of amendments that we discussed concerned insulation, and he reassured me that insulation would be brought within the requirements of clause 1(1)(c), which covers the question of energy efficiency standards. That squares an important circle, because when we are considering energy policy the driving force has to be to do what we can to reduce consumption in the first place.

The hon. Gentleman was also able to reassure me that microgeneration, which is not specifically referred to in the Bill, will be brought in. He took me to task as he thought my wording was a little too lax in that respect. I am happy to concede that point.

We had a problem with what local supplies meant in this context. It seemed to me from looking at the available research materials that the difficulty was identifying what local supplies might be when considering energy generated in the locality of a development. If we are talking about microgeneration, that is not a problem. I suppose we are talking about energy generated in one place being transferred to a nearby site. I was pleased that the hon. Gentleman was able to reassure me about the impact on housing policy. If the net result is that we end up with fewer houses for people in desperate need, that will mean that we will have thrown the baby out with the bathwater.

I was also pleased that the Minister was able to reassure me on the question of consultation. When one is going to produce a policy that is likely to have such a wide impact as we all hope that this policy will, it is important that those who are affected by it are consulted. I am pleased that that has been brought into the Bill through the cross-references to various national policies.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Dismore: I am about to draw my remarks to a close—

Mr. Cash: The hon. Gentleman has been droning on—

Mr. Deputy Speaker: Order. Is the hon. Member for Hendon (Mr. Dismore) giving way?

Mr. Dismore: I am not, Mr. Deputy Speaker, because I was about to draw my remarks to a close. I suspect that the hon. Gentleman wants to get on to his Bill. I suspect that he will block himself if he starts to intervene on me or on anyone else who wants to contribute to the debate.

I was simply going to say that I was pleased that my hon. Friend the Minister emphasised the importance of what the Government are doing centrally in parallel with the Bill, including the change to the building regulations in 2010 and the definition of zero-carbon for new homes that will come into force in 2018. I was pleased, too, with what he had to say about renewable energy.

A trite phrase used when we consider environmental matters is that we should think global and act local. The hon. Member for Sevenoaks has achieved that in the way in which he has introduced the Bill. The Bill has a global thought behind it and provides for the local action that is necessary to achieve that objective.

2.23 pm

Stephen Pound: Normally, when the House speaks with a single voice there is reason for the nation to tremble. When right hon. and hon. Members refer to an interesting, wide-ranging and comprehensive debate, they usually mean precisely the opposite. However, the rare occasions when the House unites in the praise of an individual Member for promoting a Bill are so unusual that that praise is almost always utterly sincere. On this occasion, the sincerity evident in the tributes paid to the hon. Member for Sevenoaks (Mr. Fallon) speaks for itself.

The hon. Gentleman is to be congratulated on the way in which he has promoted the Bill. He has not used some of the more flashy and apocalyptic images. He has been more of a Barrington than a Dexter, more of a Gooch than a Gower and more of an Erik Nevland than a Diomansy Kamara. His taut, sparse, precise, elegant Bill has been all the better for that.

This is the right Bill at the right time. It chimes well with the planning policy statement on climate change, and it comes at a time when there is not only increasing concern about the global consequences of warming and climate change but an unprecedented period of house building—we need only look at the new developments in the Thames Gateway. The Bill will put a strong lock that cannot be ignored on all developments in the future.

The issue of cost has been mentioned, and everybody knows the principle of BATNEEC—best available technology not entailing excessive cost. In this case, the costs are so huge that they are beyond the mere monetary, and people are beginning to accept the reality of that. Some of the new developments in the Thames Gateway, and some of the work that was done by Taylor Woodrow around what used to be called the millennium dome, and is now called the O_2 something or other, have used renewable sources, from the bricks to the structure to the entire energy package. That was emerging technology, and the Bill will give us a statutory—

Mr. Cash: On a point of order, Mr. Deputy Speaker. Is there any protection that the Chair can give to future business, such as my Bill on statistics relating to foreign nationals? It is clear that there is a filibuster going on. Some £100 billion of taxpayers' money is being affected by misleading statistics—

Mr. Deputy Speaker: Order. The hon. Gentleman is experienced enough to know that that is not a point of order. He is also experienced enough to know that Friday rules are Friday rules.

Mr. Dismore: Further to that point of order, Mr. Deputy Speaker. I am astounded that the hon. Member for Stone (Mr. Cash) has accused us of conducting a filibuster today. If we had been filibustering, the Chair would have intervened—

Mr. Deputy Speaker: Order. That is not a point of order. I hope that the Chair has governed proceedings according to the Standing Orders of the House.

Stephen Pound: The Bill will establish guidance—a framework, a signpost and a marker—that chimes well with what the Government are doing, what the nation seeks to achieve and what many local authorities and councils are keen to do. The hon. Member for Falmouth and Camborne (Julia Goldsworthy) eloquently expressed that when she said that this is a permissive Bill. As we have heard, it will permit authorities such as that in Cambridge to do what they want to do.

One of the crucial points is that if a local authority did not wish to implement the Bill after it becomes an Act—as I profoundly hope it will—local people would have the democratic strength to demand that it become part of that local council's policy. The Bill will empower and give freedom to people locally, whereas at present their elected representatives are constrained. That is an intensely important point. The Bill will allow the continuum of ownership to flow in the right direction—towards the people—instead of being constrained by the voice from Bristol.

Traditionally in local government housing provision, the policy was predict and provide. In this case, we do not need to predict the consequences of global warming, because we can see them all around us. Only the most purblind person in full denial would attempt to justify anything other than recognition of the sickening consequences of global warming. The Bill will not only help us to provide homes fit for purpose, but will make the world a better, safer and cleaner place. The hon. Member for Sevenoaks has done the House an extraordinary service today, and he has also done the nation and the world a service.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Foreign Nationals (Statistics) Bill

Order for Second Reading read.

2.29 pm

Mr. William Cash (Stone) (Con): I beg to move, That the Bill be now read a Second time.

In the few seconds that I have to deal with the Bill, I would simply like to remonstrate against the filibuster that I believe was being engaged in—

Mr. Andrew Dismore (Hendon) (Lab): On a point of order, Mr. Deputy Speaker. This is the third time that the hon. Gentleman has accused us of conducting a filibuster. The Planning and Energy Bill was important and required the proper consideration of the House. Accusing us of a filibuster—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. I have ruled on that matter.

Mr. Cash: This Bill is important, for example because—

It being half-past Two o'clock, MR. DEPUTY SPEAKER *interrupted the business.*

To be read a Second time on Friday 16 May.

Remaining Private Members' Bills

DRUGS (ROADSIDE TESTING) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 16 May.

DRUGS (RECLASSIFICATION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 16 May.

Care Home Charges

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Roy.]*

2.30 pm

Dr. Vincent Cable (Twickenham) (LD): Care home charges could represent a vast subject. I do not want to abuse the form of Adjournment debates by getting into the whole area of the funding of social care, so I will focus on a narrow issue that has been drawn to my attention through constituency work: the specific question of cross-subsidy in relation to care home charging, and the related problem of third party top-ups.

The issue emerged locally when it transpired, given that I think that most people were not aware of it, that the council, under two administrations—this is not a party political issue—had a 25-year agreement with Care UK, which is one of the major providers. The deal was probably very good from the council's point of view, but built into it was substantial price discrimination between two groups of residents. It emerged that self-funders were paying roughly £230 a week more than council-nominated residents. To be precise, those groups' charges were £820 a week and £585 a week. The self-funders were thus making a transfer of approximately £12,000 to the other group of residents.

As I shall point out, there might be an element of rough justice in some of the redistribution, but for the most part, it involves transferring money from people who are quite poor to others who might or might not be quite poor. When Tracey Blackwood came to see me, she pointed out that her mother, who was a self-funder and was thus required to make the transfer, had no more income than her basic state pension, yet she was required to make large transfers on the grounds that she had a relatively small asset in the form of a modest house.

The problem is not new. The first trace of it that I can find in House of Commons records is from a speech made in 1992 by Lord Rooker when he was an Opposition spokesman. He said:

> "The difficulty of the shortfall led to what I consider an immoral two-tier charging system in some care...home establishments. Residents with assets—usually the proceeds of the former family home—who can therefore fund themselves for a few years until their assets run out are charged between £40 and £90 a week more than other residents so that the proprietors can balance the books. That is immoral, but Ministers never refer to that cross-subsidy. Ministers cannot stay silent about the problem much longer."—[*Official Report*, 4 June 1992; Vol. 208, c. 963.]

Ministers have undoubtedly considered the problem, but it still exists in very much the same form, although the amount of cross-subsidy is now much larger.

The problem concerns not only me and the care home residents and their relatives who have encountered it, but voluntary organisations and even statutory bodies. Age Concern refers to that anomaly, and the injustice involved, in its latest "The Age Agenda" report. It couples it with the fact that self-funders have the additional disadvantage of having weak legal protection. I recall holding an Adjournment debate in 2003 on alleged neglect and abuses at a care home in my constituency called Lynde House, owned by Westminster Health

[Dr. Vincent Cable]

Care; the situation became something of a scandal. One of the points that emerged was that the self-funders, who are paying very substantial fees, have no legal protection against expulsion if they complain. According to Age Concern, self-funders suffer not only from cross-subsidy and price discrimination, but from lack of legal protection.

The Alzheimer's Society has also drawn attention to the issue. It makes the point that of 700,000 Alzheimer's victims, 245,000 are in care homes. It says that many of those people—who, almost by definition, have very little understanding of the price regime in operation—are, through their families, paying substantially more than what the Joseph Rowntree Foundation calls the "fair price".

The Care Standards Commission, the relevant statutory body, did a study last October, in which it pointed out that a survey of 10 councils showed that 22 of 38 residential homes operated a system of discriminatory pricing. The Wanless report on social care, published under the auspices of the King's Fund, calculated that the average cross-subsidy was £133 to £219 a week. The figures that I used are rather higher, but are of the same order of magnitude. The Office of Fair Trading, which answered a super-complaint on wider issues to do with care homes, found in a survey that 20 per cent. of homes had differential pricing and cross-subsidy, and 33 per cent. had third party top-ups—a similar kind of arrangement, with payments that may or may not be additional.

The OFT study showed the magnitude of the problem that I am describing. In 2005, there were roughly 410,000 older people in residential homes. Of those, 250,000 had council-supported places, and of those 150,000 were in independent residential care homes. Therefore there are roughly 150,000 council-supported residents in independent care homes; roughly the same number are self-funded. Half of that 300,000 population effectively cross-subsidises the other half.

The questions are: why has that happened, why does it matter, and what can be done? On why it has happened, I do not think that it is helpful to get involved in blaming people. What has happened is not the fault of care home owners, local authorities or the Government. We are dealing with a series of unintended consequences of policies that were often introduced for very good reason. However, in the independent care home sector, costs have escalated, partly because of the Care Standards Act 2000, a well-intentioned piece of legislation aimed at raising standards. Minimum wage legislation has pushed up costs, again for good reason. Local authorities have found their funding streams severely curbed, partly because they want to keep down council tax and partly because Government assessments give them more stars if they keep down costs, so local authorities are under pressure, too.

So what do care home owners do? They have a restricted range of options. They can cut costs and undermine quality, which is not satisfactory. They can do what growing numbers of them are doing, which is to exclude state-funded residents. As a result, there is a danger of a two-tier system emerging. They can resort to what are called third party top-ups. Top-ups are perfectly reasonable in principle. If someone wants provision to be made for a pet, or wants a room overlooking the sea or mountains, it is reasonable to ask them to pay a bit more, but top-ups have in practice simply become a mechanism for charging people who are desperate to get a place in a home, and have no connection to quality. Alternatively, care homes can introduce cross-subsidy, which is the phenomenon that I am describing.

Often, there are four types of room in care homes. Residents have identical service and quality, but some rooms are taken up by self-funders, some by NHS nursing provision, some are council-funded, and some involve people paying third party top-ups. There are different prices for groups of residents who receive the same service. There is something fundamentally wrong with that. It introduces invidious charging for people who are at their most vulnerable.

We know from our experiences with our relatives that when people are taken into a residential home, it often involves a stressful situation after they have been in hospital. There is also pressure from hospitals to get people into homes, and it is often difficult to find one. The last thing that families are in a position to do is shop around on the basis of cost differentials, of which they may not be aware.

It is sometimes argued that discriminating against self-funders is rough justice according to the Robin Hood principle by which the wealthy cross-subsidise the less wealthy, but that is not the case in many instances. In some cases, people on very low incomes cross-subsidise people with higher incomes. It may be that the self-funders have property—it could be a modest property, such as a working-class terraced house—and the fact that they have that asset makes them self-funders. In many instances, relatively poor people are cross-subsidising people who have no assets but more income. The system is invidious.

There is also a danger that the situation will become more and more extreme. In a home where, for example, 70 per cent. of residents are state-funded and 30 per cent. are self-funded, the 30 per cent. of self-funders will be levering up a large element of subsidy to keep the state-funded residents in place. There are also perverse incentives. People are told that because of the means-tested provision, they must not commit waste—in other words, families must not sell the family home, because that would prejudice their ability to fund care—but once they are in the home, they are required to commit waste by spending more than the cost of residential accommodation, which depletes their assets unnecessarily quickly and ultimately makes them dependent sooner.

Many self-funders do not enjoy proper legal protection. They pay extensively, but they are in a weaker legal position than other residents. It is apparently an anomaly in the law that if they have a major dispute with a care home owner, they cannot resort to civil law and can only use criminal law. The Commission for Social Care Inspection, which is the statutory body, will not consider individual complaints.

What can be done? There are two possible approaches. The first involves trying to improve individual choice, where possible. The Government have addressed that argument. In September 2006, new

regulations were introduced to make it a requirement that information relating to cross-subsidy and charges should be included in the user guide, but that has not proved to be satisfactory in practice. Age Concern has sent me its appraisal of the scheme, which states that

"the regulations are vague so care homes often do not state this clearly and there are questions about how much prospective residents can choose to avoid these homes."

The choice model that the Government have worked with has not worked well, and the question arises whether anything can be done to improve it.

There are one or two examples of tough legal action. A local care homes association took legal action against a council that engaged in that practice, as a result of which substantial improvements were obtained and the council was required to publish the true costs of care. A more transparent regime emerged, so the question for the Minister is whether that legal precedent can be used to obtain substantially improved provision from other councils that are much less transparent.

The second approach involves Government funding. It would be trite in the context of this Adjournment debate to say that there should be lots more Government money. The question is whether more can be done within the Government's existing funding commitments to require local authorities to do more for their self-funders through ring-fencing and guidance. For example, if the Government are funding local councils, when councils negotiate bulk contracts, which has happened in my constituency, they should be required to negotiate on behalf of their self-funders as well on behalf of council nominees.

I want to finish with a series of questions. Does the Minister accept the scale of the problem? A Green Paper is due on some of the wider questions in the field, but will the consultation that precedes it enable us to quantify the problem and discuss ways of dealing with it? Have the Government any further proposals, beyond the September 2006 regulations—in practice, those were not very effective—to improve the position of care home residents? Finally, do they have any proposals to enhance the legal rights of self-funders, having discovered that self-funders have very little protection in law through civil action and in other cases when there has been abuse and neglect?

2.45 pm

The Parliamentary Under-Secretary of State for Health (Ann Keen): I congratulate the hon. Member for Twickenham (Dr. Cable) on securing this debate on care home charging. Charging for care in care homes is not new; people have always had to pay for, or contribute towards, the cost of residential care. I understand his concern about the cost of a care home place for residents who fund their own care. As I make progress, I hope to be able to answer some of those questions, or at least provide reassurance that they will be considered.

Contracting arrangements between local authorities and independent sector care homes are a matter for those involved in the contract. The Government do not set or recommend the level of fees that local authorities pay; we think it important that local authorities should be able to tailor contracts, as necessary, to specific local circumstances. However, we expect decisions made by local authorities commissioning care home places to be made on the basis of judgments about quality, best value and, importantly, the outcomes for individual residents.

More than 90 per cent. of care home places are in private and voluntary sector care homes. It is for care homes to negotiate the fees that they charge with the person or organisation that pays the bill. Local authorities are major purchasers of care home places and are sometimes able to negotiate very competitive prices. That can sometimes lead to suspicions of cross-subsidisation. However, such rates can be achieved because, as a block purchaser of care home places, a local authority can give care home operators greater confidence about future occupancy levels. That security about business prospects allows councils and care home owners to agree lower fees than is the case when an individual contracts directly with a care home. We are, of course, talking about people and where they live. I realise that using the language of contracts and business is not necessarily how we want to discuss the issue. However, it is necessary to use such terminology to explain about cross-subsidisation in particular.

As local authorities have greater purchasing power, some offer to help arrange placements for people who are self-funding their care, so that those individuals can also benefit from the favourable fee rates. When a local authority funds a person's residential care, the authority charges the person for that care. Regulation 20 of the National Assistance (Assessment of Resources) Regulations 1992 states that when it is being decided whether the local authority should fund residential accommodation, no resident shall be assessed as being unable to pay for his or her accommodation at the standard rate if his or her capital, calculated in accordance with regulation 21, exceeds £22,250.

The National Assistance Act 1948 sets out a regulatory framework within which the local authority decides how much people can afford to pay. The resident's capital assets and income, including the former home, are taken into account as that assessment is made. People have the right to move into more expensive accommodation than they would have been offered by the local authority provided that a third party—usually family or friends, or, in certain circumstances, the person involved—is willing to make up the difference between the care home's fees and what the local authority would usually expect to pay.

A local authority cannot insist that a third party should make additional payments on a resident's behalf, but if that is not done, the authority may be entitled to arrange for the resident to move to alternative accommodation. However, if a resident's needs can only be met in specific accommodation, the local authority should make up the difference between the resident's contribution and the care home fees. In those circumstances, a third party should not be expected to make a top-up payment so that the resident can continue to live there. If this route is not taken, and individuals deal with care homes themselves, the contractual arrangements are entirely a matter between the care home owner and the individual resident. The cost may be more or less than a local authority contract.

Having known the hon. Gentleman for some years, I know that he has concerns about the transfer of assets to avoid higher charging. When carrying out a financial

[Ann Keen]

assessment, the local authority will decide whether the resident has deliberately deprived themselves of assets to avoid paying for care. If the asset was transferred less than six months before the resident went into the home and the local authority believes that deprivation has occurred, it can pursue the third party for the cost of the resident's care. If the transfer took place more than six months before, the local authority can still take into account the asset value when deciding how much the person should pay for their care.

There have been suggestions that in some places higher fees paid by self-funders are being used to cross-subsidise insufficient fees paid by local authorities. We do not find that acceptable, so, as the hon. Gentleman said, we have taken steps to make fee charges by care homes more transparent. With regard to the NHS paying for nursing care, we have issued a single central model contract for the NHS to use with care homes that ensures that any NHS contribution to pay for the resident's nursing care is accounted for separately.

In June 2006, we amended the care homes regulations to address concerns relating to price transparency, and these came into force in September 2006. The new regulations require care homes to provide clear information on terms and conditions, including fees, before a resident moves in. That helps people acting on their own behalf or families choosing care homes for relatives who may, of course, be frail or vulnerable. Department of Health officials have been working with the Commission for Social Care Inspection to support the effective implementation of the new regulations.

The Government have provided significant investment in local services, including in the area of social care, since taking office. Total Government allocations to local authorities have increased by 39 per cent. in real terms since 1997. That should enable local authorities to contract with providers at realistic prices.

In May 2005, the Office of Fair Trading published a report on the market for care homes for older people in the UK. We welcomed the report, which identifies some important issues where the care home market is not functioning well for older people as consumers—an issue that worries not only me but the Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), who is responsible for it as part of his portfolio. The OFT recommendations are in line with the Government's vision to support the personal dignity of older people by providing them with information and support to enable genuine choice and greater security in their living arrangements.

Accordingly, in respect of England, the Government announced an action plan to implement their decisions. It set out Government policy for the regulation of care homes within the context of the Government's vision and aims for adult social care and wider services set out in the Green Paper, "Independence, Well-being and Choice". The White Paper, "Our health, our care, our say: a new direction for community services", published on 30 January 2006, formally adopted the vision set out in "Independence, Well-being and Choice". Work to implement the action plan is continuing.

We believe that, taken together, these measures ensure that the rights of care home residents as consumers will be safeguarded and strengthened. The costs of care in a care home are substantial over the long term, and we are determined to ensure that residents and their families receive good-quality care and information about all aspects of that care. This is an exceptionally difficult time for the resident and their family, and it has created a lot of heartache for many people.

In the 2007 pre-Budget report and comprehensive spending review, the Chancellor announced a Green Paper to set out options for the reform of the current care and support system. The Government are committed to a system of residential care charges that is fair to the residents of care homes, those who care for them, taxpayers and agencies, and which is sustainable. I take on board the hon. Gentleman's points, particularly those relating to Age Concern. All social care, including that for self-funders, is within the scope of the Green Paper review. The Government are open-minded about the future funding system and will consult widely with interested parties. I know that my hon. Friend the Under-Secretary is looking forward to the consultation, and I feel confident that the hon. Member for Twickenham will be part of it, using his expertise, knowledge and concern about this issue during the debate on the Green Paper.

Question put and agreed to.

Adjourned accordingly at five minutes to Three o'clock.

House of Commons

Monday 12 May 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

CULTURE, MEDIA AND SPORT

The Secretary of State was asked—

Copyright

1. **Tony Baldry** (Banbury) (Con): What recent discussions he has had with publishers and others on the protection of copyright in relation to the creative industries. [204448]

The Secretary of State for Culture, Media and Sport (Andy Burnham): My Department has held two publishing seminars, involving the Publishers Association and the Independent Publishers Guild, among others. In addition, I have recently met representatives of the British Library, the British Phonographic Industry, British Music Rights and the Advertising Association.

Tony Baldry: The Secretary of State will know that demand for e-books is growing. Penguin made as much on e-books in the first two months of this year as it did in the whole of 2007. How does he hope to protect the nascent development of e-books from peer-to-peer and other piracy involving internet service providers?

Andy Burnham: The hon. Gentleman raises an important question. New technology, of which e-books are a good example, can help us to enjoy music, literature and culture more freely, and that is to be celebrated. However, there is a genuine issue to do with the illegal sharing and downloading of material to which he alludes. It is already causing serious damage to our creative industries, particularly the music industry. Our first preference is for rights holders and internet service providers to reach voluntary agreements about access to content. I must say that I am disheartened by recent comments from within the ISP community to suggest that providers do not have any responsibility for illegal downloading. I can tell the hon. Gentleman that jointly with the Department for Business, Enterprise and Regulatory Reform and the Department for Innovation, Universities and Skills, we will shortly publish a document that includes options for legislation if voluntary agreements cannot be secured.

Mr. Denis MacShane (Rotherham) (Lab): But is my right hon. Friend aware of the anger felt by the community of writers, especially freelances—creative artists— about the swindles that deny them their property: their copyright? Mainstream papers, especially left-wing newspapers, are the worst culprits in that regard. We on the Labour Benches are short of a few votes; there are scores of thousands of people whom we could help. Will my right hon. Friend agree to meet a delegation from the recently formed all-party writers group? I am its vice-chairman, although I have not yet published any memoirs or diaries, and have no money that results from such publications in the bank account. Will he agree to meet members of the all-party group to discuss how we can be fair to the writers, creative artists and journalists of Britain, and get them all to vote Labour?

Andy Burnham: I certainly accept my right hon. Friend's invitation, and I look forward to receiving his recipe for our return to popularity when I meet him. I repeat that these are incredibly urgent questions, not just for writers but for creators of all kinds in our society. We have to come up with ways to ensure that the creative process is respected and valued in the online world. If we cannot come up with solutions, we face the risk of damage to sectors in which Britain has traditionally been strong for many, many years. We all need to apply our minds to the issue with some urgency, and come up with solutions that are fair to industry and, crucially, to the creators of the high-quality content that people want.

Mr. John Whittingdale (Maldon and East Chelmsford) (Con): I very much welcome the Secretary of State's comments about the importance of copyright, and particularly his commitment to putting pressure on the ISPs to address the issue of illegal file-sharing. When he comes to look at the proposed copyright exception for format shifting, will he accept that the ways in which consumers enjoy music and video are different, so the proposals might be appropriate for the music industry, but not necessarily for the video industry? Will he listen carefully to the video industry's representations on that point?

Andy Burnham: I am grateful for the hon. Gentleman's opening remarks, and I thank him for his general approach on the issue; I think that we can strike a lot of common ground. I have read the report that his Committee—the Select Committee on Culture, Media and Sport—produced on the subject, and it raises incredibly important points. He is right to say that the internet has affected creative industries in different ways. Music has been the first in line to be affected; other industries have had more time, presumably because their files are larger, so it is harder to get the same traffic in file-sharing. I will apply a careful mind to the questions. We want to ensure that we have proportionate systems in place in all sectors. Coming up with solutions that protect our creative industries is absolutely at the top of my in-tray. If we do not do that, we risk doing serious damage to the industries in the short term, which will damage the country in the long term.

Mr. David Drew (Stroud) (Lab/Co-op): Tonight I will be chairing a meeting of the London branch of the National Union of Journalists, called to discuss the issue of copyright. What messages does my right hon. Friend have for journalists, who see themselves as particularly threatened by the new technology and want some reassurance?

Andy Burnham: There is a balance to be struck, is there not? It is a good thing that people can freely access information and the work of writers, but we must get the balance right. I urge them to read the Gowers review of intellectual property, which the Government commissioned and on which we have been consulting. The answer is always in voluntary solutions. All of us would prefer voluntary solutions that are proportionate and balanced, but I say again, in line with recommendation 39 of the Gowers review, that if such solutions fail to emerge, we will legislate. As a sign of our intent, we will shortly publish a consultation document containing some of those options.

Pete Wishart (Perth and North Perthshire) (SNP): Has the Secretary of State had time to consider the proposal from Commissioner McCreevy to end the historic discrimination against musicians and increase term copyright for sound recordings from 50 to 95 years? Is he prepared to back that enthusiastically and do the right thing for UK musicians and the UK music industry, to end the ludicrous situation where musicians lose payments in their old age?

Andy Burnham: I still have an open mind on the matter. The hon. Gentleman will know that the Gowers review did not back the extension in the same way as Commissioner McCreevy has done. I think I am right in saying that he is due to issue his detailed proposals in the summer. I will examine those proposals closely and take a view about whether it is in the interests of the music industry to take them forward. As I said, there is a balance to be struck between protecting the creative process and rewarding performers as well as composers, and creating a disincentive for any industry to invest in new and emerging talent, which none of us would want. That balance always needs to be struck.

David Taylor (North-West Leicestershire) (Lab/Co-op): I do not know whether the Secretary of State, like our right hon. Friend the Member for Rotherham (Mr. MacShane), a marvellous journalist in his own right, saw *The Guardian* last Thursday, where Stephen Fry wrote that the BBC executives were naive in believing they could control the distribution of programmes online via their iPlayer service. I am sure the Secretary of State is aware that the BBC seems to be throwing out valuable content free of charge, which shows a naiveté about how the internet works. Will he comment on the article and that vulnerability?

Andy Burnham: I have not had a chance to read the article, but I will look it up, following my hon. Friend's question. I would issue a note of caution. The iPlayer is proving incredibly popular extremely quickly. We have all paid for the content as licence fee payers, and there is a strong argument that we should be able to access it at our own convenience. I understand my hon. Friend's point that it could undermine public service broadcasting in the long term if we allow people to access that content through other formats and they end up not paying a licence fee, but the BBC is to be congratulated on introducing a service that is already proving highly popular.

Mr. Edward Vaizey (Wantage) (Con): On the subject of protecting our creative industries and copyright, the Secretary of State is aware that nine out of 10 illegal films that come on to the market do so as camcorded videos. America, France, Italy, Russia, Spain and the Czech Republic have all made camcording a criminal offence. The Cinema Exhibitors Association says that the UK is becoming

"an increasingly safe haven for illegal camcording".

Will the Government take urgent action to protect our film industry and ban camcording in cinemas?

Andy Burnham: The hon. Gentleman correctly says that that is an important issue for the film industry, and that the industry would like camcording in cinemas to be made a criminal offence. He is right to warn us that the improving quality of such films makes this an issue that we need to tackle. We have asked the industry to provide further evidence to support the case for action. My right hon. Friend the Minister of State is due to meet the industry shortly to discuss the matter further. I hear what the hon. Gentleman says. We will consider any evidence that is produced, but in line with the general theme that I have adopted in response to all the previous questions, we see it as a top priority of the Department to protect the creative process and ensure that the people who create the content that we all want to see are properly rewarded for that work.

Tote

2. **Mr. Greg Hands** (Hammersmith and Fulham) (Con): What recent assessment he has made of the future of the Tote; and if he will make a statement. [204449]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): As I said in my written statement to the House on 5 March, the Government are preparing for an open-market sale of the Tote and have appointed advisers to undertake a strategic review of sale options. I expect to receive the report before the end of May. The Government will then decide on the next steps.

Mr. Hands: The Minister mentioned that the Tote is to be auctioned off, and I understand from the *Financial Times* that Goldman Sachs is acting for the Government. It is reported that Gala Coral is the front-runner in the auction. However, Goldman Sachs also acted as the chief adviser to Gala Coral last year, during its bid for the Tote. We all know that Goldman Sachs is the Government's favourite banker, but it surely cannot be providing advice for both the bidder and the Government.

Mr. Sutcliffe: The normal procedures are being followed in terms of the appointment of Goldman Sachs. It acts on the basis of giving the Government the widest range of options. I am aware of a large number of interests in the sale of the Tote. Obviously, we have to get the best value for the taxpayer and make sure that we honour our commitment to give 50 per cent. of the proceeds to racing.

Mr. Neil Turner (Wigan) (Lab): The Minister will be aware of the importance of the Tote to the Wigan economy, given the flexibility and high quality of the jobs that have been provided since its administration centre was moved to Wigan. Will he undertake to ensure that in any sale the jobs in the Tote will be

preserved for a considerable period, so that they have the opportunity to bed in? We have had informal discussions for some months on the issue, but in addition to those, will the Minister meet my right hon. Friend the Member for Makerfield (Mr. McCartney) and me before he makes any decision on it?

Mr. Sutcliffe: I am grateful to my hon. Friend, my right hon. Friend the Member for Makerfield (Mr. McCartney) and the Secretary of State for their involvement in relation to the jobs in Wigan. Clearly, we want to make sure that we protect as many jobs as possible, and that will be a consideration when we look at the various options. I will be happy to meet my hon. Friend the Member for Wigan (Mr. Turner) and my right hon. Friend the Member for Makerfield to make sure that we go through every opportunity.

There is great interest in the House about the sale of the Tote; the issue has been with us for some time. We need to make sure that we get the best possible return. I should like to put on the record my tribute to the work force in Wigan and to the Tote's management, who have been keeping going under difficult circumstances.

Mr. Jeremy Hunt (South-West Surrey) (Con): Did not the Minister hit the nail on the head in saying that the issue had been going for some time? Is not the real issue chronic indecision by the Government? This move was a manifesto promise in 2001; since then, there have been a botched nationalisation, the chaos and U-turns of the Gambling Act 2005 and consistently different signals. Can the Minister give a categorical assurance that the issue will be resolved in the lifetime of this Parliament, so that this damaging shadow can be lifted from one of Britain's most important and most loved sports?

Mr. Sutcliffe: It is our intention to deal with the issue as quickly as possible, and in the best interests of the taxpayer. We will make sure that we do all the things that we said we would with regard to racing and making sure that the work force are protected. However, I will not take any lessons from the hon. Gentleman. Recently he was on the radio, talking about the Tote. He talked for 10 minutes, and at the end he said that he supported what the Government were doing.

Kelvin Hopkins (Luton, North) (Lab): The best option in terms of the rate of return for the public sector—for ourselves, for the Exchequer—would be to keep the Tote in the public sector, rather than privatising it. Will my hon. Friend, even at this stage, reconsider the decision and not sell the Tote off for what will be a knock-down price for privateers?

Mr. Sutcliffe: Our intention is not to sell the Tote at a knock-down price, but to get the best value for the taxpayer and make sure that we honour the commitments that we have made. Clearly, my hon. Friend has a point of view about where we are at, but for the reasons that I gave earlier, we think it important that the work force should be protected and that we act in the best interests of racing.

Mr. John Grogan (Selby) (Lab): Is my hon. Friend seriously considering the option of retaining the on-course operations of the Tote while its off-course betting shops are sold? The on-course operations may be of less interest to commercial bookmakers and private equity houses, are best exploited by racing and would provide an income for racing.

Mr. Sutcliffe: I congratulate my hon. Friend on his interest in this subject. We are looking at a whole range of options, including the one that he has just outlined, from the Goldman Sachs report. I am delighted to say that this time there is great interest in the sale of the Tote. Some wonderful options are coming forward, and we will be able to act in the best interests of the taxpayer, of racing and of the work force.

Lacrosse

3. **Ann Coffey** (Stockport) (Lab): What recent discussions he has had with Sport England on financial support for lacrosse. [204450]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I have had no recent discussions with Sport England regarding financial support for lacrosse. The English Lacrosse Association has received over £1.6 million since 2005 from Sport England. Of this, £1.26 million is to support the delivery of the lacrosse whole sport plan during 2005-09. Sport England will soon begin discussions with the English Lacrosse Association for its whole sport plan 2009-13 and the associated funding.

Ann Coffey: Lacrosse is a very popular sport in my constituency; indeed, four of the men's under-19 team live in Stockport. However, while it is recognised as a development sport and funded at club level, it is not recognised as an Olympic sport, so players cannot get funding from UK Sport for international events. The young men going to compete in the world championships in British Columbia in July are having to fund themselves. In the current review of Sport England, will the Minister consider introducing flexibility in its funding remit so that a sport that has financial support at club level is also properly funded at international level?

Mr. Sutcliffe: I am grateful to my hon. Friend for raising this issue and for the work that she does for the English Lacrosse Association, particularly in the north-west. I pay tribute to the youngsters who are going through to the world championships. She has hit on an issue that we have to deal with. These people have fallen through the gap in terms of the relationship between Sport England and UK Sport. UK Sport funds élite-level Olympic sports and Sport England deals with development sports. Following the review, I will undertake to look at what can be done to support lacrosse as an élite sport through UK Sport. This must also be accommodated in the whole sport plans that we have to develop with Sport England. I will be back in touch with my hon. Friend in due course.

Tourism

4. **Mr. Mark Harper** (Forest of Dean) (Con): What his most recent estimate is of the UK's tourism deficit; and if he will make a statement. [204451]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): In 2007, the deficit was £19.4 billion, reflecting the fact that greater prosperity and cheaper air fares mean that British people want to travel. However, record numbers of visitors came here from abroad in the past three years, and I am working hard with the industry to make sure that our tourism offer gets ever better.

Mr. Harper: I am grateful to the Minister for that reply. Tourism is a very important industry for my constituency, with 1.9 million visitors and £100 million of spend. However, our market share in terms of visitors and spend has fallen consistently over the past 10 years. I know that under this Labour Government people are desperate to leave the country, even if it is just for a two-week holiday, but what is the Minister going to do to arrest that decline?

Margaret Hodge: First, I am not sure whether the hon. Gentleman is going to tell his family or his constituents' families that they should not take holidays abroad. That sounds a bit odd. In a free society, people will choose to take holidays, particularly with cheaper air fares and greater wealth and prosperity. I think that what the future holds for what is a very strong tourism industry lies in domestic tourism—where we spend our holidays. Eighty per cent. of the money earned through the tourism industry comes from domestic tourism. With increasing prosperity, it may be that we take a couple of breaks a year. We are aiming to get more and more people to take some, if not all of their breaks in many of the wonderful resorts and locations that we have in the hon. Gentleman's constituency and across the whole of England. Tourism has grown year on year. The most recent figures that I have available indicate that inbound tourism grew by 5 per cent. in terms of numbers and 6 per cent. in terms of income. That shows that we are being successful.

Mr. Nigel Evans (Ribble Valley) (Con): We have a great product in the United Kingdom, particularly with the constant sunshine that we enjoy here—over the past couple of days, at least. Part of the problem, though, is that the first thing that people see when they come into this country from abroad and when they leave is the airport. In too many cases, they spend more time at Heathrow, for instance, than they would at any visitor attraction, so that they should send their postcards from the airport and take a photograph of their luggage as an enduring memory of what it used to look like. What can the Minister do to ensure that when people visit the UK they can come through Heathrow without all the hassles that have befallen them recently?

Margaret Hodge: The hon. Gentleman is right to draw attention to the fact that there have been a few problems at Heathrow airport in recent weeks, but if we look at what happened to St. Pancras station and the channel tunnel rail link, we see that the welcome into the United Kingdom there has vastly improved. I hope that the teething troubles that we are experiencing with terminal 5 can be overcome by the airlines and by BAA. I agree with the hon. Gentleman that the welcome we give to our visitors, and the first feel that they get of coming to Britain—the speed of going through the airport and the sort of service they get from personnel there—are hugely important. That is why, together with VisitBritain, we are pursuing a whole set of initiatives and actions to ensure that we improve that welcome.

Mr. Adrian Sanders (Torbay) (LD): Would not one of the simplest, cheapest and easiest ways of massively increasing the amount of tourism product in this country be to move to an extra hour in summer time? People would be around in the evening, spending their money, instead of being asleep for an hour whilst there is sunshine in the morning.

Margaret Hodge: That issue is raised by some of the representative organisations in the tourism industry from time to time. As the hon. Gentleman will accept, it is a contentious issue. I have asked for better evidence on things such as safety for families or a reduction in road accidents and whether there is any evidence that it supports tourism. Portugal was the last country to try that experiment and there was very little evidence that it made any difference to tourism income. I have an open mind on the matter, however, and I have asked the various authorities to provide me with any evidence that they have.

Robert Key (Salisbury) (Con): Will the Minister reaffirm her commitment to tourism and to our heritage by ensuring that the visitor facilities at Stonehenge are upgraded as soon as possible, as well as the roads? Can she bring us up to date and assure us that the Department for Transport is working as hard as English Heritage to resolve this crisis, which has been described as a national disgrace?

Margaret Hodge: The hon. Gentleman will know, from his conversations with me in the Chamber and informally, that I am working extremely hard with my colleagues in the Department for Transport and all of those who have a role to play, such as English Heritage, the National Trust and the various local and regional authorities, to ensure that we achieve better facilities for what is an iconic world heritage site. That process will involve the road infrastructure and the improvement of visitor facilities. I have given the hon. Gentleman a commitment to do everything in my power to ensure that by 2012, we have first-class facilities that will help us enjoy this first-class visitor site.

Seaside Amusement Arcades

5. **Mr. David Jones** (Clwyd, West) (Con): What assessment he has made of the effects of the Gambling Act 2005 on seaside amusement arcades; and if he will make a statement. [204452]

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I have received representations and held discussions with the relevant trade bodies on those issues. At their request, I will hear further evidence from them this afternoon.

Mr. Jones: I am pleased to hear that the Minister is speaking to the British Amusement Catering Trade Association later this afternoon. According to a survey that it recently conducted, amusement arcades have experienced an overall decline in revenue of 21 per cent. since the Gambling Act 2005 was implemented. The Minister has already acknowledged that there is a serious problem in the industry. Would he address the problem by increasing the number of class B3 machines permitted in amusement arcades, and by restoring the £2 stake for such machines?

Mr. Sutcliffe: I am grateful to the hon. Gentleman for raising that issue; it is a matter of concern to a number of people. The Government feel that it is important that we get things right. B3 machines are a hard form of gambling and on the numbers, we have to get the balance completely right and take the right decisions. We have listened to evidence from BACTA, the Bingo Association and a number of other gaming bodies who are having difficulties. I understand the urgency and immediacy of the problem, but I want to ensure that we get the right solution.

Mr. Roger Gale (North Thanet) (Con): I do not think that it was the intention of the then Minister of State, the right hon. Member for Sheffield, Central (Mr. Caborn), to damage the seaside industry when he took the Bill through Committee, but the fact is that the seaside amusement arcade is an integral part of the wet-weather offer that many seaside resorts, such as Margate and Herne Bay in my constituency, need. Amusement arcades are shutting as we speak. The industries that supply them, such as two manufacturing industries in Thanet—an area of high unemployment—are under severe threat. Does the Minister understand that unless he takes action now, this year, in time for this season, it will be too late?

Mr. Sutcliffe: I hope to make decisions reasonably soon—*[Laughter.]* Or, indeed, very soon. The hon. Gentleman has highlighted an issue, and there is some confusion that we need to clear up. We need to distinguish between seaside arcades that offer a lower risk of gambling and the adult gaming centres that are usually on the high street. The latter want more B3 machines and I am wrestling with the decision about whether that is appropriate. It is certainly not appropriate for seaside arcades.

John Penrose (Weston-super-Mare) (Con): May I echo the point raised by my hon. Friend the Member for North Thanet (Mr. Gale) about the urgency of the issue? Many businesses in seaside towns throughout the country, especially in my constituency of Weston-super-Mare, are suffering huge problems, and swift action is vital.

I remind the Under-Secretary that one of the reasons for reducing gambling in the Gambling Act 2005 was to reduce the risk of gambling addiction while the new super-casinos were introduced. Does not the fact that the Government have backed away from them mean that it is easier for him to make his urgent decision?

Mr. Sutcliffe: I understand the urgency. The House of Lords will consider the casino regulations later this week. We are examining all the issues in the context of putting consumer protection at the heart of the 2005 Act. However, I am grateful to the hon. Gentleman and to several other hon. Members, especially from seaside resorts, who know that the issue is pressing. I will try to reach a decision as soon as possible.

Mr. Tobias Ellwood (Bournemouth, East) (Con): The Under-Secretary needs to make a decision. He has heard from absolutely everybody and he said on 17 January that he did not need to take more evidence because he had it all. Why cannot we now have a decision? Why is he being so tough on bingo associations and arcades and so lenient on fixed odds betting terminals and internet gambling? Let us have a decision—it is his to make, not the Treasury's or anybody else's. Let us support our seaside arcades and have a decision on the stakes and prizes today, not months and months later, while more and more important elements of our seaside tourism close.

Mr. Sutcliffe: Surely the hon. Gentleman wants me to meet BACTA, which I shall do this afternoon, and hear the further evidence that it wants to present to me. I am delighted to be able to hear that evidence. We will make the decision as soon as we can, provided that that is in the consumer's interest.

The hon. Gentleman claims that we have taken a relaxed attitude to FOBTs, but we have not. We asked the Gambling Commission to consider FOBTS and BACTA's concerns about people moving from adult gaming centres to the bookmakers. Clearly, the decision will be made as soon as we can, in the consumer's interest.

Find Your Talent

7. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): How many local authorities have applied to take part in the pilots of Find Your Talent. [204454]

The Secretary of State for Culture, Media and Sport (Andy Burnham): We have received 141 expressions of interest from local areas wanting to take part in Find Your Talent. Of those, 89 were led by local authorities. Together with my right hon. Friend the Secretary of State for Children, Schools and Families, I will shortly announce a programme of 10 pilot schemes that will trial ways to offer children and young people a range of high quality cultural experiences for five hours a week, in and out of school.

Linda Gilroy: I thank my right hon. Friend for that reply. He knows that Plymouth has a strongly developing cultural industry sector, in which there will be many jobs for young people of the future. May I ask him to discuss with colleagues in the Department for Children, Schools and Families a specific feature of the Plymouth bid, "Controlled Explosions"? If the name does not intrigue him, its contents should. Young people often fall by the wayside in their cultural development and the specific feature of the bid is about the way in which we see them through important transitions at various points in their school career to maintain their interest and go on to work in the cultural industries.

Andy Burnham: Thinking about the weekend's press, it would have been good if some recent explosions were a little more controlled. However, we will not go into that.

I am intrigued by what has been happening in Plymouth, which has had a creative partnerships scheme. The theatre royal has done some work that is well thought of and has strong support.

More generally, Find Your Talent has genuine potential. The fact that 141 areas engaged in a dialogue with their creative partners to make a bid proves the cynics wrong. A survey of head teachers who are involved in creative partnerships, one of which is in my hon. Friend's area, shows that 90 per cent. believed that the programme had improved pupils' confidence and communications skills, and more than 70 per cent. believed that it had led to an improvement in educational attainment. That is the most compelling evidence for what we are doing. The figures speak for themselves and I am tremendously encouraged by the response to Find Your Talent.

Mark Pritchard (The Wrekin) (Con): Given the importance of the Find Your Talent scheme and the Prime Minister's particular interest in such issues, may I ask the Secretary of State what consultations and dialogue he has had with the Prime Minister on it?

Andy Burnham: This scheme is important for the Government: it was at the heart of the children's plan and our plans to improve sports provision in schools. I speak to the Prime Minister about it regularly. I am confident that the plans that we will soon announce will change completely the level of cultural activity that we make available to our youngest children in school. In doing so, we will open their minds to a range of new possibilities that can only help their personal development and, more importantly, their academic achievements, too. I hope that the hon. Gentleman supports what we are trying to do—he is nodding away—because we cannot be cynical about what is an incredibly positive scheme.

Arts Council England

8. **Ben Chapman** (Wirral, South) (Lab): If he will make a statement on the activities of Arts Council England in Wirral, South constituency. [204455]

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Arts Council England's activities in Wirral, South include funding through the Grants for the Arts programme, Creative Partnerships, Artsmark and the Arts Award scheme. I realise that this is a trip through the tunnel, but Arts Council England's investment in the wider region also includes major organisations, such as the Liverpool Philharmonic and the Liverpool Everyman and Playhouse theatres.

Ben Chapman: It is indeed a trip through the tunnel. The Minister's answer highlights the fact that, notwithstanding the refocusing of Arts Council England's funding, it tends to go to major facilities in sub-regional or regional centres. Does the Arts Council not need also to focus on areas outside those centres, and on local communities and suburban areas in particular?

Margaret Hodge: I agree entirely with my hon. Friend's remarks. When I was preparing for this question, I asked which applications from his constituency had been received and turned down by Arts Council England, and I was told that none had. I was further told that although the Big Lottery Fund has given £1.5 million to his constituency over the past 12 months, with a much higher success rate for applications than elsewhere, it is nevertheless trying actively to encourage more applications. I urge him to work with voluntary, community and other arts organisations to encourage more such applications from his constituents.

Football

9. **Lynda Waltho** (Stourbridge) (Lab): What steps he is taking to support grass-roots football. [204456]

The Secretary of State for Culture, Media and Sport (Andy Burnham): The Football Foundation, a partnership between the Football Association, the FA premier league and the Government, has helped to transform grass-roots football facilities, through £650 million of investment since 2001. A new three-year funding deal for the foundation, which was announced last week, commits my Department to providing £15 million each year to the foundation, matched by the FA and the premier league.

Lynda Waltho: I thank my right hon. Friend for that answer. I am sure that he was as pleased as I was to learn on Saturday that Stourbridge FC—the glorious glassboys—has been promoted to the British Gas Business premier division. The club's success was a combination of the skills of the players, obviously, and of the manager Gary Hackett and the president Hugh Clark. In common with many clubs at that level, however, Stourbridge FC has problems with its facilities. For instance, the club has to share its ground with the cricket club. What further assistance can the Government or the foundation give to promote football and Stourbridge FC's march to further glory?

Andy Burnham: I hope that my hon. Friend will pass my congratulations to Stourbridge FC on securing promotion. I would urge her to encourage the club to go to the Football Foundation, which makes funding available for multi-sport schemes as an important part of its new funding agreement, and encourage her to work with the club, through the foundation, to secure investment in improving its facilities still further. It sounds like the club will have a good case, given that it is making firm strides on the pitch to get up the league.

Sir Nicholas Winterton (Macclesfield) (Con): The question does not specify that it is about association football, so it could well be about rugby football. May I therefore ask a lengthy question—although I hope that it is sufficiently short for you, Mr. Speaker. Will the Minister express appreciation to Macclesfield Town football club, which I am glad to say still resides comfortably in league division two, for its role in encouraging community football, particularly in the more deprived areas of my constituency? Will he also express appreciation to Macclesfield rugby union football club for getting such a huge number of young

people playing rugby football? That is keeping young people off the streets and encouraging them to use their energy and exercise on the playing field.

Andy Burnham: That was a very inventive question, but I am happy to send my congratulations to both association football and rugby football in Macclesfield. The hon. Gentleman makes very well the point that sport can reach young people in a way that many other things cannot. It can really transform young lives.

Andrew Mackinlay (Thurrock) (Lab): Will the Secretary of State send for the papers about the dispute between the Football Association and Grays Athletic football club? Mindful that footballers should be role models, Grays dismissed from its football squad a player who was involved in and convicted of armed robbery, only to have the full force of the Football Association require performance of the contract. However, any employer has the right to dismiss someone who has brought its firm, game or team into disrepute. Will the Secretary of State look at the papers, as I believe that there is a political and Government dimension to the case? Grays Athletic stood up for having role models and for the quality and reputation of the game, whereas the Football Association has been unreasonable and has ignored that responsibility.

Andy Burnham: I am not aware of the case that my hon. Friend mentions, but I will look at the papers if he will make them available to me. However, I point out that, as part of its national game strategy, which was launched recently, the FA has placed great store in the Respect campaign, which encourages players to show respect on and off the pitch, particularly to match officials. That is an example of the FA putting its house in order.

Topical Questions

T1. [204438] **Mr. Henry Bellingham** (North-West Norfolk) (Con): If he will make a statement on his departmental responsibilities.

Andy Burnham: Later this week, Manchester will host the UEFA cup final, and I am sure that the whole House, including you, Mr. Speaker, will join me in sending a good-luck message to Walter Smith and Glasgow Rangers. The authorities are expecting a large number of supporters to travel to Manchester, and we are working with the Home Office and Manchester city council to ensure that there is a successful final. Supporters will be able to gather at fan zones in Albert square, Piccadilly gardens and Cathedral gardens, where entertainment will be provided throughout the day and big outdoor screens will show the match in the evening.

The Government are also pleased to reciprocate the generous offer made by the Russian Government regarding visas, and have waived the fee for travelling Zenit supporters. We remain committed to bringing major sporting events to the UK. Following discussions with my right hon. Friend the Financial Secretary to the Treasury, the Treasury has confirmed to the FA that if the UK wins the right to host the UEFA champions league final in 2011, visiting teams and their players will not face tax charges.

Next week's historic champions league final is the first between two English clubs, and we shall continue our work with our colleagues at the Foreign Office to provide support and information for supporters on its website. We will also work with our colleagues in the Home Office to make the event a success. [Hon. Members: "This is a statement."] I am making an opening statement at the start of topical questions.

Finally, I am sure that the whole House will wish to join me in congratulating Everton football club on coming top of the 16-team real premier league, and more seriously, Manchester United and Sir Alex Ferguson on winning their 10th premier league title.

Mr. Bellingham: I thank the Secretary of State for his comments about football, which were welcome. Is he aware that next Tuesday is national schools cricket day? His Department recently announced that 80 per cent. of all state schools play cricket, but is he aware that the Cricket Foundation, which is the Government's delivery body for grass-roots cricket, has stated that only 10 per cent. of pupils in state schools are playing cricket? Which of those figures is correct? Is not this another example of the Government spinning statistics for their own political agenda?

Andy Burnham: No, but I share the hon. Gentleman's passion for cricket in state schools, having represented Lancashire as a schoolboy and having retained a close interest in cricket. I strongly believe that we must give young people access to cricket coaching in schools and the opportunity to play competitive cricket. I am as concerned as he is to see the situation improve, and the England and Wales Cricket Board, through its "Chance to Shine" initiative, is making real progress in giving young people the chance to play cricket. The Under-Secretary of State for Culture, Media and Sport, my hon. Friend the Member for Bradford, South (Mr. Sutcliffe), and I meet representatives of the board regularly to discuss how we can further improve cricket in state schools.

T2. [204439] **Mr. Graham Allen** (Nottingham, North) (Lab): The Secretary of State and the Minister for Sport will know that OneNottingham, the local strategic partnership, is using its "Sport for Nottingham" scheme to use sport to attack deprivation and under-achievement in our city. Will the Minister make it clear that, despite recent changes at Sport England, funding will not go entirely to national governing bodies, and that it will go to where it is most needed in the communities and neighbourhoods, particularly in areas that are using sport to attack deprivation?

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I congratulate my hon. Friend on his leadership of the campaign in Nottingham to ensure that the various bodies come together to use sporting activity to deal with the many issues that Nottingham faces. He is right to say that what we will be doing with the Sport England review is ensuring that national governing bodies draw up their whole sport plans and look at initiatives such as the one taking place in Nottingham, to ensure that people at all levels have the opportunity to be involved in sport. I would be happy to discuss this

with him further, and I would like to meet him and the people of Nottingham to see how we can take this forward and perhaps use Nottingham as a pilot for future events.

T3. [204440] **Tom Brake** (Carshalton and Wallington) (LD): The organisations funded by Arts Council England were given such short notice of cuts to their funding that many of them had no time to find out why it was being cut or to find alternative means of funding their activities. When will valuable community organisations such as London Bubble and the London Mozart Players hear the results of Arts Council England's review and find out how ACE and the Government are going to help them to secure their long-term future?

The Minister of State, Department for Culture, Media and Sport (Margaret Hodge): Let me first correct what the hon. Gentleman has said. All organisations were given a period in which they could make representations—*[Interruption.]* It was a perfectly adequate period in which they could make representations, and there were also discussions. The Arts Council reconsidered and changed its view in the light of those representations, and it has now commissioned a review of the process and will be reflecting on that. I must also say to the hon. Gentleman that the arts change and grow, and if we want a flourishing arts sector in this country, it is absolutely right that the Arts Council should change the pattern of its expenditure investment so that we can maintain innovation and new arts organisations right across the UK.

Mr. Jeremy Hunt (South-West Surrey) (Con): Is the Secretary of State aware that national lottery administration costs are now so high that every penny raised for good causes in the first two months of every year is spent not on good causes but on administration? He appoints the distribution boards; when will he take concrete action to ensure that lottery money is spent not on bureaucracy, Olympics miscalculations and Government pet projects, but on helping the good causes that are now struggling, but which the lottery was set up to protect?

Mr. Sutcliffe: It is obviously important that we should have low administration costs, and that is a matter for the different agencies. The Big Lottery Fund is the agency that the hon. Gentleman was referring to. It is not appropriate, however, for him to pick on the lowest one, the Heritage Lottery Fund, and to use it as an example of the administration costs right across all the providers. That is a little bit disingenuous. We are going to ensure that the good causes get the maximum amount that is available to them, and we will also ensure that administration costs are kept to the lowest level.

T6. [204443] **David Taylor** (North-West Leicestershire) (Lab/Co-op): Many of my constituents support the campaign for a 9 pm watershed for junk food advertising aimed at children, yet the Minister has said in correspondence with me that Ofcom has flatly rejected that idea, saying that it would have a disproportionate impact on broadcasting. To me, that sounds like prioritising the revenue streams of wealthy TV moguls over the health of the nation's children. Will the Minister tell the House what assessment he has made of that decision, and whether he has discussed it with the Department of Health?

Andy Burnham: I say to my hon. Friend that I know that this issue raises strong feelings; as the House knows, there is currently a private Member's Bill on the subject. In January, new restrictions on the advertising to children of foods high in salt, sugar and fat were brought in. It is my position, and it makes sense, to take some time to evaluate the success of those restrictions before considering going further. Some evidence is already emerging that they are indeed having an effect.

Let me also say to my hon. Friend that tackling obesity is obviously a complicated issue and there is no one simple answer to it. Speaking as someone with three young children, I know that it is important to say that these days children get their messages from a huge array of sources, so the idea that simply restricting or controlling advertising on television will solve the problem fails to grapple with the real issues. It is also important to say that children's programming generally is under pressure, yet that is an area of TV where young people can get good responsible messages. My hon. Friend needs to consider the impact on children's programming of any further restrictions on television advertising.

T4. [204441] **Mr. Mark Harper** (Forest of Dean) (Con): The Minister for Sport will know that athletes with a learning disability have been unable to compete in the Paralympics since the Sydney games in 2000. The International Paralympic Committee will consider the matter again this autumn. One issue raised by Mencap, among others, is that along with the inability to compete, some of those athletes have lost their funding for training equipment. Will the Minister ensure that if the decision goes the right way this autumn, that funding for training and equipment is reinstated to those athletes as soon as possible so that they have the best chance to compete in the Olympics and Paralympics to be held in London in 2012?

Mr. Sutcliffe: I am grateful to the hon. Gentleman for raising this matter, which is an issue of concern to me in my discussions with the British Paralympic Association and the variety of bodies that are involved. We want to ensure that people with learning disabilities can, if they are able to, compete in London 2012 and we are working to ensure that that happens. He will appreciate that we need to provide open access to everybody; it is not about tokenism, but about ensuring that the appropriate people with the right classification can go forward. As to the particular issue of individuals who are in the position that he described, I will certainly look at it and try to provide all the support I can to ensure that they have adequate funding for 2012 and the training that they require.

T7. [204444] **Rosie Cooper** (West Lancashire) (Lab): What steps are being taken to ensure that television programmes are accessible to deaf children—and deaf adults, for that matter—through more comprehensive subtitling and sign language for programmes?

Andy Burnham: I do not know whether my hon. Friend was present in the reception in the House last week at which we marked the successful completion by the BBC of 100 per cent. subtitling on all programmes —a condition and requirement laid down in the Communications Act 2003. Other public service broadcasters are currently reaching about 90 per cent., I believe, and I hope that they will follow the BBC's lead and work towards 100 per cent. subtitling. Watching TV and enjoying programmes at the same time as other people is an incredibly important part of ensuring that there are no barriers and no discrimination in our society. I pay tribute to the work of the Royal National Institute for Deaf People, and indeed of my hon. Friend, on this issue.

Mr. Don Foster (Bath) (LD): What are the Government doing to enforce existing legislation against ticket touting? Ahead of the FA Cup final, for example, there are numerous illegal tickets available online. Now the head of the UK policing unit has written to me, saying that

"the majority of Police Match Commanders do not deem it appropriate or necessary for police resources to be deployed to deal with ticket touts".

How can anyone take seriously the Secretary of State's promise to get tough on ticket touts when the police do not?

Andy Burnham: There is more we can do in this area. I have been disappointed—in fact it is worse; frankly, I have been appalled—at some of the reports I have read of people profiteering on the back of football supporters in this country in the run-up to the UEFA cup final, the champions league final and, indeed, the FA cup final. I take the view that there is more we can do, so I am working with the governing bodies in sport and the promoters of major music and others. For some events, we take the principle that access should be enshrined in legislation for broadcasting purposes, but I personally believe that we should have a stronger system of ticket allocation around sporting events, particularly when they are of national significance. I believe that with the new technology that is available, we can put more security into ticketing arrangements and ensure that more tickets get into the hands of the real fans. I hope that the hon. Gentleman will work with me in trying to achieve that objective. It is difficult, though, to make changes for events coming up in the near future.

T9. [204446] **Ann Coffey** (Stockport) (Lab): What consideration is given to the wider economic and regeneration issues in the listing of buildings?

Margaret Hodge: My hon. Friend will know from my discussions with her that the two criteria to which English Heritage has regard in determining whether to recommend to the Department to list a building are the architectural and historic value of the building. In the context of the consideration of draft legislation by the departmental Select Committee, I hope that a debate will take place on whether other subsidiary criteria can be considered, particularly for recently constructed buildings, before a recommendation is made to the Department. Economic regeneration would be one such criterion.

T10. [204447] **Mrs. Siân C. James** (Swansea, East) (Lab): As we advance towards digital switchover, more and more of my constituents are contacting me with concerns about Ceefax and Teletext. They are usually elderly and rely heavily on those services. They are concerned that Ceefax and Teletext will not be available after digital switchover. Will the Minister assure me that the current pages will remain in place and be available digitally?

Andy Burnham: I am looking closely at all the issues related to digital switchover, and particularly their impact on vulnerable people or those with disabilities. I want to ensure that all the benefits that we presently enjoy, and more, continue to be available after switchover. I think that my hon. Friend's local transmitter switches in the latter part of next year. I will discuss with her precisely the issues that she has raised, so that her constituents are helped through the process and given a broader range of information and entertainment than they currently receive.

OLYMPICS

The Minister for the Olympics was asked—

Beijing Olympic Games

1. **Mr. Peter Bone** (Wellingborough) (Con): Whether she plans to attend the Beijing Olympics. [204430]

The Minister for the Olympics (Tessa Jowell): I shall speak very quickly, Mr. Speaker.

I plan to attend the whole of the Olympic games and part of the Paralympic games, including both closing ceremonies, with the handover to London, at which point London becomes host city for both the 2012 Olympics and Paralympics.

Mr. Bone: I thank the Minister for her reply. Does she agree that we have more chance of achieving human rights reforms in China if we engage with the Chinese than if we boycott the Olympics?

Tessa Jowell: I entirely agree.

Andrew Mackinlay (Thurrock) (Lab): Will the Minister be accompanied to Beijing by the Sports Ministers of the devolved Parliaments and Assemblies of the United Kingdom? If so, will she discuss with the Minister from Northern Ireland its prospects of getting some of the Olympic games when the London Olympics take place? What is in it for Northern Ireland?

Tessa Jowell: I understand that a meeting of the sports cabinet will take place tomorrow, which will be an opportunity to discuss some of the issues. In advance of the Beijing games, I will be spending two days in Northern Ireland, when I will have an opportunity to discuss its preparation for the Olympics.

Tom Brake (Carshalton and Wallington) (LD): Amnesty International recently reported that the current wave of oppression in China is occurring not in spite of the Olympics but because of it. Does the Minister intend to

attend the Beijing Olympics regardless of China's clear breach of its commitments to the International Olympic Committee?

Tessa Jowell: In practice, the commitments made by China to the IOC were specifically about increasing press freedom. Eighteen months ago, I secured, as did other colleagues in negotiation with counterparts, the free movement of accredited and non-accredited journalists in the run-up to the Olympics. That is a specific and important freedom, which we must now ensure continues after the games in continuing dialogue with China.

2012 Olympic and Paralympic Games

2. **Mr. Mark Harper** (Forest of Dean) (Con): What recent discussions she has had with the Mayor of London on the 2012 Olympic and Paralympic Games. [204431]

The Minister for the Olympics: I shall be meeting the new Mayor of London on Wednesday to discuss our preparations for the Olympic games. I welcome the fact that he shares the great priorities of his predecessor: to ensure a positive legacy, and to minimise any further cost to the London council tax payer.

Just as I worked closely with the last Mayor, I shall work closely with the new Mayor, who will co-chair the Olympic Board. However, I am sure that the whole House will want to take this opportunity to record its gratitude and appreciation for the long service—eight years—of Ken Livingstone as Mayor. He brought enormous distinction to the first mayoralty of London and great wealth and benefit to London, which included his playing a key part in London's securing the Olympic games.

Mr. Harper: I am enormously grateful to the Minister for her reply, particularly her reference to the last Mayor's ability to keep the Olympic budget down. As she will know very well, he recently said:

"I decided to bid for the Olympics...because...it was the only way of getting any government...to invest billions of pounds in rebuilding the East End".

When he was told that that made it sound like a con trick, he said "Literally, absolutely!" Given that it was a con trick, is the Minister pleased that the new Mayor of London, with whom she will co-chair the board, is a much more serious politician, who will be an asset to London and to the Olympics?

Tessa Jowell: I think we have gone beyond the point at which campaign insults can usefully be traded across the Dispatch Box. The Government made the clear decision that if we secured the Olympics, they would be used to drive the regeneration of the east end of London. That was not a con trick, but a clear commitment by the Government to bringing new homes and jobs to one of the most deprived parts of London.

Laura Moffatt (Crawley) (Lab): I firmly believe that my right hon. Friend is well placed to hold discussions not only with the Mayor of London, but with all other people who are determined to make the games successful. Will she be sure to oversee such matters as transport, so that my constituents can get the very best out of what I expect to be fantastic games?

Tessa Jowell: Of course. The opportunity to upgrade London's transport infrastructure is one of the great legacies that the games will leave, while the Olympic transport plan will enable my hon. Friend's constituents and those of other Members to travel to them safely and easily.

Hugh Robertson (Faversham and Mid-Kent) (Con): In a recent article in the *Manchester Evening News*, Lord Coe said he regretted that London's sporting facilities lagged 30 years behind those of the great northern cities. Given that enabling young people through sport was one of the key commitments of the London bid, what will the Minister be doing—both as Olympics Minister and as London Minister—to correct that?

Tessa Jowell: There are two issues. It is still true that too many of our sporting facilities are too old to be attractive to young people, but over the past seven or eight years some 4,000 new facilities have been built, many with lottery money and increasingly as part of Building Schools for the Future. Hosting the Commonwealth games was a great driver of sport regeneration for Manchester and the north-west. The hon. Gentleman has already heard this afternoon about the remarkable achievements of the school sport programme, which is transforming sport for young people in schools. It will continue to build an element of the great legacy towards 2012 in ensuring that a generation of young people's lives are transformed through sport.

2012 Olympic Games (Budget)

3. **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What is her most recent estimate of the budget for the 2012 Olympic Games.[1] [204432]

The Minister for the Olympics: In March 2007, I announced a funding package of £9.325 billion for the Olympic games. That has not changed, and I confirmed to the House earlier this year that the budget for the Olympic Delivery Authority remained the same, with £2 billion of contingency funds untouched. In January this year, we published the scope of what would be delivered from the funding package.

Mr. Carmichael: The Public Accounts Committee reported recently that there were foreseeable costs that had been omitted from the original Olympic budget. That is, of course, the same budget that Ken Livingstone agreed had been a con trick. What confidence can we have in the current figures that the Minister has just given the House? Will there be an element of independent scrutiny, so that we can all be assured that the budget has been properly handled?

Tessa Jowell: First, there is independent scrutiny, quite apart from regular scrutiny by this House. I invited the National Audit Office to provide continuing advice on value for money, and in due course a proper reply to the Public Accounts Committee will be provided. The increase in security, for instance, in the wake of the 7/7

1. *[Official Report, 2 June 2008, Vol. 476, c. 8MC.]*

attacks in London could not in fairness be regarded as a foreseeable cost. VAT and contingency are the other two costs, but the fact is that the budget is now on a secure footing, as is testified by the NAO.

Mrs. Iris Robinson (Strangford) (DUP): Can the Minister say what proportion of the budget is earmarked for Northern Ireland? [1]

Tessa Jowell: The budget is not apportioned regionally, but the opportunities for hosting training camps and volunteers, and particularly the opportunity to take up the some 750,000 contracts that will be let during the development of the Olympic park and the preparations for the Olympics, mean that, as is the case with Wales and Scotland, Northern Ireland businesses should benefit. The CompeteFor network is designed to ensure that they do so.

1. *[Official Report, 2 June 2008, Vol. 476, c. 8MC.]*

Orders of the Day

Human Fertilisation and Embryology Bill

[Relevant documents: First Report from the Joint Committee on the Human Tissue and Embryos (Draft) Bill, Session 2006-07, HC 630, and the Government response, Cm 7209.

Twelfth Report from the Science and Technology Committee, on Scientific Developments relating to the Abortion Act 1967, Session 2006-07, HC 1045-I and the Government response, Cm 7278; and the Fifth Report from the Committee, on Government Proposals for the Regulation of Hybrid and Chimera Embryos, Session 2006-07, HC 272-I, and the Government response, Cm 7139.

Fifteenth Report from the Joint Committee on Human Rights, on Legislative Scrutiny, Session 2007-08, HC 440, and the letters from the Minister of State (Public Health) of 1st May 2008 and the National Gamete Donation Trust of 22nd 2008.]

Order for Second Reading read.

3.36 pm

The Secretary of State for Health (Alan Johnson): I beg to move, That the Bill be now read a Second time.

When Louise Brown, the world's first test-tube baby, was born in England 30 years ago, her birth heralded a major breakthrough in fertility research, pioneered by British scientists. The advent of in vitro fertilisation—the creation of embryos in a laboratory—also raised important ethical questions that demanded sensitive and lengthy consideration. In 1982, Baroness Warnock was asked by the Government to chair an inquiry to consider some of these questions. In 1984, the report of her Committee of Inquiry into Human Fertilisation and Embryology was published. After extensive consultation and debate, this led to the Human Fertilisation and Embryology Act 1990.

That landmark legislation laid down legal limits on the use of embryos, and ensured that all IVF treatment and research involving embryos was properly licensed by a body independent of both Government and scientists. Thus the Human Fertilisation and Embryology Authority was created, the first such authority anywhere in the world. It has attracted international respect and admiration, not just for the important work it does but for the way in which that work is carried out.

I believe that the 1990 Act and the process that led to it showed Parliament at its best. Baroness Warnock stated at the time:

> "We are conscious of an increasing sense of urgency that controls should be introduced where none exist, and that the law should be brought up to date so that society may be protected from its real and very proper fear of a rudderless voyage into unknown and threatening seas."

Parliament's objective has always been to support scientific advances that benefit patients and their families, through a clear legal, moral and ethical framework that provides proper controls and safeguards and reflects the concerns that many people have about research involving stem cells and embryology.

Mr. Ian Taylor (Esher and Walton) (Con): As the Minister who in 1997 authorised the funding of the research that led to the cloning of Dolly the sheep and, almost the same day that that was announced, set up the human genetics advisory board, may I say to the Secretary of State that what he is proposing in this Bill on stem cell research is absolutely right? The fact that Professor Wilmut, who was involved in the Roslin Institute at the time of Dolly the sheep, is now saying we can move on to adult stem cell research does not mean that he or someone else does not need to continue to conduct embryo research so that we can look for a better quality of life for people suffering from terrible wasting diseases.

Alan Johnson: The hon. Gentleman is right, and I commend him on his part in this; indeed, his Secretary of State at the time, the right hon. and learned Member for Rushcliffe (Mr. Clarke), and many others in all parts of the House played an important part in the development of this policy.

Mr. Frank Field (Birkenhead) (Lab): Is not one of the very important changes from any other consideration that we have given this issue the fact that the Government will, on this occasion, take key clauses in a Committee of the whole House, so that those of us who generally support many of the measures in the Bill can voice any disquiet that we have specifically about those clauses rather than in respect of the general direction of Government policy?

Alan Johnson: I thank my right hon. Friend for that intervention, which I believe is helpful: there was an element of surprise in my voice then! It is important to hold the debate on some of the most sensitive issues on the Floor of the House rather than in the Committee corridor, so that all Members can participate. That is consistent with the approach taken when the 1990 Act was introduced, when a great deal of effort was made to ensure that the argument was not a partisan one and that people who had deeply held views and beliefs, both ethical and religious, had the chance to contribute.

Mr. Kenneth Clarke (Rushcliffe) (Con): The Secretary of State says that he likes the way in which the 1990 Act was handled; large parts of that Bill were taken on the Floor of the House at the Committee stage. The difference on that occasion was that every Member of the House was given a free vote on all issues that they perceived to be ethical, at any stage. Ministers were included in that arrangement. They made it clear in their speeches both when they were speaking on behalf of the Government and when they were giving their own ethical judgments, and Ministers were divided on some Divisions because their ethical judgments varied. Are the Government going to allow that kind of full expression of parliamentary opinion on this occasion?

Alan Johnson: I commend the right hon. and learned Gentleman on how that Bill was handled. It would not then have been simply the role of the Secretary of State to decide how the process worked, and it is not simply my role to decide how it works on this occasion. I believe that there is a difference between that pioneering Bill, which established this legislation for the first time, and the situation 18 years on. We believe

that some elements of this Bill require exactly the same completely free vote for Ministers and others, but that the Bill itself—a flagship Government Bill, in respect of which we are building on a precedent that has gone on for 18 years—should be whipped on Second and Third Reading. That is based on the fact that Members who have a concern about some of the more difficult issues will get the chance to vote on them, because, as my right hon. Friend the Member for Birkenhead (Mr. Field) points out, we are taking some of the Committee stage on the Floor of the House.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): The Secretary of State said that Baroness Warnock had made it clear that there was a perception of fear, and that the regulator would be tough and would give the public confidence in the new organisation. Can he point to any instance when a scientist or clinician has abused their research or therapeutic licence between 1990 and the present day?

Alan Johnson: I am not aware of any such problem, and I have talked to the Human Fertilisation and Embryology Authority recently and I do not think that it is, either. May I commend the hon. Gentleman on his work in chairing the Joint Committee of both Houses, which did a splendid job? Indeed, it directed the Government in perhaps different avenues, which protected us from some of the earlier plans that we might have had for the Bill, in particular the merger of the HFEA and the Human Tissue Authority.

Mr. Michael Ancram (Devizes) (Con): The Secretary of State says that Third Reading must be whipped. If the contentious issues to which he has referred are still in the Bill then, and are still, therefore, matters of conscience, how can he ask Members on his own side to vote against their consciences on Third Reading? I ask that because I have been considering whether to vote for or against Second Reading, and even whether to abstain. If there is to be a whipped vote on Third Reading, I feel—I hope that my colleagues feel the same—that we will have to vote against on Second Reading tonight.

Alan Johnson: The right hon. Gentleman and his party have every right to decide how they will vote, just as we have every right to decide how we will vote. I believe that it is absolutely right that once every Member of the House has been given the opportunity to decide on the specific issues that we have outlined—the three issues that contain most of the controversy in the Bill—the Bill as a whole, which contains many sensible reforms of varying degrees of controversy, should be whipped. It is right for the Government to do that. This is a flagship Government Bill. The Government want to see it enacted. We think that it is a good Bill that does good things, and that we have dealt with the issue extremely sensitively in respect of our Members.

Geraldine Smith (Morecambe and Lunesdale) (Lab): I fully respect the Government's position, but equally they should respect the position of Members who, on an issue of conscience, will end up voting against the Government tonight. I will do that with sorrow, but I do not think that it will damage the Government in any way, and certainly not in the way that former Cabinet Members writing books about the Government is damaging.

Alan Johnson: My hon. Friend gives me a good opportunity to move on and talk about the Bill.

Mr. David Burrowes (Enfield, Southgate) (Con): The Secretary of State talks about providing the opportunity to consider these important ethical issues, but is it sufficient opportunity when we are given barely three hours to consider the issue of human admixed embryos and barely three hours to consider saviour siblings and the need for a father, as well as all the other schedule 2 matters? Surely that brings Parliament into disrepute, when people outside want us to consider these vital issues clearly and carefully.

Alan Johnson: We will discuss the programme motion after I have finished moving Second Reading.

The purpose of the Bill is to ensure that the 1990 Act is revised to keep pace with new avenues of scientific research and to reflect wider change in our society. As with the 1990 Act, the Bill has been the subject of careful consideration and lengthy consultation involving the public, scientists, faith groups and, of course, Members from both sides of the House and from the other place.

In 2004, following reports by the Science and Technology Committee and the expert group convened by the Government to consider how existing legislation could accommodate and regulate new developments in stem cell research, we announced a review of the 1990 Act. A public consultation then took place in 2005, which led to a White Paper in December 2006. The Bill was then published in draft form for scrutiny by a Joint Committee drawn from both Houses. I am grateful to all the right hon. and hon. Members of this House and noble Lords and Ladies from the other place who have given this Bill the benefit of their expertise, including, of course, Baroness Warnock herself, who continues to keep a close eye on the legislation that she so skilfully instigated.

Patrick Hall (Bedford) (Lab): My right hon. Friend has just outlined the thorough scrutiny, consultation and thought that went into the draft Bill, which benefited the Bill before us today. Does he not agree that it is regrettable that we will discuss an amendment on limiting the legal time limit for abortion, which has not been subject to the same scrutiny as the rest of the provisions in the Bill?

Alan Johnson: The Government have no plans to change the abortion laws and regulations. It is up to right hon. and hon. Members to decide whether they want to table amendments. My hon. Friend has pointed out that this Bill is probably one of the most closely scrutinised pieces of legislation. That scrutiny has been carried out in a way that has allowed Members from all parties to contribute. That is a commendable way to deal with legislation in this House.

Lembit Öpik (Montgomeryshire) (LD): On the substantive point about medical research, does the Secretary of State recognise that many organisations, including the Motor Neurone Disease Association, of which I am

[Lembit Öpik]

president, have watched with great interest and hope as the Bill has been formed? Many people face a sentence of death because of incurable diseases such as motor neurone disease, and are depending on the opportunities provided by parts of the Bill to find cures for such dreadful and debilitative wasting diseases. I thank the Secretary of State for the attention that he has paid to the feedback from organisations such as the MNDA.

Alan Johnson: The hon. Gentleman makes the most important point about why the research is necessary, and I thank him for the constructive way in which he has dealt with the Bill.

Mark Pritchard (The Wrekin) (Con): I hope that the Secretary of State accepts that whatever Members' views about the Bill may be, we all want people with debilitating and incurable diseases to be treated and to live a full and long life. However, does he also accept that the scientific breakthroughs, to which he has alluded in his speech, have to date come only from existing adult stem cell research, not embryo research or stem cells extracted from embryos?

Mr. Ian Taylor: That is not true.

Mark Pritchard: It is entirely true. Why will the Government not accept that that is the fact? Notwithstanding that comment by my hon. Friend the Member for Esher and Walton, the fact is that Professor Wilmut has moved his research and funding to stem cell research, not embryo research.

Hon. Members: Give way!

Mr. Speaker: Order. Interventions should be brief. They are not an opportunity to make a speech. There are hon. Members who have put their names on the list and are seeking to catch my eye.

Alan Johnson: I do not agree with the hon. Member for The Wrekin (Mark Pritchard). In terms of what has happened recently, the induced pluripotent stem cell breakthrough that seeks to transform adult stem cells back to the embryonic stage could not have been reached without legislation that allowed embryonic research in the first place. I accept the hon. Gentleman's point that although Members on both sides of the House have different views about the Bill they all want to see cures for conditions such as motor neurone disease, but we need to use the full panoply of opportunities for that.

The clear and consistent message from the wide consultation that I mentioned earlier, and from the debates we have already had, is that the current Act cannot keep pace with scientific developments that have occurred since its enactment. Over the last 18 years, methods that are not explicitly governed by the 1990 Act, such as cell nuclear replacement, where the nucleus of an egg is removed and replaced with the nucleus of another cell, and parthenogenesis, where an egg is stimulated either electrically or chemically to develop into an embryo, have been developed. Similarly, there is no explicit provision for the regulation of the use of admixed embryos, which combine human and animal genetic material for scientific research. That development is recognised by scientists across the world as an essential building block for establishing cures for many life-threatening diseases, such as multiple sclerosis, Parkinson's and Alzheimer's.

Scientists want to create admixed embryos principally because of a shortage of human eggs for stem cell research. The process of creating the admixed embryo most commonly used to grow stem cells involves taking an animal egg and replacing the nucleus with the cell nucleus from a human skin cell. The resultant embryo is 99.9 per cent. human. We know of no scientist anywhere in the world who wishes to implant such embryos in a woman or an animal, but even if the desire existed, the legal authority would not. Such actions will remain a criminal offence under international law.

The Bill will ensure that all human embryos created for research—regardless of how they are created—are subject to the same regulatory framework. It will retain the restrictions imposed by the 1990 Act—that the maximum permitted period of development for all research embryos is 14 days. In practice, no research embryos have been developed as far as that maximum. This is not the first development that has combined human and animal material. If scientists in the UK had not been able to fuse human and animal cells in the '60s and '70s, developments such as the human genome project would not be possible and drugs such as Herceptin would not have been created. The Government believe that it is important to bring this new and exciting scientific development within the strict legal and ethical framework that the Bill provides.

Geraldine Smith: My right hon. Friend will be aware that full hybrids—that is, embryos that are 50 per cent. animal and 50 per cent. human—are permitted under the Bill. In the Joint Committee on the Draft Human Tissue and Embryos Bill, scientists were unable to think of any good experiments in which such hybrids would be needed. In fact, Dr. Lovell-Badge said:

> "I cannot think of a good experiment to do now but I am sure someone will think of a good experiment."

Can the Secretary of State think of a good experiment? The scientists cannot.

Alan Johnson: I am not known for my knowledge of good experiments, but I can point out that the same Joint Committee told the Government that true hybrids ought to be used, because the famous hamster test done years ago used true hybrids. In fact, cytoplasmic embryos are the most exciting development that most scientists wish to use. Nevertheless, I believe that it is important not to rule out other important areas of research.

Mr. Willis: A cytoplasmic hybrid embryo will have just 0.1 per cent. of animal tissue in it, but does the Secretary of State agree that in reality, once we mix in any element of animal, the principle of using hybrids for research purposes is established? That is the point that the Committee was trying to make; once we go down that road, it seems illogical to rule something out because of a particular mix.

Alan Johnson: We accepted the logic of that argument, which is why the Bill is as it is.

Ms Sally Keeble (Northampton, North) (Lab): Will my right hon. Friend give way?

Alan Johnson: I shall give way once more, and then I shall make some progress.

Ms Keeble: I speak as someone who has been through in vitro fertilisation treatment and written a book on it. Does my right hon. Friend accept that the alternative to using admixed embryos, which is using human eggs, is itself unethical because of the risk that it poses to women, and the pain that it involves? The use of an alternative is therefore ethically preferable.

Alan Johnson: I accept my hon. Friend's point. Thankfully, modern drugs ensure that not so many eggs are produced in IVF, and to a certain extent, that is why the problem has arisen.

The Bill introduces explicit regulations on embryo screening. Embryo screening and selection will be allowed only for the purpose of detecting serious genetic diseases or disorders. The Human Fertilisation and Embryology Authority has licensed screening in a number of cases since 1990, including for single-gene disorders such as muscular dystrophy and sickle cell disease. The Bill will clarify the powers of the HFEA to license embryo screening to enable parents to have a child who is a genetic match for an older brother or sister who is seriously ill. That has been permitted by the HFEA in a handful of cases as a last resort, where there are no other donors and all other medical avenues have been exhausted.

Mr. Jim Devine (Livingston) (Lab) *rose—*

Alan Johnson: I shall give way one more time.

Mr. Devine: I thank my right hon. Friend for giving way. Will he place on record the fact that the Bill is not about creating Frankenstein-type monsters?

Alan Johnson: I am grateful to my hon. Friend for putting that on the record; he did so more briefly than I expected him to. It is an important point, given how easily the Bill can be misrepresented.

John Robertson (Glasgow, North-West) (Lab): But does my right hon. Friend also accept that some of us fear that what he describes looks like creating a child just for spare parts, and that there are great fears about that?

Alan Johnson: Let me try to dispel that fear. Once again, that is a misrepresentation. That course of action would be used, has been used, and has been licensed by the HFEA, when there is no other medical avenue to pursue. All such cases have involved the treatment of very rare blood disorders, and the tissue taken has been from the umbilical cord. The Bill will support such screening as a last resort, and it is expected that tissue used would be confined to cord blood and bone marrow only.

The Bill makes it clear that it would not be possible to test an embryo where the intention is to remove an organ from a child to treat a sick sibling. Nor will the Bill permit parents to screen embryos in order to include, rather than exclude, a particular disability. Following the results of the public consultation, the Bill also outlaws sex selection for non-medical reasons.

Mrs. Nadine Dorries (Mid-Bedfordshire) (Con): Does the Minister agree with Lord Winston's remarks in *The Daily Telegraph* on Saturday? He is the Government's adviser on the Bill, and he is unhappy with the principle of saviour siblings.

Alan Johnson: Lord Winston is not the Government adviser on the Bill. He has had his go at that and talked about it in another place. In that debate, Lord Winston was very supportive of the Bill as a whole.

Dr. Brian Iddon (Bolton, South-East) (Lab) *rose—*

Alan Johnson: I shall give way one last time—as I keep saying.

Dr. Iddon: I wonder whether my right hon. Friend saw on breakfast television this morning the Whitaker family, who were forced to go to the United States for saviour sibling treatment and who now have a very happy family. The child at risk is now well. Is that not good news?

Alan Johnson: My hon. Friend makes an important point. Not only that family but the—thankfully few—families who have used the system would be keen to ensure that other families had the same opportunity.

The past 18 years have witnessed significant social change. Since 1990, clinics have been required to take into account the welfare of any child who may be born as a result of assisted conception when deciding whether to offer treatment to couples. The 1990 Act insists that clinics must take into account

"the need for a father"

when considering new applicants for treatment. Following debate on this issue in the other place, the new Bill will replace this with

"the need for supportive parenting".

This does not signal a desire to diminish fatherhood, nor are we denying children who have been conceived through assisted conception access to information about sperm donors. Indeed, the opposite is true. If the current law leads same-sex couples or single women to seek sperm in the unregulated sector, where donors will not be screened or recorded on the HFEA's register, access to information about the man who donated the sperm will not be available for the child.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): I wish to clarify that, as it is the aspect that I am interested in. The new wording has been introduced in the Bill, yet I am aware of no gay couple who have been refused treatment. They are protected under the Human Rights Act and they cannot be refused treatment. The original provision was a guidance measure, as a signal, mainly to heterosexual couples, that the absence of fathers has an extremely detrimental effect on families. Why, oh why, are we driving the change through now?

Alan Johnson: The original legislation was put in place before the House agreed on civil partnerships, and before the House agreed to outlaw discrimination on the grounds of sexual orientation. The right hon. Gentleman says that gay couples can go through the process. That is the case, and it is the case for lesbian couples. However, those people are treated completely differently. That is the point. We are seeking to make sure that the treatment is the same for gay and lesbian couples as for heterosexual couples.

Mr. Andrew Lansley (South Cambridgeshire) (Con): I am unclear about the basis for the Secretary of State's assertion that same-sex couples or, for that matter, single mothers are being denied access to treatment by regulated clinics as a result of the application of the "need for a father" test. What is his evidence for that proposition?

Alan Johnson: If we are considering a Bill—*[Interruption.]* The hon. Gentleman asked for evidence. We are considering a Bill 18 years on, after we have introduced civil partnerships and legislation against discrimination on the basis of sexual orientation. Leaving in the Bill a provision that is challengeable, and could lead to couples feeling that the law has discriminated against them, would be a missed opportunity. The right hon. Member for Chingford and Woodford Green (Mr. Duncan Smith) and others make the argument, but as there is currently no issue, and the need for a father has never adversely affected any gay or lesbian couple going through the process, why not make the law consistent with the other laws that Parliament has carried, while we have the opportunity of updating the legislation?

Dr. Evan Harris (Oxford, West and Abingdon) (LD): In answer to the question asked by the hon. Member for South Cambridgeshire (Mr. Lansley) about the evidence of discrimination, he need look no further than the eligibility criteria for treatment in the NHS, which refer to a male and female couple, and the evidence given to the Select Committee that was chaired by the hon. Member for Norwich, North (Dr. Gibson) by Pink Parents, who clearly stated that clinics expect them to bring a man along just for show, so that they can tick the relevant box.

Alan Johnson: The hon. Gentleman makes an important point; the issue came up time and again in the consultation on this legislation.

The basic principle at the heart of the clause is that clinicians making these decisions should value good parenting and consider, in the most comprehensive way possible, what is best for the welfare of the child. The clause also reflects current practice. When there is no legal father, the HFEA guidance requires clinics to assess the prospective mother's ability, and that of others in the family or social circle who will share responsibility for the child, to meet the child's needs.

Clause 54 will also give same-sex couples who have children through assisted conception the same parenting rights as heterosexual couples. The current law recognises the woman who carries the child following assisted conception as that child's mother. If the woman is married, her husband, unless it is shown that he did not consent to treatment, is recognised as the child's legal father. However, at present, the female civil partner of a woman who gives birth following assisted conception has no legal status. She is not recognised as the parent of the child, and her name would not appear on the birth certificate.

The Civil Partnership Act 2004, widely supported in the House, recognised the joint parental responsibility of same-sex couples. The Bill would mean that the non-birth woman in a civil partnership would have the same recognition as a husband whose wife underwent treatment using donor sperm. It would also mean that male couples and civil partners could apply for a parental order, in line with married couples. That would bring this area of law into line with national legislation prohibiting discrimination on the grounds of gender or sexual orientation—legislation that, again, was widely supported in this House.

Geraldine Smith: Will the Secretary of State give way?

Alan Johnson: No. I have given way to my hon. Friend twice; I hope that she accepts that I have been generous.

Mr. Duncan Smith: Will the Secretary of State give way?

Alan Johnson: May I make some progress, please?

I have highlighted the elements of the Bill that have attracted the most publicity. However, although they have a lower profile, other clauses contain sensible reforms that will have a more immediate impact. One example can be found in clauses 24 and 25, which amend the restrictions on the use of data collected by the HFEA about fertility treatments.

The 1990 Act recognised the importance of maintaining patient privacy and imposed tough restrictions on the use of any information that could identify a patient. Under current legislation, even if at the time of treatment a patient says that he or she is happy for information that may assist identification to be passed to researchers, the HFEA is not permitted to comply. That places severe limits on the use of data collected by the HFEA—data that ultimately could improve the success of fertility treatment and the health and well-being of children conceived as a result of such treatment.

Although it is imperative that we support the patient's right to privacy, it is also essential that we enable scientists to make better use of HFEA data, which are a valuable and comprehensive source of information that will lead to better treatment for patients. The Bill would provide a regulation-making power for releasing information to researchers without the patient's consent if that were necessary for the public interest. Any such regulations would be subject to consultation.

In the past 18 years, scientists in this country have pioneered medical advances that could not have been anticipated in 1990. The "unknown and threatening seas" to which Baroness Warnock referred have been navigated successfully thus far, thanks to the lodestar provided by Parliament, which has allowed scientists to

reap the benefits of embryonic stem cell research. Specialist regulation of reproductive technologies and clear legal boundaries have united scientific breakthroughs with public confidence in their development and use. Among other things, that represents a considerable triumph for parliamentary scrutiny and debate.

Approximately one in seven UK couples have difficulty conceiving. Assisted reproduction brings happiness and fulfilment to millions of people. Stem cell research has enormous potential to develop new cures for degenerative and other life-threatening diseases. It brings hope to hundreds of thousands of sufferers and their families. This Government believe that we should continue to support such research in order to exploit advances in medical science, but only provided that there are clear safeguards within the ethical and moral framework that Parliament has established with such skill and sensitivity. I commend the Bill to the House.

4.10 pm

Mr. Andrew Lansley (South Cambridgeshire) (Con): The Human Fertilisation and Embryology Act 1990 has been a success. The first legislation of its kind in the world, it led to a framework for the development of assisted reproduction and embryo research that has been a positive example for policy making worldwide. I should like to join the Secretary of State in applauding the work of my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) and colleagues who took that legislation through and the manner in which they did so.

The legislation was rooted in the work of the Warnock committee and its report. It was always clear that the legislation is not intended simply to facilitate research. Technically, it was not needed for that, and research was able to proceed. The issue was that that research required to be established within an ethical framework so that science is bounded, some forms of research are prohibited, and all research on human embryos requires a licence. That was encapsulated in the Warnock committee's view:

> "The embryo of the human species ought to have a special status and no-one should undertake research on human embryos the purpose of which could be achieved by the use of animals or in some other way. The status of the embryo is a matter of fundamental principle which should be enshrined in legislation."

It is a matter of regret to me that the Government appear to have lost that sense of the intention of legislation. In the Queen's Speech, they said that its purpose would be

> "to ensure that Britain remains at the forefront of medical research".

However, the legislation is not just about reflecting scientific progress. The fact that scientists can do something does not mean that they should. Ethical boundaries do not shift in a mechanistic way to reflect the utility of new research techniques. When we scrutinise the Bill, I urge the House to have in mind not just the ease with which research may be conducted as a consequence, but always to consider the ethical implications.

The 1990 Act had ethical issues at its heart. That is why our predecessors in 1990 conducted the legislation on free vote. It is why, at the end of 2006, my right hon. Friend the Member for Witney (Mr. Cameron) and I said that Conservative Members would have a free vote throughout the passage of the Bill. It is why the Government could and should have done exactly the same. Unfortunately, back in 2006 the Government imposed a whip on regulations relating to the anonymity of sperm and egg donation, and they imposed a whip on Labour peers during the passage of this Bill. It has only been as they have relented under pressure from their own Members, from us and from the media that they have consented to a partial free vote on certain aspects of the Bill. I entirely share the view of my right hon. and learned Friend the Member for Devizes (Mr. Ancram) that if Members have ethical considerations that, in their view, prevail over any other considerations in a Bill, they should be in a position to exercise their conscience and judgment, including on Third Reading.

For my part, therefore, what I will say reflects my personal view, and I do not intend that it should bind any of my colleagues. None the less, my hon. Friends on the Front Bench and I will sometimes wish to raise issues and table amendments to protect the interests of the House now and the interests of our constituents for the future.

Speaking for myself, I support Second Reading of the Bill. Even those who wish to amend the Bill at subsequent stages must recognise that the legislation needs to be updated. The example I would give, which will be familiar to many hon. Members, is that of the decisions that the Human Fertilisation and Embryology Authority made in January concerning two projects involving the use of animal eggs from which the nucleus had been removed. Despite the fact that the 1990 Act prohibits the mixing of animal and human gametes, other than to test the fertility of sperm, the authority regarded the embryo created as human and concluded that, as such, it could license research. The HFEA's decisions and interpretation of the 1990 Act suggest that substantial research using hybrid embryos would continue even if there were no legislation, so the Bill is necessary to provide clarity and to update the law. That does not mean, however, that the Bill should go forward unamended.

Lembit Öpik: On that point, is the hon. Gentleman aware that there is research that could be carried out now—I am most familiar with such research on motor neurone disease, but I am sure it could be done on other diseases, too—about which scientists are awaiting clarification of the law through this Bill? That will allow them to be sure that they stay within the law while carrying out laudable life-saving work.

Mr. Lansley: I am aware that there are scientists who rightly want greater clarity in the law, for an entirely understandable reason that reinforces the importance of the legislation and its success so far: scientists feel far more confident about the nature of what they are doing, and of public support for it, when Parliament has provided an ethical and legal framework. That was true in 1990, it has remained true and it is important for us to provide that assurance now. It is partly for that reason that my colleagues and I will propose a number of amendments. First, we will do so to secure improvements to the future scrutiny of regulations

[Mr. Lansley]

made under the legislation; secondly, to maintain the ethical values reflected in the 1990 Act, which we believe are unnecessarily being dispensed with by the Bill; and thirdly, to ensure that licensing by the HFEA carries necessary safeguards.

I turn to the major issues in the Bill, again reiterating that I do so on the basis of my personal views, rather than the view of the official Opposition as a whole. I turn first to the clauses on human admixed embryos, as they are described. I note that the Government's expert advisory group reported in July 2000

"that the use of eggs from a non-human species to carry a human cell nucleus was not a realistic or desirable solution to the possible lack of human eggs for research or subsequent treatment."

We can say that it is now realistic, but the question is whether it is desirable. In January 2007, the Department of Health gave evidence to the Select Committee on Science and Technology. The Government said that

"we have not seen so far a firm consensus within the scientific community...about precisely which human-animal creations should be allowed, any immediate imperative for doing so, or the availability and interpretation of supporting evidence."

As recently as last year, therefore, the Government's intention was to prohibit human-animal embryos while creating an order-making power by which Parliament could subsequently sanction such research under licence should a consensus emerge.

In February 2007, just one month later, the Government's position had changed, and they proposed to legislate to permit such hybrid embryo research. When we debate the changes in more detail, the Government will need to explain their change of mind. I accept that there is a need to pursue different models by which stem cells can be created or reprogrammed to provide potential therapeutic benefit. Although research on reprogramming adult stem cells is encouraging, it would be foolhardy to block embryonic stem cell research and it is increasingly evident that the availability of human eggs for research purposes will be a serious constraint on the conduct of such experiments.

Mr. Burrowes: Does my hon. Friend acknowledge that it is important when considering animal-human hybrid research to demonstrate that it is necessary and that all other avenues and alternatives—adult stem cell research, induced pluripotent stem cells, umbilical cord research—have been considered? Will he commend Lord Hunt's test that the HFEA must be satisfied that there is no other way of conducting the research avoiding embryo use? Would it help if that were made explicit in the Bill?

Mr. Lansley: I am grateful to my hon. Friend and, from reading HFEA minutes, I believe that the HFEA applied that test when it considered projects in January. Those who promote such projects must demonstrate that they are necessary and desirable. It is clear from the structure of the Bill that, if an alternative route—not using embryos—were available, the HFEA should not license such a research project.

Andrew Selous (South-West Bedfordshire) (Con): Will my hon. Friend comment on the future storing of umbilical cord blood and whether he would like that to be greatly increased, as proposed in the private Member's Bill of my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes), as a possible alternative to some of the avenues that he has discussed?

Mr. Lansley: In principle, yes. However, in practice, that route implies considerable NHS resource constraints about which I am not in a position, nor do I necessarily want, to make a commitment at this stage.

The Minister of State, Department of Health (Dawn Primarolo): As an individual Member.

Mr. Lansley: Yes.

Parents will want to consider the proposal and, if they can meet the resource implications, I personally believe that it would be acceptable for them to do that.

Dr. Evan Harris: The hon. Gentleman raised the interesting question of why the Government changed their mind on human-animal hybrid embryos. Was it not because a scientific consensus emerged among the Academy of Medical Sciences, the Medical Research Council, the Wellcome Trust and the House of Commons Science and Technology Committee, in a unanimous report, supported by people who do not often agree with anyone, such as the hon. Member for Castle Point (Bob Spink), who supported the recommendation that the Bill should appear as drafted?

Mr. Lansley: I am interested in that point. My constituency of South Cambridgeshire probably has as many scientists engaged in stem cell research as any constituency in the country. From the many people to whom I have spoken in my constituency, I believe that the consensus rests on the proposition that embryonic stem cell research is one of several models of research, which may deliver substantial therapeutic benefit in future, and on the fact that constraints emerged on the availability of human eggs, which meant that there were significant benefits to be derived from using animal eggs. However, that belief did not extend—and I have not heard scientists in my constituency arrive at a consensus on the matter—to human-animal embryos in which there is a substantial mix of human and animal nucleic DNA.

The document that the Government presented to the Science and Technology Committee in January 2007 stated that

"there may be different arguments—both scientific and ethical—applying to creation of hybrids by cell nuclear transfer which in terms of their nuclear DNA are ostensibly human,"—

that applies to the research projects that have been licensed so far—

"and to embryos containing both human and non-human nuclear DNA."

I therefore find it perverse that the Government have not structured the Bill around the scientific consensus. They have not based the measure on the proposition that embryos that are ostensibly human can be created, and, by virtue of the use of animal eggs, may enable embryonic stem cell research to make progress. Instead, they have structured it in such a way as to permit the creation of embryos with both nucleic human and nucleic animal DNA. As the hon. Member for Morecambe and Lunesdale (Geraldine Smith) said, that is a 50:50 embryo, as it were.

That is precisely the ethical judgment that was considered back in 1990, on the basis of the Warnock report. The conclusion reached then was that such a form of embryo research should not be contemplated. We need to consider whether we should amend the Bill to exclude embryos created by using human gametes and animal gametes or a human pronucleus and an animal pronucleus, as the Government propose under clause 4.

Mr. William Cash (Stone) (Con): Does my hon. Friend agree that the work of Professor Shinya Yamanaka, which has apparently been adopted by Sir Ian Wilmut, demonstrates that the Bill could and should be amended? If their research, on induced pluripotent cells, was to become the main way of dealing with such matters, we could eliminate any prospect of cloned human-animal embryos being used.

Mr. Lansley: My hon. Friend may be interested to know that my hon. Friend the Member for Boston and Skegness (Mark Simmonds) has visited Kyoto to inform himself about that. For my part, I have been to the Roslin institute. Although we do our level best to understand, absorb and internalise the work of scientists, we are laymen. We should be careful not to preclude different models of research that have the potential to deliver effective therapies for life-threatening diseases. That is not to say that we should accept every model of research, if it contravenes what we would regard as an ethical boundary. Indeed, that was the purpose of the legislation in the first place.

My hon. Friend the Member for Stone (Mr. Cash) makes his point, but I do not know to what extent it will be possible to proceed with research in a way that minimises the necessity of embryonic stem cell research. To an extent, I hope that it will be—my hon. Friend the Member for Enfield, Southgate made exactly this point. It would be the job of the authority, when undertaking its licensing, to ensure that embryonic stem cell research was minimised, not that it was excluded. That is the balance that I seek.

Mark Pritchard: Given the scarce resources in the NHS, which both my hon. Friend and the Secretary of State have mentioned, would it not make more sense to put them into areas of research that we know have had results, rather than into alternative avenues of research that to date have produced no results whatever?

Mr. Lansley: My hon. Friend will know that it is the responsibility of the Medical Research Council to make judgments about the effectiveness of research proposals of that kind and to weigh them up together.

Dr. Ian Gibson (Norwich, North) (Lab): Will the hon. Gentleman give way?

Mr. Lansley: Of course—how could I refuse the hon. Gentleman?

Dr. Gibson: On the hon. Gentleman's point about the Medical Research Council, is it not a fact that there is no differentiation, and that 50 per cent. of the research effort goes equally into adult stem cell work and embryonic stem cell work? The MRC is playing it both ways, because as the hon. Gentleman said himself, it is not clear which will win out in the end. In fact, adult cells cannot make neurites and are exactly the cells that one would want for brain damage to be repaired.

Mr. Lansley: I understand that the figures are, broadly speaking, 60 per cent. for embryonic stem cell research and 40 per cent. for adult stem cell research. In any case, there are other options, too.

As we debate therapies for treating diseases such as Alzheimer's and Parkinson's, I am reminded that only three years ago I was at the laboratory of molecular biology, which was doing groundbreaking work for the MRC, of which it is an intramural institute, that was based not on stem cells, but on understanding and manipulating the underlying molecular structure of the brain. I cannot judge—I could barely understand, let alone interpret and predict—which avenue of research will be most successful. The important thing is that they should be properly judged, one against the other.

To complete the point, I understand fully that any embryos created under those circumstances could not be implanted in a woman—the Bill makes that prohibition clear—nor could they be kept beyond 14 days. However, the view taken consistently in framing the Bill in the first place is that embryos that are true hybrids and therefore not capable of being characterised simply as human should not be created.

Let me turn to embryo testing. We understand that the interests of the child to be born must be paramount. The dignity of life demands that a life should not be created simply to serve the interests of another. However, the testing of embryos to prevent the implantation of an embryo with an inherited or genetic condition will, in many cases, be in the best interests of that child if the condition is life-threatening or would severely impair their quality of life. We will table amendments to ensure that the measures are restricted in that way.

Likewise, we believe that the so-called "saviour sibling" provision should be tightly restricted to life-threatening conditions and those that would seriously impair the life of a sibling—*[Interruption.]* The Bill says "serious medical condition", but it does not specify in sufficient detail the criteria to be applied. The balance of advantage against ethical constraints must be judged case by case, and we need to provide strong language in the legislation to ensure that the Human Fertilisation and Embryology Authority does not allow the boundary of what is to be permitted under the "saviour sibling" provision to be stretched too far over time. We will invite the House to consider amendments for that purpose.

My right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) and I had an exchange with the Secretary of State about the need for a father. We wanted to know whether there is a problem to which a remedy is required, but he did not answer that or offer evidence. I know that, through the code of practice, the HFEA has arrived at a point at which same-sex couples can access assisted reproduction through regulated clinics. It demands that prospective parents offer supportive parenting and a male role model.

When responding to interventions, the Secretary of State said something that was inconsistent with the Bill, but that showed the direction in which it should

[Mr. Lansley]

go. Same-sex couples and single mothers can be successful parents, but if we enable a child to be born in circumstances in which a natural conception would not be possible, we have an ethical responsibility to ensure that the welfare of the child is fully protected. It is in the interests of every child to have a mother and a father, but if no father is present—as is, unhappily, the case for many children today—a male role model should be available. For that reason, I, personally, do not regard the substitution of "supportive parenting" for "father" as sufficient. The reference to the need for a father, which has not been reflected in the code, should be recast in the legislation as "the need for supportive parenting and a father or a male role model."

Emily Thornberry (Islington, South and Finsbury) (Lab): Will the hon. Gentleman give way?

Mr. Lansley: No.

Such a change would not be to discriminate against same-sex couples or single parents, but would ensure that the responsibility that we all have to children, through the legislation, is properly discharged. I will give way to the hon. Lady now.

Emily Thornberry: Does the hon. Gentleman envisage that the new family unit will somehow be assessed by a doctor when such people come and ask for artificial insemination? Will the doctor need to say, "Show me Uncle Jim; I want to sit down and talk to him to find out just how much of a commitment he is making to this family, and how long he is likely to be around"? Does he expect doctors to do that?

Mr. Lansley: I do not know whether the hon. Lady has talked to fertility clinics about this issue, but Bourn Hall clinic is in my constituency, and I know it extremely well. I know that it discharges its current responsibilities under the HFEA code responsibly. When assisted reproduction is provided, it is for clinics to look at the parent or parents and ensure that they can meet the criteria in the code of practice. All that I suggest is that current practice, based on the code of practice published by the authority, should be reflected directly in the language of the legislation—no more or less.

Mr. Duncan Smith: Does my hon. Friend agree that the Government have got themselves twisted into knots over this issue? Only 2 per cent. of IVF treatments are to single parents or gay couples, but the problem is wider than that, even if we put those people to one side. By making this change, we send a powerful signal to everyone involved that fathers no longer matter. We know of the difficulties of breakdown when fathers are absent; the guidance—for it is only guidance—is there simply to remind everyone of the necessity and need, where possible.

Mr. Lansley: I am grateful to my right hon. Friend for that intervention. He will know that writing legislation is a bit like writing contracts; we have to legislate not only for the great majority of cases but often for a small minority as well.

If the Government had not proposed a change in the legislation, I do not think that I would have suggested such a change and I do not believe that anyone would have regarded it as necessary. The present legislation is being implemented by the authority in a way that, in practice, is not discriminatory to same-sex couples. However, given that the Government have introduced the Bill, I believe that it is better to reflect the practice in clinics today than to try to resist language that accurately describes what is being done across the country.

Ms Dari Taylor (Stockton, South) (Lab): Will the hon. Gentleman give way?

Mr. Lansley: No. I want to complete my speech quite quickly because there are many Members waiting to speak.

The Secretary of State said, perfectly correctly, that the Government were proposing no changes to abortion legislation. Indeed, speaking from the Conservative Front Bench, I do not think that we are. However, when we come to consider amendments on abortion, I hope that the House will bear in mind three issues.

First, there continue to be far too many abortions. We have the highest rate of teenage pregnancy in western Europe. We fail too many young people through family breakdown, poor parenting, inadequate social support and poor education. Lack of self-esteem has a corrosive effect on young people, and I have no doubt that the high numbers of teenage abortions are a symptom of this wider malaise. This is a central challenge that we have to face in repairing our broken society, and we should not debate this matter in isolation from that challenge. Furthermore, far too many abortions—about a third—are repeat abortions. We must look at the effectiveness of sex education and of contraceptive services. Personally, I also believe that many more young women—women of any age, for that matter—should be made aware of, and offered, long-acting reversible contraception through the national health service.

Secondly, if a woman needs an abortion in terms sanctioned by the Abortion Act 1967, it must surely be better for it to be an early, medical abortion than a later, surgical one. I therefore hope that the House will consider whether the requirement for two doctors to consent to an abortion being performed, and the restrictions on nurses providing medical abortions, need to be maintained.

Thirdly—consistent with that thought and with the principle of according increased protection to the foetus during its development—I believe that we should take a more restrictive view of late abortions. The change made in 1990, which lowered the time limit from 28 to 24 weeks, has clearly been justified. The limits set at each stage, from 1967 onwards, have been intended to reflect the limit of viability. The research published by Field and others in the *British Medical Journal* last week was based on a study of the survival of extremely premature babies born in the former Trent health region. It clearly shows that an increased proportion of babies born at 24 and 25 weeks' gestation are surviving to be discharged home from neonatal intensive care. The authors report no corresponding increase in survival in respect of babies born at 23 weeks. It must be noted,

however, that 18 per cent. of those babies admitted to neonatal intensive care did survive. As we are talking about a total of 510 babies a year born at 23 weeks' gestation, that means that approximately 100 of those babies would live and go home. If they were aborted at 23 weeks, they would not live.

Mrs. Dorries: Will my hon. Friend give way?

Mr. Lansley: Let me talk about the study first, then I will happily give way.

The authors also report that no babies born at 22 weeks survived. Like other studies, they suggest that this might represent the limit of viability. I cannot say whether they are right, but I note that, of 150 babies born alive at 22 weeks over the whole period of the study in Trent, only 24 were admitted to intensive care. In the latest period, 2000-05, only nine were admitted to intensive care. From my point of view—I am not a scientist, but I can read statistics—in order to draw any conclusion from such a small number of cases, one would need to assess why those babies were being born so prematurely. Were they failing to thrive? Were they twins or other multiple births? Were they suffering from a genetic defect?

Abortions at 22 weeks would be of a foetus that was otherwise healthy, unless they were carried out on the specific ground of a prospective abnormality or handicap of the child concerned. So while such a baby would require intensive care, and doubtless very large numbers might not survive, I do not regard that study as providing conclusive evidence that a baby cannot be sustained at 22 weeks.

I would personally be loth to move from the principle of linking the time limit for abortion to the viability of the foetus. That is where it was established in 1967; it has moved over time. It is arguable, but I would argue personally that the evidence would support a further reduction—in my view, to 22 weeks—in order to ensure a prospective legal framework that could accommodate improving medical science.

Mrs. Dorries: I am sure that my hon. Friend is aware of other studies—for example, in University College hospital, London, and in other countries—showing that if poorly babies who are born prematurely receive immediate good neonatal care from a specialist dedicated team of staff, the outcomes are very much better. University College hospital figures are much better than those emerging from the Trent study. One conclusion from the Trent study is that anyone going into premature labour should go to University College hospital and not to the Trent region.

Mr. Lansley: My hon. Friend may have gathered from what I said that I am effectively arguing that in circumstances where neonatal intensive care was provided to all such babies born at 22 weeks and where the foetus was otherwise healthy—or rather the baby was healthy at that stage—the prospects for survival at 22 weeks may well be far greater than suggested by the negative view expressed in the study from Nottingham and Leicester. It is not for me to say any more than that, but I think that it provides a basis for reducing the limit—albeit, in my view, by just two weeks.

Mr. Willis: Will the hon. Gentleman give way?

Mr. Lansley: No, as I am going to conclude.

Let me make my point of view clear. I shall support the Second Reading of the Bill, but I shall vote against the programme motion. On human admixed embryos, in respect of which the Government are changing the ethical framework of the 1990 Act, it is unacceptable to dispense with such a controversial issue in as little as three hours. The number of interventions on the Secretary of State's speech demonstrates that other issues will also take considerable time. As far as abortion is concerned, I have no doubt that a full day's debate, rather than just three hours, should have been allocated. Issues about the time limit, the manner in which approval for early abortion is given and other aspects of the availability of early abortions cannot be given their due weight in a debate of just three hours.

I hope that colleagues on both sides of the House will vote against the programme motion and thereby start the process, which I hope the Government will bend to more as time goes on, of allowing Members on the Front and the Back Benches to express themselves freely on this subject. I hope that the Bill will be amended to reflect the continuing need for an ethically robust framework. I believe that science prospers when the ethics of research are also strong. I hope that the House will join me in supporting the Bill on Second Reading.

Madam Deputy Speaker (Sylvia Heal): I inform the House that Mr. Speaker has imposed a 10-minute limit on Back-Bench contributions.

4.43 pm

Mr. Kevin Barron (Rother Valley) (Lab): May I first tell my right hon. Friend the Secretary of State how pleased I am that the Bill is before us on Second Reading. I was involved in debates about the human embryo during the 1980s. Issues were posed in a private Member's Bill, which I will not go further into; I was also heavily involved in debating the legislation in the 1990s. My right hon. Friend was right to describe that legislation as pioneering—indeed it was. It was rightly debated extensively on the Floor of the House.

Let me respond to both the right hon. and learned Member for Devizes (Mr. Ancram) and the hon. Member for South Cambridgeshire (Mr. Lansley), who mentioned that we now have 18 years of experience of regulation in this area. I and many other Members will have visited the Human Fertilisation and Embryology Authority and talked to those who work for it. When it was introduced, it was not a blank sheet of paper for the future; it is quite different now from what it was back in 1990.

I am pleased that we are updating the regulation of assisted reproduction and embryo research in the light of scientific developments over the past 18 years. In 1990, we were very restricted in what we could do; we need only look at the decisions that the House has taken on the issue, through statutory instruments, which we could not have taken back in 1990. I remember when I was a shadow health spokesman that I had to help a Minister and his Parliamentary Private Secretary to get through a provision on the lifetime of stored embryos. That had not been put in the original Bill—no one wanted to go there, because of the ethical issues at the time. The Committee of Selection hand-picked Labour Members to bring in time scales

[Mr. Kevin Barron]

for the storage of human embryos, so that eggs whose owners had walked away and were untraceable could be got rid of. Those were the types of difficulties that were left because we could not know the detail in 1990. Eighteen years on, the situation is a little different.

The Bill will help to maintain the UK's position as a world leader in embryo research, including stem cell research. In addition, it will reflect modern social attitudes and Government policies on the family. Given the changes introduced by the House over the past decade, that is necessary. Research involving human embryos is necessary for the progress of assisted conception techniques. That was true then and it is true now. According to House of Commons Library figures on IVF up to 2005, there are now thousands of IVF births a year whereas many years ago there were hundreds. That is a result of this type of research.

Such research also holds great promise for the understanding and development of treatments for a range of diseases and disorders. In particular, embryonic stem cell research using cells extracted from early embryos potentially offers major breakthroughs in medical science. Research involving the creation of human embryos outside the body led to the first IVF-conceived birth in 1978—some Members of the House went to her 21st birthday held down here, when she came to say hello.

The UK has a widely admired and established system of statutory regulation, based on an independent licensing authority, the HFEA, which reflects the special status of the human embryo, as recognised in the Warnock report which underpinned the 1990 Act. The hon. Member for South Cambridgeshire said that that special status should have been enshrined in legislation, but my understanding is that it is based on a gradualist approach to the moral status of the human embryo: that it has an increasing status as it develops. That is my understanding of why we legislated as we did in 1990. The law therefore allows research, but only within certain parameters, such as a 14-day limit on the development of embryos in vitro. The Bill seeks to update the existing law, primarily in the light of technological advances, thereby helping to maintain the UK's position as a leading research base.

I want to comment on the three issues that will be subject to a free vote, on which many of us have written. On human admixed embryos, some of the language over the past 18 years has not changed at all, as the Easter sermon in Scotland showed. It is not about creating monsters, as much as people still make that argument about such science, and it never was. If it were, I would not have been as supportive of such science over the years. It is purely laboratory research and aimed at increasing knowledge about serious diseases and treatments for them. Embryos must be destroyed at 14 days, and so far no scientist has been able to develop the embryo beyond six days. Those embryos cannot be placed in a woman or, indeed, in an animal. Interestingly, no one is suggesting that the 14-day limit on which we agreed in 1990 should be changed. Whatever was said at the time, no one is saying now that we got it wrong then. Medical science has come nowhere near trying to give that boundary a shove, and telling us to change what we understood to be right and proper. I do not consider that the science has become out of control. I think that some of the decisions made by the right hon. and learned Member for Rushcliffe (Mr. Clarke) in 1990 were right, and that that has been shown by the test of time.

The Bill seeks to clarify the regulation of human admixed embryos for research. The 1990 Act refers only to human embryos, not to new and innovative ways of creating embryos combining human and animal material, which is why the provision on admixed embryos has been introduced. The Bill proposes that the same licensing process should apply as for fully human embryos, and that the 14-day legal limit should apply to admixed embryos as well. The issue has arisen under the current legislation, as has the HFEA's responsibility for managing the science effectively on behalf of us legislators, and I see no problem with accepting that element of the Bill.

Another issue is that of embryo screening and selection, and saviour siblings. The Bill spells out for the first time in law a number of rules relating to the screening and selection of embryos and gametes. In broad terms, embryo screening and selection will be allowed only for the purpose of screening out serious genetic diseases or disorders. The HFEA has licensed screening in a number of cases since 1990, including cases of single-gene disorders such as cystic fibrosis.

The Bill will ban selecting the sex of a child except when the intention is to avoid a serious sex-linked disease, and it addresses the issue of saviour siblings. As a last resort, an embryo may be selected so that the resulting child is a tissue match for a seriously ill older brother or sister. That has been licensed in a handful of cases involving rare blood diseases. My hon. Friend the Member for Bolton, South-East (Dr. Iddon) referred to the family of three young children and their mum and dad who appeared on BBC television this morning. They had to travel to America, a total journey of 80,000 miles. They were lucky in the sense that they were able to do that, unlike many of our constituents who might otherwise be assisted in the same way. The Bill makes it clear that such activities are lawful, and gives Parliament the opportunity to debate them. I agree with that as well.

My hon. Friend the Member for Glasgow, North-West (John Robertson), who has now left the Chamber, raised the issue of what he described as "spare parts". He asked whether saviour siblings could be created for the purpose of organ transplants. The simple answer is no. Whatever anyone may say, the Bill does not allow embryo selection decisions for that purpose, although other parts of the law—governed by the Human Tissue Authority—do allow it.

Another issue that causes people to shuffle around in their seats a fair amount is that of the "need for a father". I do not think that the Bill is about "doing away with fathers", or about being politically correct. I think the Government are right to recognise the important role that fathers play in their children's lives. There is a range of policies designed to strengthen that role, and to underline fathers' responsibilities. In fact, the Bill will bring conditions into line with legislation already passed by the House on civil partnerships—

Madam Deputy Speaker: Order. I am afraid that the right hon. Gentleman's time is up.

4.53 pm

Norman Lamb (North Norfolk) (LD): I am sorry that the right hon. Member for Rother Valley (Mr. Barron), the Chairman of the Health Committee, was cut off in his prime. It is a pleasure to follow him.

I welcome the opportunity to debate the Bill. It has been a long time coming, and rightly so. There has been a process of deliberation: a draft Bill has been considered by a Joint Committee. I pay tribute to my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) for his chairmanship of that Committee, and to its other members, who produced an impressive piece of work during an exhaustive process. What was particularly impressive was that the Government were prepared to listen. That is the way in which legislation ought to be developed before being presented to the House.

Why is the Bill necessary? The history in this area has been of legislation trying to keep pace with scientific endeavour and developments. The 1990 legislation followed the first great breakthrough: the first IVF birth back in 1978. It was six years after that that Baroness Warnock produced her report, which set out the ethical and moral principles that have guided us ever since, and which have stood the test of time. They included according a special moral status to the human embryo. Although those principles might not have secured universal acceptance, they have clearly provided a rational framework for the development of legislation. However, it took another six years before legislation finally arrived, in the form of the 1990 Act. I pay tribute to the right hon. and learned Member for Rushcliffe (Mr. Clarke) for marshalling that legislation through Parliament, because, remarkably, it has also stood the test of time.

We have led the way internationally, but science has moved on and those advances raise new ethical, legal and social issues. Although the 1990 Act has clearly given public confidence because it introduced a robust regulatory system, in order to maintain public confidence legislation must be able to meet new challenges; hence the need for updating. Ultimately, it has to be Parliament that sets the framework—the boundaries within which scientists and the medical profession can lawfully operate. In setting the framework here and now, we have to look forward and anticipate new breakthroughs, in order to make sure that the legislation is as durable as possible.

I want to say at the outset that, like the Conservatives, the Liberal Democrats will have free votes on all matters in the Bill. We have party policy on a number of issues—how could we not, when among our number we have my indefatigable and immensely impressive colleague, my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris)? Regardless of whether people agree or disagree with him, he clearly brings remarkable intellectual force to the debate. My party's policy position is to be pro-science and in favour of research, but within proper limits and with proper safeguards.

Mr. Cash: Does the hon. Gentleman agree with Einstein, who said:

"Science without religion is lame, religion without science is blind"?

Norman Lamb: I would not necessarily agree with that comment—and let me move on.

I have an important point to make. There is a heavy burden of responsibility on us all in how we conduct this debate. When dealing with issues that engender strong feelings and anxieties and on which Members and others have deeply held convictions, it is incumbent on those on all sides of the argument to remain measured, avoid exaggeration or sensationalism and respect the other point of view. Some of the comments made outside this place so far in the debate have not met that test. Church leaders and others to whom people look for guidance have a particular responsibility for the comments they make.

My party's nominations to the Bill Committee will be two Members who come from very different standpoints on some of the issues involved: my hon. Friend the Member for Southport (Dr. Pugh), who is a Catholic, and my hon. Friend the Member for Oxford, West and Abingdon, who is a former junior doctors' leader. That reflects the fact that although we have party policy on a number of issues, within our party—as within others—there is a wide range of views, and they should be represented properly and fully on the Committee.

I wish to deal with some of the key issues in the Bill, the first of which is the case for embryo research. As a layman who has witnessed the horror of degenerative and genetic conditions, I believe that there is a powerful case for research, which increases understanding and could ultimately lead to cures. My father had Parkinson's, before he died, and I also knew well a local radio newsman in Norfolk who had motor neurone disease. I witnessed the deterioration that that cruel and horrible condition caused. If there is a chance of our finding cures or treatments, that is surely a worthy objective. Any such research would, of course, be subject, under this Bill, to tight control.

I wish to discuss human admixed embryos, which are inevitably one of the Bill's more emotive issues. Surely, for the purposes of research, it must be right to consider their use. We are talking about keeping them only for up to 14 days and, again, only in a laboratory. As I have said, some of the claims have been exaggerated. There is a genuine problem of a shortage of human eggs hampering research. It is difficult to recruit egg donors—the process is a physically demanding one for a woman to go through—and there are long waiting lists of people seeking donor eggs for IVF treatment, so scientists struggle to obtain enough eggs for research. Surely it makes sense to save human eggs for IVF treatment, so if we really want research that has the potential to deliver cures of treatments for some of these awful conditions to be done, there must be a compelling logic to making use of admixed embryos.

I read a moving account in today's edition of *The Guardian* by Geraldine Peacock, the vice-president of the Parkinson's Disease Society. She has had the early onset of Parkinson's for the past 18 years, which is nearly a third of her life. She says:

"I take 39 pills a day to keep me mobile. I freeze like a statue without warning and cannot move unless someone else touches me. It is relentless. This illness invades you. It feels like being locked inside your own body. I can cope with all of this as long as I know that there is hope."

[Norman Lamb]

The proposed legislation, and the capacity it offers for more research, give her and many others that hope, which is why I, personally, support that part of the Bill.

Robert Key (Salisbury) (Con): Is not the most important point about human admixed embryos the fact that they behave like embryos but they are not embryos—they are not the product of a sperm and an egg, and they are not creating human life?

Norman Lamb: The most important issue is that such embryos facilitate research into horrible conditions. Anyone who witnesses such conditions is inevitably left with the sense that it is worth trying to defeat them. That is why I support the measure, which was also supported by the Joint Committee and by the Select Committee on Science and Technology. I understand the concerns, because we are dealing with a challenging concept and there is a sense that it blurs the distinction between animals and humans, creating unnatural entities. None the less, I am clear as to where I stand.

I wish to make one final point on this issue. The HFEA consultation in April last year found general public acceptance that such research for medical purposes may have some value. The HFEA has said:

> "But there is a clear demand from people to know more about what researchers are doing and their plans for future work, highlighting a need for better communication about science and research from both the scientific community and ourselves as regulator."

The Bill has helped to generate a public debate, but the science community has an ongoing duty to continue that communication.

I want to raise an issue that was debated in the House of Lords, which I hope will be considered further in this House. The suggestion has been made that a regulation-making power could be included in the Bill to allow sperm and egg derived respectively from a male and female stem cell—not from testes or ovaries—to be permitted sperm or permitted egg for the purpose of implanting a permitted embryo in order to treat the infertility of those individuals, such as cancer sufferers, who cannot produce their own gametes in the normal way. The science is not there yet, but there is the potential to allow thousands of cancer survivors and their partners to have a child of their own genetic material. That is remarkable science, which was undreamed of not long ago. I would welcome an indication from the Government that they have not closed their mind on that issue.

I want to deal now with the genetic testing of embryos and, first, with the question of negative selection, which involves testing IVF embryos for serious inherited diseases and selecting those that are free from disease. Some disability rights campaigners argue that it is wrong to screen out and that it is tantamount to regarding an individual with a disability as less valuable in some way. I do not share that view. It must surely be preferable to avoid babies being born with very serious disabling conditions. That seems quite different from doing everything possible to avoid any discrimination against an individual who has a disability. There is also the potential to reduce the prospect of a termination at a later stage in pregnancy. For that reason, that negative selection seems entirely appropriate.

Secondly, I want to deal with the question of positive selection and the saviour sibling issue. By tissue-typing IVF embryos, we can identify an embryo that is a tissue match for a sick older sibling suffering from a serious disease so that the transplant of umbilical cord or bone marrow would be a more effective treatment. The original draft Bill limited screening for that purpose to circumstances in which an older sibling had a "life-threatening" disease. The Joint Committee thought that that was too narrow, and the Bill now refers to "serious" disease. That seems entirely rational. It would be hard to argue that we should help only those with a life-threatening condition, leaving those with serious conditions without hope.

I can understand the ethical concerns about saviour siblings. How does a saviour sibling cope with the knowledge that they were created for such a purpose? I do not dismiss that anxiety, but my judgment is that the benefits outweigh the concerns. Inevitably, each hon. Member must reach their own conclusion. The reference that the hon. Member for Bolton, South-East (Dr. Iddon) made to the Whitaker family was a powerful testimony to how the procedure can be enormously valuable for a family. In that case, it has led to a family being able to live happily.

Dr. Iddon: Does the hon. Gentleman accept that it is a treatment of last resort, first because it is costly and secondly because the family would look for a match transplant from elsewhere first? Indeed, as far as I am aware there have been only six cases of saviour sibling treatment in this country.

Norman Lamb: I entirely accept that point and agree with the hon. Gentleman.

Dr. Gibson: But does the hon. Gentleman agree that in many conditions it is not just a question of simple genetic screening? Many of the conditions that afflict humanity are caused by many genetic factors interacting with the environment. As we would not be able to provide that evidence, we would be able to facilitate and help only a low number of people.

Norman Lamb: I accept that point, too, and I am grateful to the hon. Gentleman for his intervention.

Patrick Hall: I think that the hon. Gentleman used the words "a child created for that purpose", but the context would also and overwhelmingly have to be that the child were wanted anyway.

Norman Lamb: I completely agree. I was putting the anxieties of those who are concerned, but the hon. Gentleman is absolutely right about the test that should apply in such cases.

Doctors, scientists and patient groups have pursued two campaigns, co-ordinated inevitably by my hon. Friend the Member for Oxford, West and Abingdon. The first relates to giving the HFEA the power to license the use of cells from existing holdings, which are anonymous, where the donor is either dead or untraceable. The second relates to the use of cells from children, with parental consent, where a child is suffering from a terminal or progressive illness.

Those important issues secured cross-party support in the Lords and I hope that the Government will facilitate discussion of them and will take a favourable view of both. As I said, they are supported by scientists, the medical profession and patient groups.

I shall now deal with licences for therapy. The 1990 Act provided for the use of embryos specifically for research, not for therapy. The 2001 regulations permitted therapeutic cloning to provide the prospect of generating stem cell therapy for diseases such as Parkinson's and diabetes. All those who support such research do so because of its potential to provide therapy. However, it is unclear whether research licences could lawfully permit the use of embryos for therapy if the research proved ultimately successful. It would be odd if we did not address now the potential for such research to succeed. Do we really want to return to the matter with more primary legislation? We should address it now to set up a framework to deal with the eventuality that the research will succeed in due course.

The need for a father is for many people the most emotive issue of all. It challenges many of our assumptions about families and society. I was struck by the number of single women and lesbian women who are already having IVF treatment. In 2006, 1.4 per cent. of the 40,484 IVF treatments were for single women and 0.5 per cent. were for registered lesbians—560 single women and 200 lesbian women in one year. Conservative Members argue that if that treatment is happening already, what is the point of changing the situation? However, there appears to be evidence that the need-for-a-father test is an additional hurdle that excludes some women. My hon. Friend the Member for Oxford, West and Abingdon refers to the criteria set by the NHS in its clinics. I understand that there is evidence of unequal access; if women are able to obtain treatment only in private clinics, some will inevitably be excluded.

Geraldine Smith: What evidence is the hon. Gentleman referring to?

Norman Lamb: My hon. Friend the Member for Oxford, West and Abingdon tells me that the criteria that the NHS set refer to—*[Interruption.]* Let me develop my argument. The Human Fertilisation and Embryology Authority code of practice rightly says that if a single or lesbian woman seeks treatment, the treatment centre should assess the prospective mother's ability to meet the child's needs. Given that IVF treatment is already being given to single and lesbian women, the changes proposed—the deletion of the requirement to take into account the need for a father—is not actually that dramatic

Mr. Lansley: Will the hon. Gentleman give way?

Norman Lamb: In a moment; let me just develop my argument. As for the focus on what is surely the most important issue of all—the welfare of the child who will be born—the British Medical Association put the matter rather well in its briefing:

"We have consistently rejected the idea of applying inflexible rules on access to fertility treatment, believing instead that each application should be considered on its merits. Assessments should be made on the individual factors in each case rather than on blanket restrictions applied to certain categories of people or family arrangements."

I could develop that further: it is perhaps not entirely accurate to say that there are "blanket restrictions", but there are hurdles for some groups of people with particular family arrangements. Surely that is not right. Surely the test should be to consider in each case the welfare of the child that would be born.

Mr. Lansley: I have to tell the hon. Gentleman that there is no direct relationship between the text of the Bill and the criteria applied in the NHS for access to infertility treatment. We have complained many times to the Minister of State, Department of Health, the right hon. Member for Bristol, South (Dawn Primarolo), and her predecessors about the fact that arbitrary social criteria are applied. The changes in the Bill will not prevent that from happening. For example, the Bill will not stop primary care trusts from saying that a woman cannot have access to fertility treatment if her partner has children from a previous marriage, or from restricting access to such treatment for same-sex couples or single parents. It is a red herring to base arguments about the Bill on the NHS criteria.

Norman Lamb: I hear the hon. Gentleman's point, but I disagree with him. *[Interruption.]* May I just develop my point? The BMA addresses the question of whether there is evidence that children born to single women or lesbian couples are disadvantaged in any way. Its submission says that there is evidence that children raised by single women are more likely to be disadvantaged, but that is not true of children born to single women or lesbian couples who choose to start a family on their own through assisted conception. The early research indicates that such children fare just as well as those born to two heterosexual parents through assisted conception.

We are always told that we should make policy on the basis of evidence. If the evidence suggests that there is no disadvantage, there should not be in-built discrimination in legislation placing an additional hurdle before some people because of what they are. We should instead look at individual circumstances. The argument is not about anybody claiming to have a right to a child; it is about individuals having the right to be considered objectively for IVF treatment. The Bill would require treatment clinics to consider the welfare of the child, including the need for supportive parenting. That seems to be the right test, and I will support it.

Let me turn to the issue of whether the birth certificate of a donor-conceived child should have that fact recorded on it. There is considerable force behind the argument that the individual has the right to know. The issue was debated at length in the other place, and one of the possibilities that was considered was the use of a symbol to indicate that a child was donor-conceived. The Government are committed to carrying out a review of the law and practice, and I would be grateful if the Minister said, in her closing speech, where we are with that process and when the review is likely to reach a conclusion.

Finally, the issue of abortion is not part of the Bill, but we shall deal with it through amendments. Inevitably, it has always been a matter of individual

[Norman Lamb]

conscience, and rightly so. We have heard in the past few days of a research study that shows that there appears to be no real advance in the survival rates of babies born before 24 weeks. That appears to be the scientific consensus. The Conservative spokesman, the hon. Member for South Cambridgeshire (Mr. Lansley), addressed the issue. If we are making legislation on the basis of evidence, we should not be persuaded that there is a case for changing the current 24-week limit.

In conclusion, I share the policy aim of reducing demand for abortions. We must all be concerned about the number of abortions taking place. The need to reduce the number of unwanted pregnancies highlights the importance of sex and relationship education in schools, which should be part of the minimum curriculum entitlement. That is what my party believes. It is dreadful that the United Kingdom continues to be top of the league table for teenage pregnancies, and the number of unwanted pregnancies suggests that we are failing as a society. If we can address that, we can deal with the number of abortions that take place. It must also be right that we ensure that the abortions that take place are carried out as early as possible by improving access where necessary. I agree with the comments of the Conservative spokesman in that regard.

It is not often that a Bill comes before the House that is so full of challenging moral and ethical questions. We welcome the fact that the Bill is being debated, and I repeat my hope that the debate is conducted on the basis of evidence and in a measured tone.

5.22 pm

Ms Dari Taylor (Stockton, South) (Lab): The Bill is required. It is almost 20 years since the 1990 Act. The Bill ensures that the regulatory framework for assisted conception is brought up to date and its purpose clarified. The Bill's second function is to maintain public confidence. The subject of embryo research is complex and highly emotive and it is crucial that the public are kept on board.

I speak as a female who is infertile and who went through years of medical treatment, sadly, without the doctors ever discovering why I could not conceive naturally. In Britain about 20 per cent. of young women and couples go through the same experience. They want a natural conception, they hope that scientific advances will help them, but in many cases those fail. The Bill deals with a regulatory framework that is of the utmost importance.

As the chair of the all-party parliamentary infertility group, I want to put it on record that I see the Human Fertilisation and Embryology Authority as an excellent body. It is highly professional, it has a sound reputation and it is seen as authoritative. Through its actions it protects patients, monitors safety and efficiency, reassures the public who are concerned about the manipulation of embryos, and protects those working in the field. It is a highly professional organisation which commands worldwide respect.

However, I am concerned that the Government have not chosen to examine the way in which the regulations impact not just on research, which is crucial and has been the subject of much debate today, but on treatment. I have previously pressed this case and failed, but I suggest to the House that to license "standard" IVF procedure and treatments now is excessive. I say that not because I think that there should be no inspection—of course there should. However, the Healthcare Commission could investigate, make judgments when appropriate and ensure effective service delivery. Instead, we have a system in which the Human Fertilisation and Embryology Authority and the Healthcare Commission regulate. We have been promised a lighter touch, but frankly it is not appropriate at this stage for us to continue with the HFEA's regulation of treatments.

The licensing procedure often takes 18 months to deliver; it is highly costly and takes a very long time. Many of our clinics pay up to £70,000 a year to deliver the system to people who are diagnosed as having medical problems; those people are the one group with such problems to whom we say, "Sorry, but you have to pay for any hope of effective treatment." I am disappointed that the situation has not changed.

My second concern is that the HFEA spends an inordinate amount of time deliberating over licences. Those are complex research licences, and nobody would deny the complexity that it tries to handle. I am really pleased that under the Bill the HFEA will be able to engage a committee of experts to help it deliver an effective licence. That is appropriate.

Dr. Gibson: My hon. Friend has talked about her disappointment about infertility treatments. Does she agree that women are sometimes overstimulated with hormones? If we cut that down to levels that did not cause the multiple damage to eggs that has now been shown, we would save the national health service millions.

Ms Taylor: My hon. Friend is absolutely correct, and of course I agree.

However, I should take my hon. Friend and the House a stage further and say that the regulatory licensing could seriously improve. This House and our Ministers should insist that the National Institute for Health and Clinical Excellence regulations be fully implemented. In 2004, we had a commitment that three full cycles of in vitro fertilisation should be available to all who fitted the clinical criteria. By 2005, it was said that each primary care trust would support at least one full cycle. At this point, a seriously small minority get three cycles, although I cannot give a percentage because I did not bring that information with me. However, the majority of people are in the middle. They hope for some treatment, but little is delivered. This is 2008, and NICE regulations are involved; frankly, it is a scandal. The women involved hope that the service could help them conceive naturally, but it is not available.

Not only that, but there is a variation between primary care trusts. I have just mentioned the number of cycles that are funded; waiting times and the eligibility criteria are also a problem. Many women become eligible at 35-plus, although everybody knows that a woman's fertility decreases savagely at that point. However, they enter the delicate process at 35 and are given opportunities that in fact are not opportunities at all.

I wish that people shouting about every child needing a father or about the problems that they see with hybrids were as vocal and intent about ensuring

that a service was delivered to ordinary women and couples. This House promised that, but nobody seems capable of delivering it. I feel very passionate about this: I do not chair the all-party group for nothing. It is a seriously difficult situation for women and couples to handle.

I will, of course, contribute to the debate on hybrids or admixeds, but I cannot support that part of the Bill—it is a step too far, and I intend to vote against it.

On the issue of every child needing a father, I will support the Bill, because supportive parenting is an appropriate way forward. Speaking with my other hat on, which I share with the hon. Members for Canterbury (Mr. Brazier) and for Mid-Dorset and North Poole (Annette Brooke), if it is acceptable that children who are available for adoption and fostering can be adopted and fostered by single women or by homosexual couples, I see no reason why they should be excluded from accessing all that can be provided for them in terms of embryology treatment. It is completely unacceptable that it is seen as acceptable for one group but not for another. The children who are being adopted by women and homosexuals are invariably those with special needs who are unwanted by heterosexual couples. The House needs to wake up to the hypocrisy that we sometimes seem to develop among ourselves. I come from a very happy home with a brilliant father—somewhat autocratic and always passionate, especially about Welsh rugby and the Labour party, although we can forgive him on those scores. We cannot say that what we have had in our own lives is the only option available. I have known many divorced women and men who have been the most magnificent parents.

On saviour siblings, I will again support the Bill. I cannot understand why the House could not allow a child to have a healthy life by using a brother or sister to support that. I cannot believe that there is an ethical or theological problem, as I do not know whose theology does not have compassion writ large in it.

On the whole, this is a valuable, thoughtful and thought-provoking Bill. It has produced for me one of the largest postbags that I have had in a long time, consisting of intelligent contributions to the debate. I hope that following our debate we will come to the right decisions.

5.32 pm

Mr. Kenneth Clarke (Rushcliffe) (Con): As several hon. Members have reminded me, I had the pleasure of moving the Second Reading of the 1990 Bill. I am glad that we all look back on that as a rather successful and groundbreaking piece of legislation on which we can now build. In case it be thought that this is causing an unusual degree of immodesty on my part, I must concede that—in common, I suspect, with the present Secretary of State—although I presided over those activities and played a leading part in taking the Bill through the House, my Minister of State, Virginia Bottomley, had played a far larger role in putting it together than I had, as had a large number of medics and officials in the Department. It was a necessary piece of legislation, and I am glad to say that, as a result of a very long and careful production process, it has been a success. I was Minister of State when my then boss, Norman Fowler, asked Baroness Warnock to consider the problem in 1982, before it had become a matter of major public controversy, and her recommendations created a virtual consensus that has remained until now and lies behind this Bill.

It is important to bear in mind what the Bill is about, now that we are updating it as we undoubtedly must. Embryo research had been carried out in this country for about 20 years before we legislated in 1990. The first test-tube baby had been born in 1978 and IVF was becoming widespread. In the 12 years before the 1990 Act, such research was an entirely voluntary, unregulated activity, where each researcher made his or her judgment about the ethics involved and how far they should go. We had introduced a licensing authority in co-operation with the royal colleges, but its role was purely voluntary and advisory. Most respectable researchers allowed themselves to be guided by its views.

The purpose of the 1990 legislation was to establish a regulatory and statutory framework. It was precisely because everybody agreed that the human tissue in question had to be treated with particular respect, and because everybody realised that serious ethical concerns were being raised about what was being done, that we set up the new authority. It was decided that the judgments involved should be made, to a certain extent, independently of Parliament, politicians and Ministers, when it came to particular areas of research, but it was set up for the purposes of control.

My hon. Friend the Member for South Cambridgeshire (Mr. Lansley) made the point that a happy side effect of the 1990 legislation was that it made this country one of the leading places in the world for research into degenerative diseases, genetic diseases and research of all kinds connected to the human embryo. It was not the purpose of that legislation, and it should not be the purpose of this Bill, to enable us to have a more permissive regime in order to compete with other jurisdictions. The point is to reassure citizens that Parliament has had regard to the need to set a proper legal and ethical framework within which the best scientists and medics can feel confident to proceed.

That leads me to touch on the way in which the Bill is being handled, about which I have some criticisms—though none of the Secretary of State. I hope that I presented the Bill in 1990 in the same reasonable and sensible way that he just has. The Bill seems quite devoid of any party political or ideological content. In 1990, because of the very sensitive nature of the subject and the strong religious and philosophical views that people held, we introduced a quite different way of handling the legislation. A complete free vote was allowed to every Member of the Government—each and every Minister and not just each and every Back Bencher. Although as Ministers we presented the Bill to try to ensure that there was some sort of sensible, workable, well-drafted legal framework, we left it entirely to the House as to what the contents were.

There was no question of Ministers being given permission to absent themselves on particular issues if they wanted. Ministers went into both Lobbies at various stages. When I spoke from the Front Bench, along with my colleagues who happened to be Ministers, I made a clear distinction—as the Secretary of State just did—between what I was saying on behalf of the Government, based on the advice of medics, or

[Mr. Kenneth Clarke]

perhaps parliamentary draftsmen, and what I was saying as the Member of Parliament for Rushcliffe, which was my own ethical judgment that would determine the vote that I would cast. That is what should be done.

My friend Geoffrey Howe, who was then Deputy Prime Minister and Leader of the House, had the biggest part to play in this matter when he insisted that we should table alternative amendments. The Government tabled a whole list of contradictory amendments.

Robert Key: It was absolute hell.

Mr. Clarke: It was confusing for those who do not normally look at the amendment paper. People published guides to it, as I recall, and we invited the House to choose from a range of options after how many weeks an abortion should be permitted. We asked for people's views on that, and it was an important way of proceeding. Contrary to my wishes, because I had other things to do at the time, the then Leader of the House insisted on the amendments being drafted in such a way that we could get into the debate on abortion at length.

I do not make the point simply out of concern for Roman Catholic and other opponents of parts of the Bill on the Labour Benches, although I have the highest respect for their views, because no one can feel that they have absolute moral authority on the matter. However, I am concerned about the reputation of Parliament, and even about that of whipping votes. I believe in party discipline, and one sometimes needs to enforce the Whip on administrative, financial and legal matters—Members should revolt only now and again, and on serious matters of principle. However, the moral authority of legislation is affected if people are allowed to argue that it was pushed through with too much party political control.

It is amazing that the 1990 Act lasted for 18 years, when we all know people who believe passionately that some of the things that it permits render it almost evil because they hold religious views that I simply do not share. I take a secular view of such matters. I am a social liberal, who is on the social liberal side of most of the arguments that the Bill presents. If it were simply a matter of realpolitik, I would tell the Secretary of State, the Prime Minister and the Chief Whip, "I don't know what you're worried about. If you allow a free vote, you'll find that the socially liberal majority of the House of Commons is enormous, entirely in line with the opinion of the citizenship at large." Governments often get a bigger majority with a free vote.

I believe that the House of Commons should be given the right to demonstrate that all parties have the same range of views—on the Front and Back Benches—and the only possible expression of that in our constitution is through a free vote.

Mr. Gerald Howarth (Aldershot) (Con): I thank my right hon. and learned Friend for giving way—it means that he gets a bit of extra time, from which the House will benefit.

I am not sure that the mood in the country is exactly as my right hon. and learned Friend has expressed it because 77 per cent. of people said that the obligation to have regard to the child's need for a father was either important or very important. Those of us who oppose the "father" provision speak on behalf of more people than perhaps the social liberals do.

Mr. Clarke: I commend members of the general public who are interested—as many are—in the matter to study our debates and discover the current position. If we asked most people how many single women and lesbian couples were allowed assistance under current law, they would be astonished at the reply. The matter should be examined in some depth. I shall comment on that shortly.

We cannot deal with every issue at this stage and I therefore want to explain to those, mainly those of my constituents, with whose views I do not agree, what I believe to be the fundamental ethical point. We go into much detail, but the fundamental issue at the heart of the debate is the ethical argument about what represents a human personality and what regard we should pay to the embryonic tissue with which we deal in research or medicine. I understand the concept of natural law, but much medicine and science is an unnatural intervention in the order of things, and one is constantly making ethical judgments about the extent to which that is justifiable to ease human suffering.

Of course, I accept that human life begins at the moment of conception—that is obvious. However, at what stage of development should one grant the protection of the civil and criminal law to an embryo as if it were a living adult? I cannot for the life of me accept that that applies simply to a fertilised embryo—millions die naturally every day and never become implanted in the womb. I believe that the judgment of 14 days or the emergence of the primitive streak has held up well for the past 18 years and we should stick to it. Then, we must consider how to deal respectfully with human issue and how the Bill should protect it. However, we should not strive to go beyond that. That applies to one's views on abortion embryo research and everything else.

Judy Mallaber (Amber Valley) (Lab): Has the right hon. and learned Gentleman read—as I have, with interest—the representations from Catholics for Choice? Like him, I take a secular position, but the representation states:

> "There is no unanimity within the Catholic church or among faith groups as to when a foetus becomes a person",

and that that has been the subject of debate among theologians for centuries.

Mr. Clarke: Once we start arguing about when the human personality acquires a soul or when it becomes recognisable as such—personally, I would not get involved in debating that—there is great difficulty. I understand that a majority on General Synod of the Church of England have confirmed that they do not regard the fertilised embryo in the first 14 days as a human personality deserving of the complete protection of the criminal and civil law. I respect the Roman Catholic view, but I do not believe that every Roman Catholic shares it. The House needs to establish a consensus.

Briefly, with inter-species embryos, we go beyond the theology and get into people's strangely uneasy, but almost superstitious views about where we are. We always had the hamster test in the past, and people have already talked about the cow's egg with the human skin tissue in the centre—

Madam Deputy Speaker: Order. I am afraid that the right hon. and learned Gentleman's time is up.

5.45 pm

Geraldine Smith (Morecambe and Lunesdale) (Lab): I will try to confine my remarks to the three main issues that we have been discussing today: the need for a father for any child resulting from IVF treatment, human-animal embryos and saviour siblings.

On the need for a father, clause 14(2)(b) removes the provision in the 1990 Act under which IVF clinics must have regard for the need of any child resulting from IVF treatment for a father. I consider that removal to be one of the most ill-conceived measures to be put before the House while I have been a Member. The law as it stands provides an important safeguard for the unborn child, as well as recognising and promoting the generally accepted notion of the ideal family unit—the one designed by nature, that of a mother, father and child. There is abundant evidence showing that children raised in a stable unit of that nature develop much better socially and emotionally, and attain higher levels of educational achievement than their counterparts in other types of family unit. I make that point as a simple statement of fact. In making it, I in no way wish to disparage the love, care and commitment given to their children by most lone or same-sex parents.

The current law does not prevent or obstruct single women or lesbian couples from obtaining IVF treatment. Indeed, we have not heard one example today of a lesbian woman who has not been able to receive IVF treatment. The law simply emphasises the importance of a father to a child and encourages women without a male partner to make provision for a father figure to be involved with the child, such as a grandfather. To me, that seems pure common sense. The best interest of the child should be of paramount importance in this debate. Surely a discussion of the benefits that a child gets from having a father and an examination of how the void created by not having one could to some extent be filled should be a minimum requirement for the IVF treatment assessment process.

The state, through either the NHS or a licensed clinic, in effect licenses the creation of life that would not otherwise exist. It therefore has a responsibility to ensure that all relevant factors are taken into consideration before a decision to proceed is taken. The Government's decision to remove the requirement for the need for a father to be considered is a clear abrogation of that responsibility.

My final point on this matter relates to the Government's intention to airbrush out of existence the biological fathers of the children of lesbian couples. I believe the measure is unfair to the child and potentially harmful. It smacks of the state colluding to fulfil a fantasy of parenthood and should be removed from the Bill.

On embryology, I want to challenge the provisions in the Bill that will add to the 2 million human embryos that since 1990 have been destroyed or experimented upon. The Bill goes further, permitting the creation of hybrid animal-human embryos. It provides for full hybrids, which would be created by fertilising human eggs with animal sperm, or vice versa. The resulting embryo would be 50 per cent. animal and 50 per cent. human. I find this aspect of the Bill revolting, and if my postbag is anything to go by, it also horrifies a good number of my constituents.

I have always had serious misgivings about the ethics of this issue, as well as a real concern about the lack of progress in embryonic stem cell research. It is time that the argument shifted to us putting resources into the new methods that have been developed to produce stem cells with greater potential than embryonic stem cells. I have no doubt that many of those who voted for embryonic cloning in 2001, and those who will probably vote for animal-human hybrids in this Bill, did so and will do so out of a genuine humanitarian desire to help those who suffer from disabling diseases. They believe that this is about choosing between the ideal of helping to cure disease and the belief, which is equally cherished by many, that it is wrong to destroy nascent human life in experimentation.

Six years on from the hype of 2001, not only have the hopes of those who were desperate for a cure for their illness been raised and dashed, but no therapies have been developed anywhere in the world using embryonic stem cells. Ian Wilmut, who famously cloned Dolly the sheep, has declared that cloning work with human embryos is needless. He has said:

"The work which was described from Japan of using a technique to change cells from a patient directly into stem cells without making an embryo has got so much more potential."

At the weekend, Lord Winston said that it was "no shakes" if scientists were not allowed to use part-human, part-animal embryos for experiments.

The Joint Committee heard evidence from scientists about full hybrids. Dr. Lovell-Badge told the Committee:

"I cannot think of a good experiment to do now but I am sure someone will think of a good experiment."

Professor Bobrow has said:

"We are...not aware of any pressing scientific reasons at the moment for creating such entities, but who knows what tomorrow might bring?"

The Nobel laureate, Sir Martin Evans, who discovered mouse embryonic stem cells a few decades ago, recently said:

"The writing is on the wall for stem cell research that depends on using human embryos".

My final quote is from the evidence that Sir Liam Donaldson, our chief medical officer, gave to the Joint Committee. He said:

"There was no clear scientific argument as to why you would want to do it"—

"it" being to experiment with pure embryos. He went on to refer to

"and, secondly, a feeling that this would be a step too far as far as the public are concerned".

I certainly agree with that.

[Geraldine Smith]

Advances continue to be made in adult stem cell therapy, which involves no moral hazards. Indeed, there are more than 80 therapies and about 300 clinical trials under way using such cells. Worldwide, children are being treated successfully for leukaemia using stem cells obtained from cord blood. There are also early clinical trials using adult stem cells in the treatment of diabetes, heart disease, multiple sclerosis and spinal injuries.

Dr. Evan Harris: The hon. Lady has mentioned several people, including Sir Martin Evans, Robin Lovell-Badge and Sir Liam Donaldson, but does she accept that every one of them, including Martin Bobrow, want the Bill to go through in its current form? Can she explain why that is the case, unless she is guilty of selective quotation or of selective interpretation in the quotes she has given?

Geraldine Smith: They have said that they are puzzled as to why such experiments should take place. I sat on the Committee, so I know what they said. Those are their quotes, and if that is what they think and that is what they have said, the hon. Gentleman would have to ask them why they want the Bill to go through.

Surely, the future lies in the development of ethically sound, adult stem cell research techniques.

Finally, I wish to address the creation of saviour siblings for the treatment of serious disease, rather than just life-threatening disease. Deliberately leaving open the option for children to be created apparently for the sole and explicit purpose of providing any type of tissue for an existing sibling is appalling. What about the child's right? What about consent? That child has not agreed to be a donor, and it will not have the chance to do so until it is 18.

I readily understand and appreciate the willingness of parents to do almost anything in their power to save the life or relieve the suffering of their seriously ill child. To be completely honest, if I were in that situation, I might want to do the same. The difference here is that we are legislators; we are supposed to make rational decisions based on the arguments. We should not put parents in the awful position of having to decide whether to create a child for the sole purpose of helping another child.

Mr. Burrowes: I have the pleasure of sitting on the Joint Committee with the hon. Lady. Does she agree that a concern with saviour siblings is that their creation is often said to be about just cord blood or bone marrow, but that the reference to other tissue opens the way for the use of regenerative tissue such as that in kidneys or in livers? That is of great concern to parents in relation to existing children and their siblings.

Geraldine Smith: Yes, I do. With saviour siblings, there is also embryo selection, which is used widely in IVF treatment, and I have concerns about embryos being discarded because of the possibility of disability. Embryo selection could be classed as the ultimate form of disability discrimination. Saying that someone cannot be born because they would have a disability is terrible. I know that we are not discussing that issue in the Bill today, but when we discuss saviour siblings and selecting embryos, we are going into serious issues and unforeseen territory.

I urge caution on this issue. We need a good debate and for hon. Members to enter it with open minds. I am grateful to the Government for allowing several free votes—not quite enough, but they have made some progress. I hope that many Members contribute to this extremely important debate.

5.58 pm

John Bercow (Buckingham) (Con): It is a pleasure to follow the hon. Member for Morecambe and Lunesdale (Geraldine Smith), to whose principled speech I listened with respect but, sadly, without agreement.

It is vital that we all, from whatever part of the House we come, take the responsibility of addressing a wide range of issues relevant to the Bill. We must address the issues of infertility, congenital disease, miscarriage and the development of human embryos. We must address how to apply fruitful research to the development of effective treatment, and what constitutes, what causes and what might cure or alleviate serious diseases. We must address how we can improve contraception in this country, and we must address the issue of the genes and chromosomal abnormalities that give rise to the list of distressing phenomena with which all Members of the House are familiar.

My starting point is that I have always felt that where the science is essentially persuasive, as I believe it to be, we should have a model of facilitation. We should go with embryo research because of the tremendous human opportunities that it offers. That is to say, I take an empiricist, pragmatic, instrumental view, rather than the view that some abstract principle should inveigh against the possibility that such research should be allowed or extended.

Some of the media treatment of the scientists who are working day in, day out, week in, week out, and month in, month out is a travesty. It does no credit to the media, and it does a gross disservice to those outstanding public servants who are doing their best for infertile women, for people suffering from terrible diseases and for children in some of the most appalling situations. They are doing their best for this country and they are doing this country proud.

Alistair Burt (North-East Bedfordshire) (Con): My hon. Friend gives as his central motivation the idea that when he can see science leading somewhere, that process should be facilitated. But where does he place the sticking point? Even if there were an argument that science could take us in a beneficial direction, at what point would he start to feel uncomfortable? How does he make that judgment, and how does he expect other people to make such a judgment?

John Bercow: I shall offer two answers to my hon. Friend, neither of which will satisfy him, but both of which seem to me to be sound. First, I am wholly opposed to straightforward human cloning, and I suspect that that would be a majority view across the House. That is not what is planned or portended by the

Bill. Secondly, I say to my hon. Friend: let politicians for a moment, rather uncharacteristically, assume the mantle of humility. I suspect that none of us in this House is as great an expert as Sir Martin Evans or some of the other individuals to whom reference has been made. I know that there is expertise in the House, which is respected, but we cannot compete with that other expertise.

We should not close off the possibilities of research simply because a Member, who is possibly already geared up to vote in a particular direction, chooses to seize on a given research project or a particular academic in order to advance a view that we should not proceed with a particular method. I believe in a degree of competition. I do not believe that the mere existence of alternatives is sufficient to allow us credibly or responsibly to say, "We won't use that mechanism. We'll stick to another. We'll satisfy ourselves with something that already applies." I believe that there should be plenty of opportunities for different methods to be used, in the hope that eventually one or more will yield positive results.

Dr. John Pugh (Southport) (LD): Does the hon. Gentleman not accept that although adult stem cell research is morally unproblematic, there is a distinction to be drawn here? Embryonic stem cell research is clearly morally problematic; otherwise, we would not be here debating it.

John Bercow: The kind of stem cell research that the hon. Gentleman supports might not attract the same level of criticism, but, on the strength of the information that I have garnered thus far, I am sceptical as to whether it is likely to deliver the scale and quality of outcomes that could be achieved by the kind of embryo research planned for in the Bill. I respect the hon. Gentleman's position, but I stand by the view that we need all sorts of different sources of potential improvement. We should not act as the exclusive arbiters in favour of one source, rather than of either of the other two main sources that are on the table at the moment.

Let me confront some of the key issues, as other hon. Members have honourably and powerfully done. The first is the issue of admixed embryos. I respect the fact that some Members feel an almost overwhelming revulsion at the idea. I do not share that feeling. I have said that I am motivated by the pursuit of results, and I believe that the pragmatic arguments are strong. There is a shortage of human eggs, and the hon. Member for North Norfolk (Norman Lamb) and others have referred to another relevant factor in this context—the fact that the whole process of egg harvesting is difficult, burdensome and hazardous. Moreover, for a proportion—admittedly only a small proportion—of women, it is potentially fatal. My view is that if we can efficiently deploy an alternative by using animal eggs as part of the mix instead, there will be much to commend that. I look forward to the possibility—I put it no more strongly than that—that that process might yield beneficial results.

I would simply say to my hon. Friend the Member for North-East Bedfordshire (Alistair Burt), for whom I have the highest regard and personal affection, that I hope he would accept that all the morality is not to be found on one side. Of course he is motivated by moral considerations, and so am I. I cannot stand idly by and look at the situation of someone who is withered and debilitated by the most appalling disease—be it Parkinson's, Alzheimer's or motor neurone disease—knowing that there might be a possibility of a cure or alleviation by one or more of the methods provided for in the Bill. I cannot simply turn away, saying that some abstract theory, dogmatic reasoning or religious insistence prevents me from giving the go-ahead to that work. That is where I am coming from on this subject.

There are similar moral considerations with regard to saviour siblings. Let me confront the point that is most regularly and passionately made against the concept. The notion is that what is entailed is the bringing into being of an additional human being for a purely utilitarian purpose. It is said that this would devalue the individual, that that person might suffer subsequently and that the process would be intrinsically wrong. My view is that, in the first instance, that should be a judgment for the prospective parent or parents. If the prospective parent says to himself or herself—or if the partnership decides—that this is something that they want to do because a sibling can be helped, a disease can be cured or a life can be saved and, as a consequence, extended, I have respect for that. The pursuit of tissue-typing offers the best and most obvious example of the deployment of the potential of scientific research for the ultimate purpose—the saving or improvement of human life. These processes exist not in isolation but to provide a particular benefit.

Mr. Cash: Would my hon. Friend extend his argument to make these therapeutic opportunities universal, or does he accept that only some people are likely to benefit from them, rather than all those who want them?

John Bercow: I can certainly conceive that not everyone who wishes to benefit will do so. If my hon. Friend is encouraging me—I am not sure whether this was the gravamen of his intervention—in the direction of saying that more and more people should so benefit, my answer is in the affirmative. I thought that I had made it clear that this is essentially a good thing, which we should welcome and which the Bill should allow to be introduced and extended.

The whole question of the so-called need for a father is writ large in our considerations. My view, for what it is worth, is that the Government's proposal is perfectly reasonable. I am not convinced that the insertion of the phrase "supportive parenting" was necessary. It was a compromise that was reached in the other place, but the earlier formulation seemed perfectly satisfactory. However, I shall not castigate the Government for attempting to meet reasoned—if, in my view, incorrect—criticism. They have come up with a form of words that is unobjectionable.

My view is that we should not discriminate. We should not have class actions. We should not have the dogmatic exclusion of whole categories of people. We have equality legislation with which these provisions should be compatible. My anxiety is that the call to reinsert the need for a father is not grounded in evidence but driven by preconceptions and, in some—although not all—cases, by rank prejudice. That is wrong. Judgments should be made on the basis of the individual case, not on the strength of a theory.

Mr. Gerald Howarth *rose—*

John Bercow: I have already given way generously, as my hon. Friend will testify. I hope that he will have the opportunity to catch your eye, Mr. Deputy Speaker, and to favour the House with his own views.

Let us have a fusion, as in the best traditions of this country acting pragmatically and this Parliament thinking sensibly, between science, appropriate—in some cases robust—regulation, and the social mores of our society today.

I applaud the political record and legislative achievement—in this matter as in almost every other—of my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke). He, as a social liberal—a term he used himself—will confirm that attitudes today are different from those that applied 20 years ago. The idea that we have not had enough time to consider the issues is preposterous. Frankly, those who are opposed in principle always level that objection, and no time would be sufficient for them fully to exhaust their list of objections, prejudices and disagreements.

We have had a good chance—the Government have handled the process very fairly indeed—and this is a decent Bill. It is a progressive piece of social reform that offers the chance of making a significant improvement in the quality of life for thousands and thousands of people in this country. I welcome the Bill and hope that it will enjoy a safe passage.

6.10 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): I am an enthusiastic supporter of the Bill. If anyone is in any doubt about any of its clauses, I recommend that they read the excellent debates in the other place, which were of a very high standard. I congratulate our peers, who have considerable expertise. I would particularly congratulate Lord Darzi of Denham and Baroness Royall of Blaisdon on the professional way in which they steered the Bill through the other place.

Personally, I am excited about the potential for research that will be made possible by the application of the Bill when enacted. It can bring about a major step change in the advance of medical research. There have been important milestones on this route, many of which were controversial and were opposed vigorously in their own day. Fortunately, society has grown to accept those technologies today, so let me mention one or two examples.

Organ transplant surgery was pioneered in South Africa, especially by Christiaan Barnard's work on heart transplant surgery in December 1967. He initially met a lot of opposition, but heart transplant surgery is now accepted and I do not hear much opposition to it in this day and age. Another example—it has already been mentioned—is in vitro fertilisation. It was pioneered by Patrick Steptoe and Robert Edwards, and led to the birth of Louise Brown, the first so-called "test-tube baby", at Oldham District and General hospital on 24 July 1978—30 years ago now. That technology, too, was highly controversial in its day, but we have grown to accept it. On the birth of Louise Brown, the Archbishop of St. Andrews and Edinburgh, Cardinal Gordon Gray, said:

"I have grave misgivings about the possible implications and consequences for the future".

Similar warnings about the technology in the Bill are being repeated today.

Throughout time, there has been a conflict between religion and science; we should remember Galileo, for example. It seems almost impossible to believe today, but Harvey's description of the circulation of the blood and the heart's role in it met large objections in his day.

Tremendous advances have been made in the cure of disease, especially since the 1930s when the sulphonamides were bred out of our dyestuffs industry. As a result, deaths from cancer, infectious diseases and cardiovascular diseases are all going down. However, a number of other diseases—some rare and mostly devastating for the people who have them—are not susceptible to cures by the use of modern drugs or by advanced surgery. A new breed of drugs, called biological drugs—200 of them in use today worldwide—have opened up some new treatments within the last 20 years for cancer, AIDS, neurological disorders, cancer-induced anaemia, heart disease, diabetes and some rare genetic disorders.

Currently, there are some very difficult-to-treat diseases, including most of the genetic diseases and debilitating degenerative diseases such as muscular dystrophy, muscular sclerosis, motor neurone disease, Alzheimer's disease and Parkinson's disease. This Bill gives hope for future generations of people who might suffer from those devastating diseases, and it holds out hope, too, for the millions who suffer from diabetes and heart disease, and for those who damage their spines, usually in accidents.

We hope that by taking the nuclei out of a skin cell or other cell of sufferers of these diseases and creating admixed human embryos, which the Bill deals with, scientists will be able to find out how those diseases develop, with the ultimate goal of stopping them developing at all in every individual who might otherwise have acquired them. The intention is, ultimately, to lead to cures for those people, but the Bill is primarily about the necessary research. I would not want to mislead anyone by saying that there will be cures for some of these diseases tomorrow, next year or even in 10 years, as we are embarked on long-term research. Britain leads the world in embryo research; as demonstrated by the award of the 2007 Nobel prize for physiology or medicine to Sir Martin Evans of Cardiff university.

Patrick Hall: My hon. Friend has touched on a very important issue. Many people who object to stem cell research say that in all the time for which it has been undertaken it has produced no real results—but is it not the case that even with ordinary pharmaceutical developments, and the medicines that we are now all used to, the lead time is at least 10 years?

Dr. Iddon: With today's biological drugs, that has extended to 20 years. However, I do not agree that there have been no results from stem cell research. I think it is a remarkable field of research, which is advancing more quickly than the legislation to deal with it. That is the point, and that is why we are here now—because the legislation is not keeping up with the pace of development in this field.

I was privileged to be a member of the House of Commons Science and Technology Committee when it published a seminal report entitled "Human Reproductive Technologies and the Law" in March 2005. I have to tell right hon. and hon. Members that if the then Chairman, my hon. Friend the Member for Norwich, North (Dr. Gibson), and I had not decided to guillotine the Committee—something that I had not previously thought possible, but guillotine the Committee we did—that report would never have seen the light of day. That drastic action was necessary because 130 amendments had been tabled; this was shortly before the general election of 2005. I am very pleased that I did that, because that report, produced by Committee members of all political parties, was the seminal report on which all the subsequent Government consultations were based. Select Committees can do some very useful things. We produced other reports—for example, on the Government's proposals for the regulation of hybrid and chimera embryos and, more recently, on the science of abortion—and in my opinion, those three reports provide the bedrock for this debate.

I do not see abortion mentioned in any of the clauses, and I am disappointed that we are going to spend as many as three hours discussing that issue. I am not denying that abortion is an important subject, but there are already many technical difficulties in the Bill that hon. Members need to get a grip on. In my humble opinion, we need all the time available to discuss all the issues mentioned so far, and others that have not been mentioned, without getting bogged down in the difficult debate about abortion. Personally, I believe that abortion should be the subject of a quite separate debate; indeed, we have already had many debates on it.

Members seem greatly preoccupied with adult stem cells and cells that have been rewound to their embryonic state. This research is indeed important, but let us not forget that when we use adult stem cells, they may have built into them an inherent mutation. That is the danger of adult stem cell research. It may well be that we will find techniques for detecting those mutations in adult stem cells, but I would not like to use therapy from adult stem cells and produce a mutation, or produce a fault in an individual by using them.

Let me also tell the House about the work done in Japan by Professor Yamanaka's group, and at the university of Wisconsin in the United States, to reprogramme a skin fibroblast. Four genes are necessary for that reprogramming, and one is an oncogene—a gene that produces cancer. It is not therefore surprising that when Professor Shinya Yamanaka's group in Japan injected stem cells into a four-cell mouse blastocyst and embedded it in a womb, the full-term mouse that developed contained tumours in almost every part of its body. I would not therefore like right hon. and hon. Members to feel that we can completely abandon stem cell research using human embryos or cytoplasmic hybrid embryos, and rely entirely on either rewinding adult cells, or even using adult stem cells. All three lines of research must continue, because faults are inherent in each of them. At the moment we do not know which one will tell us how diseases will develop or produce the best therapeutic results.

In conclusion, let me make a plea to the House. For a long time, in listening to debates in the House on post-animals and humans, I have thought that a parliamentary bioethics committee was needed—not a national bioethics committee. If Members want to observe the difference between the two, I urge them to read the articles in "Science in Parliament", which will appear on their desks next week, and an article in *The Observer* that Baroness Warnock has already written. Those ought to be part of the debate. I agree that we should be led by a discussion of ethics, and there is not enough time on the Floor of the House to discuss all the issues and the ethics involved at the same time.

6.21 pm

Mr. Gary Streeter (South-West Devon) (Con): The House has been treated to a rich feast of speeches, demonstrating the diversity of opinion on the subject held by our constituents and certainly by right hon. and hon. Members. I am pleased to follow the hon. Member for Bolton, South-East (Dr. Iddon). Although I do not agree with everything—perhaps anything—that he said, I recognise his tremendous expertise in this field. There are valid arguments on both sides of the debate.

In making decisions about what human embryo research we will permit, we must, as the hon. Member for Bolton, South-East said, be guided by science and discovery. Our civilisation has always cherished progress and we should endorse those who legitimately strive to produce remedies against some of the worst diseases that assail human frailty, but we should not be too hasty in abandoning an ethical understanding of what it is to be human. Nor should we discard the wisdom of the ages: the wisdom that places humans as important moral objects, distinct from other animals. Reaching back to Plato and Aristotle, man has sought to understand the distinction between humans and the rest of nature. We need to hold in balance, on the one hand, our traditional understanding of who we are, including legitimate religious beliefs, and on the other, important scientific endeavour. Why is it that some people who are so socially liberal are inclusive of everything apart from those who hold sincere religious beliefs? That is not true inclusiveness.

Those of us who believe that some—not all—of the Bill's provisions should be rejected do not oppose research into therapies that could save and improve lives. However, we believe that there is a better way of conducting that research. I want to ensure that public money is spent most effectively. We are constantly told that more than 80 therapies have been developed from adult stem cell research, while so far no therapies at all have been developed as a result of embryonic stem cell research. We have still not been given an answer for that in the debate. Yes, of course, it takes a long time, but we have had 20 years. When the Minister winds up, will she tell us why she thinks that we have not had greater success in that important field?

Dawn Primarolo: I can give the hon. Gentleman the answer straight away: the technologies under discussion have existed only in the past few years. He refers to science and developments that have been around for longer. We need not go further than that.

Mr. Streeter: Greater breakthroughs than we have seen in the past are necessary.

Of the three main controversial issues in the Bill, I am instinctively against human admixed embryos, for moral reasons. I make no bones about that. Mixing the life essence of humans and animals is plain wrong, and a slippery slope to who knows where. But even the science seems to favour those of us who oppose this measure. Those who favour human admixed embryos rely on two main arguments: first, that admixed embryos are necessary because they will provide a mechanism for mapping genetic disorders; and secondly, that they will make up for the shortage of human eggs.

My concern is that the creation of human admixed embryonic stem cells is a distraction from areas of research that are proven to be more effective, because they will never be able to be used as a therapy and no one wishes to see them implanted. Thus, the only use for them is disease modelling. However, even in that context there is a vast problem. How far will such admixed embryos truly mirror the development of human embryos? Stuart Newman, from New York medical school—he has not been quoted yet, and we have had plenty of quotes—called it a poorly motivated experiment, and said that the

"growth and development of the human-cow hybrid clone would say very little about the potential of a human only clone to develop in the same fashion."

The hon. Member for Bolton, South-East said that he could not place reliance on some of the current technology and research; I am afraid that I do not place reliance on hybrid research, as there is no guarantee that it will mirror a purely human embryo.

John Bercow: May I say through you, Mr. Deputy Speaker, that I am extremely inclusive of my hon. Friend? I just do not think that the Bill should be driven by his particular views. He says that one of his objections to the admixed embryos is that they represent a slippery slope. May I put it to him that of all the arguments that he can deploy, the so-called slippery slope thesis is the least persuasive? If he believes in parliamentary sovereignty, such matters can and will be determined by this House. If I may say so, it is a lazy argument.

Mr. Streeter: It was one of the arguments that I put forward. I simply do not agree with the hon. Gentleman. The slippery-slope point is that once such research is done, we know not where it will lead us. Parliament is not aware of everything that is done in this community and country every single day.

The creation of induced pluripotent cells—I must confess that I do not really know what they are—or adult cells with embryonic stem cell properties, now, it seems, provides a credible alternative to embryonic stem cells. Human eggs are not needed in the creation of those IP cells, as they are created using adult human cells, such as skin tissue. They are already proving better at disease modelling, drug testing and investigating cell reprogramming. Dr. Robb MacLellan, a researcher at the Center of Regenerative Medicine and Stem Cell Research at the University of California, said on 1 May 2008:

"I believe iPS cells address many of the shortcomings of human embryonic stem cells and are the future of regenerative medicine".

The world is moving forward with these new technologies: they are the technologies that are internationally recognised as the future. The Bill enables British scientists to move further away from the cutting edge of their field—it promotes research into gas lamps when electricity has already been invented.

Mr. Cash: Will my hon. Friend give way?

Mr. Streeter: I have already given way a couple of times, and would therefore be breaking into my own time. I know that the House wants to hear my pearls of wisdom.

Most European countries—France, the Netherlands and Germany, to name but a few—have banned the process of somatic cell nuclear transfer, which is used in the creation of human admixed hybrids. I have just mentioned Europe, so perhaps I should have given way to my hon. Friend, but I will not. Professor Sir Ian Wilmut was a great hero to the social liberals in our midst when he created Dolly the sheep, but now that he has moved from embryonic stem cell research lesser emphasis is given to his point of view. I wonder why. If we pass the Bill, Britain will not lead in this area, but start to fall behind.

Let me turn to the troubling issue of saviour siblings. The fact that we can select our children to generate a source of material to help sick relatives does not mean that we should. Of course we all have deep sympathy for those who suffer from genetic disorders. In the past three years, I have watched my much-loved father-in-law slowly transform from one of the nicest, most wonderful people on the planet into a person who, because of his extreme Alzheimer's disease, is completely unrecognisable. If I could wave a magic wand and find a way of treating that disease I would, but the fact that a complaint is very serious does not mean that we should continue with a research process that is wrong. I do not believe that that is an answer to the ethical and moral problems.

If a child has leukaemia and needs a bone marrow transplant, I expect any parent to do all that he or she can, but we must consider the psychological implications for the second child. We should not solve one problem by creating another. Saviour siblings may be loved, cared for and wanted—indeed, only families who care desperately about their first child will have them, so of course they will be cared for—but they will always have a secondary purpose. They are a means to an end, and they will come to know that.

I am sure we all remember the existential angst of our teenage years. We have probably seen it in our children as well, and in some cases even in our grandchildren. If to that turbulence is added the knowledge that one was created for the secondary purpose of providing tissue for an older sibling, the identity crisis suffered by many young people today can only be made worse. We already have a huge problem with depression and many other types of mental disorder.

Mrs. Jacqui Lait (Beckenham) (Con): Will my hon. Friend give way?

Mr. Streeter: I will not, if my hon. Friend does not mind.

I think Members will accept from their constituency experience that those are some of the hardest disorders and complaints to treat. I do not think we are doing particularly well at looking after people with mental health needs up and down the country, but many suffer from such psychological challenges because of their own upbringing. They may, for instance, have experienced extreme behaviour during their childhood. We should not seek a physical cure for one child at the expense of possible additional mental challenges for others. As Immanuel Kant said, humans should be an end in themselves, never a means.

Mrs. Lait: Will my hon. Friend give way?

Mr. Streeter: I will not, if my hon. Friend does not mind. I have given way twice, and if I did so again I would be breaking into my own time.

The third part of the Bill that I wish to discuss is the removal of the "need for a father" clause. The House may have guessed that I am not necessarily in favour of that. Although the practical implications of the clause are slight—we must accept that—its symbolic magnitude should not be underestimated. It is fundamentally a question of the hierarchy of rights. Should the sensibilities of those who may be bringing up children after they are born be put before the interests of the child? Lord Darzi recently said in another place that the removal of the "need for a father" clause should be seen in the context of the wider Government policy of promoting equality, but what about the wider Government policy of ensuring that the child's welfare is the paramount consideration, as seen in the Adoption and Children Act 2002? Surely that should come first.

If society desires responsible fatherhood—which we do—the most detrimental act would be to send the male population the message that they do not matter. As we all know, family structures are an interdependent triad of relationships between father and child, between mother and child and between father and mother, each performing separate and complementary roles in the socialisation and normalisation of each party. We need to start affirming the position of fathers in parenting, families and society in general, and the Bill tugs us in the wrong direction. In this hierarchy of rights, it should be the child who triumphs.

Of course the Bill has some good features, but I believe that overall it is a step in the wrong direction, and I hope that—unless it amends the Bill significantly—the House will ultimately reject it. When it returns to us in Committee, I shall support amendments seeking to reduce the time limits for abortion. I consider it a matter of national shame that this country remains the abortion capital of western Europe.

6.34 pm

Dr. Ian Gibson (Norwich, North) (Lab): I believe that this is a skirmish in comparison with what will happen next Monday and Tuesday, when we deal with the nitty-gritty of some of these issues. We shall be able to have a real argy-bargy. I am sure that many of us have argued about the issues for 100 years and more, in cold flats, in universities and in schools. They have not gone away, and many of them are not new. All these questions—what is life, when is an embryo a gamete, what is the role of our maker—have been around for a long time.

I should declare a couple of interests. As was pointed out by my hon. Friend the Member for Bolton, South-East (Dr. Iddon), I chaired the Select Committee. We had epic discussions, and we split, not amicably. I earned a reputation as Dr. Frankenstein, according to my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith), and I have loved and lived that reputation ever since.

I am also a member of the Stem Cell Foundation, which is part of a Medical Research Council unit. It contains some distinguished individuals who are interested in promoting the foundation, which was established in 2005 to support the advance of pioneering stem cell research into medical practice. We receive many private donations. So far we have received some £90 million, and we hope that when stem cell work starts to break through we shall be able to develop it in this country. Many of us remember what happened when monoclonal antibodies were discovered at Cambridge. The work was taken to the United States, and millions of people, as well as industries, benefited from our discoveries.

I am very pleased to be continuing the stem cell work. As with everything in science, we live in hope that something will happen, but it is never possible to swear to it. I am 99.9 per cent. sure that the sun will rise tomorrow morning, but who knows? Something just might happen. We live in a world in which interesting things turn up in science, and that is why we become involved. We want an environment in which we can research and find things out.

I remember when, in the 1970s, we discussed genetic recombinant DNA. There were huge fights and marches in Boston to protest against the insertion of animal DNA into human cells and vice versa. It was the scientists themselves who regulated the position and determined the category into which the work should fall. They have now established the principle, and people carry out such work all the time. For example, human insulin and bacteria are made in animal cells, to the benefit of many people who suffer from diabetes.

Science was what motivated us to examine the issue in 2004, but we knew that there was a public out there who had been involved in the debates about in vitro fertilisation, and much of what is being said now was said about it then. All the same words and phrases were used, such as "unnatural" and "playing God". Now in vitro fertilisation is standard practice, and we are talking of improvements that ought to be made. We should be pressurising the system to ensure that it is available to people, because having a child is very much part of being a human being, and wanting a healthy child is particularly so.

There will be much more in medicine that will—I hope—really tax this place, feeding the need for Committees and debates. It is estimated that by 2012 everyone will be able to have their DNA examined for $10 and be told whether they are likely to suffer from diseases such as Alzheimer's, if they want to know. Such information could be seen as intrusive by those

[Dr. Ian Gibson]

who prefer to accept that life is a hazard and not to know what will happen, but it will be available. Jim Watson, the Nobel prize winner, has just had his DNA examined, but he refused to allow the part that might predict Alzheimer's to be examined, because he has reached the age at which it might happen and he was not sure whether he could handle the knowledge emotionally.

Very interesting developments are in prospect, and as has been said before, we must be ahead of the curve and ensure we have the necessary legislation. Members have referred to the work in Japan. My hon. Friend the Member for Bolton, South-East mentioned the oncogene, which might be involved in the development of cancers—Nobel prize-winning stuff again—and might be carried by retroviruses when they are put into a particular cell. That is the problem with gene therapy—trying to change genetic problems by inserting DNA. We do not yet have a foolproof mechanism for the use of retrovirusues, although scientists are trying to find other ways of getting genes into adult cells while preventing the development of cancers.

Not all scientists agree with this type of work. For example, in an article entitled, "The Production of Admixed Animal-Human Embryos: Is it Necessary, or Merely Desirable?" Professor Michael Balls—a familiar name in this place—from FRAME, an organisation that tries to stop animals being used in medical research, questions the partial arrogance of science in wanting to do such things. Therefore, scientists do argue about whether this is a valid procedure in conference centres and debating halls—as I said, we have managed to hammer out the issue of recombinant DNA. My bet is that the scientific community, including the medics, and the public—when they are engaged—will be able to say what they think about these embryos.

Admixed embryos are not new. Indeed, I remember merging mouse cells and human cells and getting chromosomes—genetic material—from mice and humans. A competition went on between them, and the cells and chromosomes that developed were mainly human. As a result, we found out about matters such as which DNA genes and chromosomes were next to each other. That has now developed into the human genome field, which has so much potential in developing our attitudes on, and knowledge of, health. As there were admixed embryos in the past, I think there will continue to be such embryos.

We need the potential for making stem cells. Some stem cells at certain layers in the blastocyst are better at developing than others. Some people say, "Embryonic stem cells haven't done anything." That is not quite true. We have to go through very strong safety conditions and procedures, and we use mice and rats. People might be against that experimentation, too, but it is the law and it has to be followed. Certain situations, such as where there are model mental health problems in mice or rats, can be corrected by injecting embryonic stem cells.

John Bercow: The hon. Gentleman has much wisdom about these matters, so I listen to him speak on them with the greatest respect. Is it not worth underlining that admixed embryos will be subject to the same regulatory procedure that applies to embryos at present, namely the requirement for destruction at 14 days, or upon the emergence of the primitive streak? Therefore, the idea conjured up by some of the more lurid speculation in the tabloids that there will be some persistent ongoing consequence is nonsense.

Dr. Gibson: Yes, that is true; it is the stuff of science fiction, and people see it on the television so they are persuaded to believe that it will happen and that evil people in white coats are running around trying to do that and thinking, "Who cares about a Nobel prize when we can produce a three-headed monster; that's a real achievement." None of the scientists I know ever talks about that; they may do so in a jocular way after a couple of pints, but as far as I know no one wants to do that. There is no gain or benefit; there are merely problems, and it is unlikely to happen.

It is unlikely that these admixtures can reach the 14-day stage at present in any case, but it is possible to get very good stem cells at different stages. We know that there are pre-stem cells in certain cancers, and if they are in somebody with a leukaemia, that can develop at later stages into full-blown leukaemia. So the development of drugs against pre-stem cells—we do not have to go into the detail—is much more effective than doing that at later stem-cell stages. We have only managed to do that by being able to do the kind of test I mentioned.

I said that I was 99.9 per cent. sure that the sun would rise tomorrow morning. The same percentage is often cited in respect of mitochondria and hybrid admixed embryos. The mitochondrial DNA is the contribution from the animals; that is the 0.1 per cent. We should not dismiss mitochondrial DNA by saying that as it is only 0.1 per cent. it does not matter. Importantly, there are many mitochondrial diseases in human beings. We should look at the evidence. Work is still being done on this; such embryonic research is difficult, because when we try to make embryos by this method we have to look at the mitochondria. It must be asked whether there is a possibility that material from the nucleus—the DNA—also adds things to the mitochondria, and whether the mitochondrial DNA does, too. Is there an interaction between them, and what actually happens? It appears that in certain cases with such hybrids, human mitochondria starts to appear. It can be assessed by its DNA. Therefore, there is still a lot to learn in that area, even though it is only 0.1 per cent. of DNA. However, there is no evidence that this affects the stem cells produced, and the way they grow, and how they look. Their morphology is one thing, but their biochemistry is another thing, and there is no evidence of any changes in that.

It must be pointed out that this is all being done in a very regulated work environment. That regulation is done not only by the Human Fertilisation and Embryology Authority, but by local ethical committees. It is necessary to get permission from them to do this kind of research. Lord Winston in the other place complains, of course, saying there is too much regulation; but we have a lot of regulation that makes this work.

Let me end by making the following point. There are people in this House—one or two I know of—who have parts of a pig attached to their heart. That keeps

them alive. We do not need hypocrisy in this matter. We can have combined pigs and human beings to keep people in this House—and elsewhere—alive. There are combinations from different sources, and we should welcome that.

6.45 pm

Robert Key (Salisbury) (Con): My constituents have a range of views on this issue, and for the avoidance of doubt I have posted details of my views on the matters under discussion on my website. Therefore, I will not have to repeat a lot of the arguments we have heard this afternoon, and I can concentrate on broadening the debate a little.

The most important thing to say is that I fundamentally believe in respecting other people's views. I happen to come at this matter from a Christian viewpoint. I know that there are as many different views within, for example, the Muslim faith as within the Christian faith, and we should not start sniping at each other along those lines. Respect is crucial, not least, as my hon. Friend the Member for Buckingham (John Bercow) pointed out, for the scientific community. I know of no scientists—GPs, clinicians, or the people working in the fertility clinic or the genetics unit in Salisbury district hospital—who do not have an in-built sense of responsibility for the ethics of what they are doing. It is fundamental to everything they undertake, so I have huge respect for the scientific community in all of this.

Like some other Members present, I am a veteran of the 1990 legislation, and the law that we produced then—thanks to my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke)—has stood the test of time and served us well. However, it is time to bring it up to date. Last year, a Joint Committee of Lords and Commons sat to examine the proposed legislation. I served on it. We made extensive recommendations to both Houses of Parliament and to the Government, as a result of which the Government have abandoned some of their proposals and changed others. I pay tribute to Ministers both in post then and now, and also to the Bill team at the Department of Health, who had an exceptionally difficult task in drawing up the Bill as it currently stands.

The Government are doing the right thing. We must have an updated Act of Parliament to make sure our scientists are working within the proper framework in terms of moral and ethical issues as well as practical, legal issues and considerations. Of course, this Bill is not being rushed through. The process has been continuous ever since the Warnock committee started its work in 1982. It has been continually on the back burner, and occasionally on the front burner as we have had to face individual issues.

I want to underline something that the hon. Member for Bolton, South-East (Dr. Iddon) said: the importance of having a national bioethics commission. The high court of Parliament is, de facto, our national bioethics commission. Every point of view is found and expressed in both Houses, and last year on the Joint Committee we had people of many religious views, varying from a rabbi to a bishop of the Church of England to a Wee Free Presbyterian and others, as well as people of no faith at all. That is how it should be.

Having served on the Committee, under the chairmanship of the hon. Member for Norwich, North (Dr. Gibson), that went to Sweden and to Italy to examine their bioethics committees, I am sure that the best bioethics committee is the Houses of Parliament. I emphasise and support what he said about the need to have a standing Joint Committee of both Houses along the lines of the Joint Committee on Human Rights, so that we can consider these issues as they arise.

It is important to underline the fact that the moral framework of the law, which was devised all those years ago by Baroness Warnock, still stands today. Three moral principles—first, that all human tissue is special and uniquely demanding of respect; secondly, that embryos can only be used for up to 14 days, the point at which the primitive streak emerges; and, thirdly, that no embryo that has been used for research may ever be implanted in a woman—are pillars that are fundamental to the morality of this legislation.

I said that I come at this from a Christian point of view: I am a fully paid-up member of the Church of England. I am grateful to the Archbishops Council for the advice that it has made available to all Members of this House on the exact position of the Church of England, because that is important. On all this free-vote territory and on all these moral issues, I always seek the advice of theologians and priests whom I respect before sticking my head above the parapet. It is important to recognise, as a starting point, that a human embryo needs protection because it has the potential to develop as a person, or persons, made in the image of God. We believe that the Church is called to balance its concern for healing and saving lives with its equally strong concern to see the moral significance of all human life, including the embryo, respected for its sacred nature. That is the position of my Church, and it is my position too.

Of course, some Christians regard an embryo from the moment of conception as a person made in God's image, and therefore they oppose all experimentation on the embryo. I fully respect that view, although I do not agree with it. I take the gradualist approach, viewing embryos as much more than just cellular material, but I support limited experimentation in the first 14 days. I am not going to dwell on the individual challenges facing the House beyond that. Perhaps when we return next week for two days in Committee on the Floor of the House and perhaps if I have the honour of serving on the Public Bill Committee later, we will go into that in more detail.

One issue has not been mentioned so far: what should be put on a birth certificate? I think that the state has a moral duty not to be party to a deliberate deception about a person's genetic history. The evidence convinces me that everyone has the right to know the identity of their biological parents, and it also suggests that the best approach is for the social parents to inform their children at the earliest opportunity, at the most appropriate moment, of their origin. However, for the avoidance of doubt and to be fair to everyone, there is a case for printing on every birth certificate a notice of other state agencies that may hold additional information on a person's genetic history. Therefore, no one would be discriminated against and everybody would know that it might be worth checking, if there is any doubt and one's "parents" have not told one.

[Robert Key]

One other issue is important. When the Joint Committee took evidence from a very wide range of people, one of the things we were seeking after truth to discover was what people in this country actually thought about stem cell research and about this Bill. The answer was clear: it was that we do not know. The Committee concluded:

"We find it unhelpful that witnesses on both sides of the argument have claimed to represent the public view, where supporting evidence for this is lacking."

Mr. Burrowes: It was a pleasure to serve on the Committee with my hon. Friend, to discuss issues with him and to agree with him about birth certificates. He mentioned that the view was that we did not know public opinion. As I recall it, that view came from the science editor of *The Times*. If one were to examine the formal consultation process, one would find that the view was very clearly that the majority of the public were against moving towards human admixed embryos.

Robert Key: There is a difficulty with this matter. I have produced from my copious notes the result of a poll that was produced recently in the national press. It asked:

"Should human-animal embryos be allowed?

All sorts of statistics were printed, one example being that 50 per cent. of people said yes to that. It also asked:

"Should IVF proceed without the 'need for a father'?"

Some 40 per cent. of people said yes to that whereas 32 per cent. said no—or possibly the other way round. The poll is extraordinary, but it does not represent public opinion in the sense of social indicators as the result of basic, serious, professional, social science research into public opinion in this country in this area—we have it not. The Government have admitted that no such research has been done, which is why the Joint Committee, on which my hon. Friend and I served, has recommended that the Government should forthwith start doing that research; they should commission that serious research, so that we do not have to rely on what *The Sun* says its readers think or on what any other organ thinks its readers think.

John Bercow: My hon. Friend is making a characteristically sagacious speech. May I put it to him that much depends upon what question is asked? Moreover, there are Members who say, "My postbag says" without it perhaps having occurred to them that people of a particular view, especially those who are against a Bill, are probably, on the whole, more likely to write than those who are in favour of it. Would it not be a good idea simply for us to accept that we are not necessarily tribunes and that we cannot be sure of public opinion, but that we are here to exercise our judgment in the national interest?

Robert Key: We are, indeed, here to exercise our judgment, as in the famous Bristol speech, which my hon. Friend will doubtless recall.

I always add a pinch of salt to my understanding of what a colleague is saying when they say, "My postbag says" or , "I have never had such a big postbag." I have received hardly anything at all on this issue in my postbag; I have perhaps received four or five letters, probably 20 e-mails and a postcard campaign or two, to which I have courteously replied. Nevertheless, none of us should assume that we know what all our constituents think—I do not. I always listen carefully and courteously when constituents tell me their view, but I then have to make my judgment.

I hope that I have explained one or two of the reasons why I come to my judgment that this Bill is a sensible and practical one. It has gone through the mill of the opinion of both Houses of Parliament. It strives to provide a framework that will ensure that our scientific community and our clinicians can care better for people in this country who are ill, or who will be in the future, and can relieve the problems that they suffer. As someone who observed my dear mother dying of Alzheimer's disease, I do not need any convincing of what it would mean if only we could begin to understand how to put all those sorts of diseases right.

I believe that the Bill is a great force for good and a step in the right direction, rather than the wrong one. It is a natural evolution of the current position. As a Parliament, we must always be careful not to go too far. We must accept that it is our responsibility to say to the scientific community, "Just because you can do something, that does not mean you should." We should come back to this matter in far less than another 20 years, and I am sure that we will do so. Indeed, I recall saying on Third Reading of the 1990 Bill that the scientific community will be back within 10 years. It took less than 10 years for us to take a view on certain limited aspects of the matter, but here we are again looking at this very important Bill.

It is a comment on how far we have progressed that there are perhaps 50 hon. Members on both sides of the House this afternoon and that people are speaking passionately about the subject. That was nothing compared with the situation in 1990, when people were sitting in the gangways, standing at the doors and standing behind the Bar of the House with enthusiasm. I suspect that that will happen again next week, when we deal with some of the more controversial issues, but we have moved on and there is a much greater public understanding, as well as acceptance, of what our medical clinicians and researchers are trying to do. I support the Bill on Second Reading. I will not be supporting every move all the way through that the Government wish to make, but, on the whole, this is a Bill worth having.

6.58 pm

Chris McCafferty (Calder Valley) (Lab): I am delighted to be able to speak in this debate on a Bill that I very much welcome. I believe that the Bill will strengthen regulation in important areas of scientific research, including embryo and stem cell research. That is a very grey area at the moment. As my right hon. Friend the Member for Rother Valley (Mr. Barron) said, a lengthy process of review has taken place since the Human Fertilisation and Embryology Act 1990. It has included White Papers, consultations and Committee reports, so this Bill has not been entered into lightly. In the other place, they did an extremely thorough job of debating and scrutinising the Bill. Judging by today's contributions so far, the debates in this House will be equally stimulating.

I listened with great pleasure to the right hon. and learned Member for Rushcliffe (Mr. Clarke), who spoke with elegance, knowledge and humour on these important issues and managed to poke fun at the Government at the same time. It was an impressive masterclass.

I am pleased that the Bill sets out a clear regulatory framework for scientific research, although the HFEA already requires researchers to demonstrate that the research is necessary and it is permitted only if it fits within the research purposes set out in the 1990 Act and the Human Fertilisation and Embryology (Research Purposes) Regulations 2001.

Although embryonic cell research is still in its early stages, it is already advancing scientific understanding of early human development and the processes involved in particular diseases, such as Parkinson's and motor neurone disease. In the future, it could lead to the development of new cell-based therapies for these conditions. Like other colleagues, I have been contacted by a number of national and local organisations, as well as individual constituents whose friends or relatives suffer from degenerative diseases, who have all asked me to support the Bill. However, every letter, e-mail and phone call also stressed the need for adequate regulation of this important research.

I believe that the Bill strikes the right balance between scientific discovery and statutory controls and I fully support it.

Mr. Burrowes: Will the hon. Lady give way?

Chris McCafferty: No. I have only 10 minutes.

In particular, I support the retention of the requirement for medical practitioners to consider the welfare of the child before treatment is offered.

There has been a great deal of debate about the replacement of the reference to the child's need for a father with one to the child's need for supportive parenting. My personal view is that a child benefits from having a mother and a father and that fathers are intrinsically valuable. However, I also believe that the most important aspect of the upbringing of any child is a loving and supportive environment where their welfare is paramount. Whether that is provided by a conventional family, a single-parent family or any other type of family should not be a matter for Parliament to decide by statute. Early research into the welfare of children born to single women or lesbian couples who choose to start a family by assisted conception shows that those children fare just as well as those born by assisted conception to heterosexual parents.

The Bill also sets out the circumstances in which embryos can be tested in a lab. A wonderful procedure with a dreadful name, pre-implantation genetic diagnosis, enables couples who know they are at significant risk of having a child with a specific genetic condition such as cystic fibrosis or Duchenne muscular dystrophy to avoid the transfer of embryos affected by that condition. What a wonderful gift that would be to such a family. I support the use of embryo testing for this purpose, but I agree with the Government that it should be available only in cases where there is a significant risk of serious disease.

I also support pre-implantation tissue-typing, which is referred to as saviour sibling treatment and allows the selection of an embryo that is a tissue match with a sibling suffering a life-threatening or serious medical condition. In fact, the licensing authority has carried out a number of policy reviews on embryo testing, including on tissue-typing. Each application is considered on its own merits and a licence is granted only when the authority is convinced that the child will be a valued member of the family and that tissue from that child is the only means of treating the older sibling.

In practice, tissue-typing is only carried out for life-threatening blood conditions and has happened in only a small number of cases. Six families have benefited from such a procedure, but the technology has resulted in children being cured of serious medical conditions. The courts have already confirmed the authority's power to license tissue-typing, and so one of the Bill's most important aims must be to make that power explicit in law.

It has been widely reported—indeed, a number of hon. Members have already alluded to it—that some Members of the House will seek to amend the Bill in order to reduce the upper time limit for abortion. As I stated when I opposed a ten-minute Bill in 2006, I believe that any attempt to reduce the time limit, blatantly disregarding the views of the scientific and medical communities, would be irresponsible and ill-informed.

John Bercow: I am extremely grateful to the hon. Lady for giving way and I entirely agree with her. It is a pity that the Bill is being used for that purpose although, to be fair, it is in parliamentary order. Does she agree that if people who want to reduce the upper time limit are determined to go ahead with their amendments, as they are perfectly privileged to do in parliamentary terms, those of us who favour a different modernisation and improvement of the law will take our opportunity, too? We can obtain a genuinely progressive reform, rather than the antediluvian reform that some favour.

Chris McCafferty: The hon. Gentleman makes a valuable contribution to the debate. I sincerely hope that we get our opportunity to improve the legislation on behalf of women.

When the 24-week limit was approved in Parliament in 1990, the key argument was that that was the stage at which the foetus was considered viable. It is the considered view of the British Medical Association, the Royal College of Obstetricians and Gynaecologists, the Royal College of Nursing and the British Association of Perinatal Medicine that there is no evidence of a significant improvement in the survival of pre-term infants below 24 weeks' gestation in the UK in the past 18 years. The recent EPICure and Trent studies that were referred to earlier both state clearly that there is no statistical significant improvement in survival under 24 weeks' gestation.

As I have said many times in the House, the best way of reducing the number of unintended pregnancies and abortions is to improve women's access to contraception as well as educating women and men about sexual health. It is not rocket science. Sexual health education should be compulsory for young people in school. In contrast, any reduction in the time limit would force a small number of vulnerable women to continue a pregnancy against their will. Proposals to reduce the time limit do

[Chris McCafferty]

not even appear to take into consideration the terrible plight of women who have a wanted pregnancy but discover a foetal abnormality at a later stage.

I, too, want to see a reduction in the number of women seeking abortion and a reduction in the gestation period after which such abortions take place. In fact, late-term abortions are extremely rare. In 2006, less than 1.5 per cent. of all abortions took place after 20 weeks and of those, 0.7 per cent.—a tiny fraction—were carried out at 22 weeks or later.

I wholeheartedly welcome the Bill and urge hon. Members to support it in its entirety and to resist amendments that are not supported by the medical and scientific fraternity or that are not evidence based.

7.8 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): The House is at its best when it is debating a Bill of this nature. The contributions from right hon. and hon. Members this afternoon demonstrate why it is such a privilege to be here and why I shall be sorry to retire at the next election. [HON. MEMBERS: "Oh!"] I say that just for sympathy.

John Bercow: More, more!

Mr. Willis: It was not a plea for more time.

I want to start by echoing the hon. Members for Norwich, North (Dr. Gibson) and for Salisbury (Robert Key) in their plea for a bioethics committee. The issue was raised by the hon. Member for Norwich, North when he chaired the Science and Technology Committee during its inquiry into human reproductive technologies and the law. It was raised in the Joint Committee and the Science and Technology Committee when they considered the legislation. It is nonsense that there is no mechanism to bring together people from both Houses to debate ethics and advise the Government on issues of such importance, and that the Government have to look elsewhere for such advice.

I begin my brief comments by congratulating the Government on their measured and deliberative approach to the Bill. It is rare but extremely welcome for significant policy changes to be based not on media hype or dogma but on research evidence, and to be subject to careful parliamentary scrutiny. However, I have to tell the Minister of State, the hon. Member for Exeter (Mr. Bradshaw), that the programming is giving all Members real cause for concern. To allocate only three hours' debate for the whole of schedule 2 is unrealistic. I think Ministers believe that the schedule is about saviour siblings, but it is significantly more than that; it is also about embryo testing, sex selection, storage limits, the licensing of therapies, the Lord Hunt test and, most important, the use of hybrid embryos. That is what the hamster test is—a hybrid embryo—and it has never been regulated in law, yet it will come under schedule 2.

The Minister of State, the right hon. Member for Bristol, South (Dawn Primarolo), who will take the Bill through the House, has now returned to the Chamber. It is important that she argues for far more time for discussion of those matters; otherwise people will feel cheated and pressure groups will say that the Government simply railroaded the Bill through Parliament, which will undermine all the work the Government have done.

Mr. Burrowes: I commend the hon. Gentleman on chairing the Joint Committee with such dexterity and on dealing with issues of great complexity and depth in a fairly short time. I commend him, too, for his point about the lack of parliamentary time. I offer him an example relating to human admixed embryos, where there is a lack of definition, which exercised the minds of our Committee and the other place. There is still no definition, only illustrative examples, so how can we really have a clear Bill and clear regulation?

Mr. Willis: I thank the hon. Gentleman for his comments and for his diligent support for the Bill. Under the expert legal guidance of Lord Mackay of Clashfern, we tried hard to find an all-encompassing definition of all embryos that were not pure embryos. Indeed, the Academy of Medical Sciences tried to do so, too. Unfortunately, we failed. To return to the hon. Gentleman's point, however, we should not give up; before the Bill becomes law, it is important that we have a much clearer definition of what we are talking about. However, I am content with the descriptions in the Bill relating to admixed hybrid embryos.

The 1990 Act has stood the test of time. We have heard many tributes to the right hon. and learned Member for Rushcliffe (Mr. Clarke) and the then Conservative Administration for taking the Act through Parliament; we owe a huge debt of gratitude, too, to Baroness Warnock. They and the House showed faith in our clinicians, our scientists and our regulators, and that faith has been rewarded. The challenge for us, as the Bill goes through, is to be equally bold and trusting, always bearing in mind the wise words of Lady Warnock:

> "The law must not outrage the feelings of too many people; but it cannot reflect the feelings of them all. It must therefore be drawn with a view to the common good."

In essence, despite the opposition of some people to the Bill, the measure does little more than bring within the law and within regulation interpretations of the Act made by the HFEA, changes in society and breakthroughs in medical science since 1990.

In considering the Bill and possible amendments, I draw the attention of Members to the three Select Committee reports tagged to the measure: the "Government proposals for the regulation of hybrid and chimera embryos", produced by the Science and Technology Committee, the Joint Committee report, and the report, "Scientific Developments Relating to the Abortion Act 1967". I suspect there will be many amendments on abortion.

The first of those reports followed the White Paper produced by the Department of Health in December 2006, which proposed the prohibition of the creation of animal-human chimera or hybrid embryos. The White Paper coincided with applications from Newcastle and King's to create human-animal cytoplasmic hybrid embryos, both of which were granted under the 1990 legislation but need to be brought under the Bill. The Science and Technology Committee concluded unanimously that the Government's proposed policy was wrong. We found that there was a pressing need to clarify the law in relation to hybrid embryos, and that research allowing

the creation of human-animal chimera or hybrid embryos was necessary and desirable. We concluded that such research had the potential to contribute to the development of greater understanding of the genetic basis of diseases and of stem cell technology. However, the important point is that we did not say that it was the only viable form of research to develop stem cells. We did not say that, and I cannot recall that any serious group of scientists or politicians has made such a claim.

The Committee recognised, as did the scientists and patient groups we met, that research into adult stem cells and research into cord blood stem cells were of equal importance—it was not one or the other. Earlier, the hon. Member for Buckingham (John Bercow) made that point in his usual brilliant way. The same point applies to the newly developed technology of induced pluripotent stem cells in Japan and the United States. The hon. Member for Bolton, South-East (Dr. Iddon) is no longer in the Chamber. He made the telling point that if we tried to bring adult stem cells back to pluripotency, we would unleash all sorts of other things whose genetic trends are unknown. It is important that no avenue of possible scientific advancement that could bring relief to people suffering hugely debilitating conditions should be outlawed or limited. Regulated, yes—outlawed, no.

Robert Key: Can the hon. Gentleman confirm my understanding of the difference for the Newcastle team if they can use human admixed embryos? They use about six human hybrids a month, whereas if they could use admixed ones, they would use 200 a week.

Mr. Willis: The hon. Gentleman is absolutely right. That is a very important point. However, I want to establish the fact that it is not an either/or situation. Once the House has established that, we can start to move forward.

This afternoon, I have heard a number of claims that so far research using embryonic stem cells has not yielded results.

Mrs. Iris Robinson (Strangford) (DUP): That is so.

Mr. Willis: But research is not like that; pure research is about finding answers for which we did not even have a question. If the House legislated by saying that we had to know the answer before we could permit the research, we would end up with the most sterile research community ever.

John Bercow: Will the hon. Gentleman give way?

Mr. Willis: I cannot resist the temptation.

John Bercow: Some colleagues labour under the misapprehension that success in research terms is like a result on election day, but it is not like that. Success in research is not a fact but a process.

Mr. Willis: I had not realised that the hon. Gentleman was speaking in my time. However, the whole issue of admixed hybrid embryos addresses the fundamental point raised by the hon. Member for Salisbury about the shortage of eggs.

This afternoon, we have heard that the harvesting of female eggs is an invasive process—it involves dangers and it should be avoided at all costs. In the abattoir this afternoon, hundreds of thousands of oocytes were flushed down the drain. Not only could all of them be used for research purposes but they would also allow human embryos—human oocytes—to be used sparingly and effectively, because techniques to do so would have been developed elsewhere.

My last point is on saviour siblings. There will rightly be a huge debate on the use of embryos as so-called commodities. I think that the Roman Catholic Church is right to raise that as an issue. We in this House who do not necessarily agree with that particular religious point of view should not refuse to hold that debate. However, in my mailbag—I am sorry that the hon. Member for Salisbury gets so little mail; he can have some of mine—I often get post that shows that the Catholic Church has, in many ways, traduced the argument by making claims about the research that do the Catholic Church a disservice. There is a genuine debate to be had about where life begins and the sanctity of the embryo, but rather than simply making great claims, let us have that debate in a genuine forum.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Willis: No, I will not. The issue of saviour siblings is very pertinent. If, through pre-genetic diagnosis, we can screen out of embryos debilitating conditions that will affect the life chances of a child, we should do it. If we can use saviour siblings to make sure that a child lives, rather than dies, surely that is something of which this House should be proud.

7.21 pm

Emily Thornberry (Islington, South and Finsbury) (Lab): I welcome the provisions in the Bill that allow the screening of embryos for tissue matches to enable the treatment of siblings with serious medical conditions, and I agree that the right measures are in place in the Bill to safeguard the welfare of the resulting child. The Bill also provides clear, necessary guidance on the use of pre-implantation genetic diagnosis, and places limits on its use. The measures in the Bill to regulate the scientific use of embryos, including human admixed embryos, will offer vital opportunities for research on medical conditions such as Parkinson's disease, so that we can move closer to new treatments.

I will resist the temptation to discuss abortion today, but if any misguided attempts are made to limit women's access to abortion, I will certainly attempt to speak again, because I have a great deal to say on that issue. I speak as the representative of Islington, South and Finsbury, where there are 3,640 single parents. If there were a league table of single parents with dependent children, Islington would be in the top 20. In Islington, there are a great many gay marriages; there is at least one gay marriage a day, and a very large number of gay people in my constituency now live together in legally recognised, loving relationships. It is the experience of my constituents that heterosexual couples do not have a monopoly on good parenting.

I should like to compliment my hon. Friend the Member for Stockton, South (Ms Taylor) on her passionate speech, which showed her at her absolute

[Emily Thornberry]

best. She is completely right to ask why, if gay people are appropriate adoptive parents, they cannot have children of their own. I accept that single parents have a difficult, demanding job, but they are fed up with being demonised by some Conservative Members. Children need consistent parenting, clear boundaries and, most importantly, a loving home. My late mother brought up three children on her own, and she coped by making sure that she had friends who supported not only her but us, and who provided male role models, where necessary, for my brothers and me.

It is claimed that if, through clause 14(2), we replaced

"the need...for a father"

with a need for "supportive parenting", it would fundamentally undermine fatherhood. "Supportive parenting" and "fatherhood" are hardly mutually exclusive—well, not in the majority of cases, anyway. Hon. Members should look at the other side of the coin: allowing the phrase,

"the need...for a father"

to remain would expressly discriminate against single women and lesbian couples. Frankly, that will not do. It is discriminatory and unfair. Essentially, that is my point, and I could sit down now, but I will not, because I also want to discuss the issue of birth certificates, which has not really been touched on.

Schedule 2 will change birth certificates. There has been a great deal of heat and not much light in some debates on the subject. Let us take the example of three couples who become parents with the help of a sperm donor. In the case of the first couple, a heterosexual married couple, both people will be on the birth certificate, even if the father is not the biological father. If the second couple, a heterosexual unmarried couple, have a child through sperm donation, both people can be on the birth certificate, even if the father is not the biological father, as long as he goes to register the birth. In time, the children could go to the Human Fertilisation and Embryology Authority register, where they could find out the name and last known address of their biological father, and any important biological data—such data will, of course, become increasingly important for children who are born now.

If the third couple were lesbians, they could be refused a donor if they did not bring along an Uncle Ben, or some other man, to prove that they understood

"the need...for a father".

If they were refused a donor, they might enter into informal arrangements, which would mean that only one of them—the biological mother—would be on the birth certificate. The child would then be unlikely ever to know their father or find out any details about them. In addition, the lesbian partner would have absolutely no rights, even though she was, in practice, a parent. That is not fair or right, and it is not 21st century.

Let us say that that third couple managed to get a donor, perhaps by bringing along a male friend. As the law currently stands, only the biological mother would be on the birth certificate, although the biological father would be on the register held by the authority. Again, that is not fair; it is discriminatory and it has negative effects on the child. Until the non-biological mother adopts, she has absolutely no rights as a parent, even though the child was born into a stable, loving relationship that had been legally endorsed through a civil partnership. That is not right. If the non-biological mother's partner dies when the child is 18 months old, the second parent will have absolutely no rights over the child. In fact, the biological mother's parents could take away the child and not give the other parent any access at all to the toddler. Is that fair? No, it is not.

What I am saying is not political correctness, or if it is, I do not care. It is just correctness. It is basic justice; it is what is right. If we maintain

"the need...for a father",

we continue to discriminate against single women and lesbians who want to be mothers. Hon. Members should not misunderstand: those women will still become mothers. We will not be able to stop them. However, holding back the legislation will not supply their children with a single additional parent. If the legislation is not passed, hundreds of children of lesbian parents will be denied the opportunity to have a second loving parent at the heart of their family. We should do the right thing.

7.27 pm

Mrs. Iris Robinson (Strangford) (DUP): I make no apology for speaking as a born-again Christian. I represent the voice of those who look to a higher authority—one to whom we will all one day answer for the decisions that we make in the House. Each one of us is an individual of amazing worth. I approach the Bill through the central fact that we are all created in the image of God. Much science will be discussed and debated, but I want to remind us all that we need to consider the case fully—both biologically, through the logical argument of our God-given minds, and with respect to the mind of God.

We are told in the book of Genesis that we are created

"in the image of God".

Mankind is not made in any one person's image, but in the image of God—the height of holiness and purity—and that gives man a sacred standing. It makes man fundamentally different from the rest of creation, including animals. We are not just another animal. We are created special, and that fact must be treated with respect. That tenet is central to human identity. The creation of hybrid embryos undermines our dignity and is fundamentally disrespectful of the boundaries of nature. It would tarnish the "image of God" present in all of us, would breach the biblical prohibition of the mixing of kinds, would confuse lineage, would fundamentally affect all human relationships, especially marriage and the family, and would cross an ethical line by creating something essentially new but unnecessary.

Indeed, 1 Corinthians 15 provides us with a clear statement of the difference between humans and animals in God's order. Verse 39 reads:

"All flesh is not the same: Men have one kind of flesh, animals have another, birds another and fish another."

I stand by that.

To date, human embryonic stem cell research has absorbed a huge amount of taxpayers' money but delivered no therapies, whereas adult stem cell research,

which involves no ethical hazards, has delivered around 80 therapies for patients, and some 350 clinical trials are currently under way. That is a fact, and if we had to wait 20 years before we were deemed to be elected, we would be waiting a very long time. I say that in answer to the hon. Member for Bolton, South-East (Dr. Iddon).

In Northern Ireland and many parts of the UK we are facing an epidemic of suicide and self-harm in young men. I have spoken to experts in mental health who work with such individuals. They point to the fact that many of these men were unfathered. The Bill puts us in the unacceptable position of creating more unfathered children.

Clause 14(2)(b) proposes replacing the current obligation for IVF clinics to consider the child's need for "a father" with an obligation to consider the child's need for "supportive parenting". The current provision relating to fathers is not absolute. It does not stop lesbian or single heterosexual women receiving IVF treatment, but it does mean that clinics should ask questions about the provision of alternative father figures, and it sends out an important signal about the crucial role played by fathers.

Clause 45 makes provision for the creation of children who will have no chance of ever having a father. The clause sets out that when the would-be parents are two women, from before the child is born

"no man is to be treated as the father of the child."

This is very different from gay adoption, because when a child is conceived who is later adopted by a gay couple, the child at least has the chance of having a father, and may indeed have him as a father for a period. The nearest a child processed by clause 45 can get to having a father will be when they cease to be a child at 18 and acquire the right to apply to the Human Fertilisation and Embryology Authority to find out the identity of their genetic father.

The abolition of the need for a father flies in the face of a society that invests its efforts in creating legislation against absent fathers. Why now give fathers the message that they are not needed? Children flourish when nurtured in a family with two parents of the opposite sex who work together and complement each other. That is God's design and intention. We see from research that the pattern that God has laid down for fatherhood is necessary, because the lack of a father figure has a high cost indeed.

Children in father-absent homes are five times more likely to be poor. In 2002, 7.8 per cent. of children in married couple families were living in poverty, compared with 38.4 per cent. of children in female-householder families. Even after adjusting for income, youths in father-absent households still had significantly higher odds of incarceration than those in mother-father families. Youths who never had a father in the household experienced the highest odds.

Without a highly involved father, youths are more at risk of substance abuse. Each unit increase in father involvement is associated with a 1 per cent. reduction in substance use. Living in an intact family also decreases the risk of first substance use. Being raised by a single mother raises the risk of teen pregnancy. An analysis of child abuse cases in a US representative sample of 42 counties found that children from single-parent families are more likely to be victims of physical and sexual abuse than children who live with both biological parents.

Compared with their peers living with both parents, children in single parent homes had a 77 per cent. greater risk of being physically abused, an 87 per cent. greater risk of being harmed by physical neglect, a 165 per cent. greater risk of experiencing notable physical neglect, a 74 per cent. greater risk of suffering from emotional neglect, an 80 per cent. greater risk of suffering serious injury as a result of abuse, and overall, a 120 per cent. greater risk of being endangered by some type of child abuse. It is also the case, unfortunately, that fatherless children are twice as likely to drop out of school.

None of these statistics are intended as criticism, and they should not detract from the fantastic commitment shown by many single parents to giving their children the best chance in life. However, we should not run away from the facts.

Too often the House and this country have suffered from woolly liberal thinking. Unless we stand firm on certain matters, the United Kingdom will become utterly morally bankrupt. As Members of the House, we should not be engaged in bringing society to its lowest common denominator. Instead, we should seek to raise standards across society.

Let us look at some of the decisions made in the House. We have introduced the morning-after pill, yet we have the highest rate of teenage pregnancies in the whole of the European Union, with no parental input for young teenage children seeking abortion and high rates of sexually transmitted infections, all because of liberalising the laws to meet that lowest common denominator.

The House should not attempt to railroad through legislative change on moral affairs for Northern Ireland, contrary to the wishes of all the major parties there. I have a letter that has gone to all hon. Members from all four leaders of the four main parties, asking us not to impose on the people of Northern Ireland the Abortion Act 1967. Human beings are different from mere human tissue, and require separate principles and practice for regulation. Human beings need fathers: God ordains it and science declares the wisdom of his ordinance.

If we are fighting for the lives of our sons and daughters in the struggle against suicide, how can we allow such an invidious Bill to pass? It attacks the very fabric of personhood and we must resist it vigorously. We must remember that we are created in the image of God and that we are told that humans and animals are fundamentally different. We must not only protect the fatherless; we must avoid creating the environment in which those circumstances are fashioned. All life is of immense worth and we must treat it with the utmost respect. That is why my party will not support the Bill in its present state.

7.37 pm

Dr. Desmond Turner (Brighton, Kemptown) (Lab): I am happy to be wholeheartedly behind the Bill. It builds on the 1990 Act, which has served us well. It provided a regulatory framework in which clinicians and scientific researchers have worked with confidence.

[Dr. Desmond Turner]

The result is that the UK has been a world leader in the development of human reproductive technologies, and especially in the rapidly developing field of stem cell research. That would not have been possible without the confidence-building framework of the 1990 Act.

We have experienced a reverse brain drain in stem cell research. Top American scientists have come to work in the UK because they can work with surety, knowing that they will not be subject to legal challenge for their activities, whereas in many states in America they are actively discouraged and prevented from carrying out that research. A President who shall be nameless stops any federal funding going into embryonic stem cell research.

If we contrast our fairly happy state of affairs with that of some other countries that did not get to grips with legislating for these developments, we see what a mess they are in. When we were carrying out the first Science and Technology Committee report on human fertilisation technologies, the fruits of which are very much apparent in the Bill, we visited Italy. We had interesting discussions with the Vatican, and although there was a slight doctrinal difference, which I attribute to St. Thomas Aquinas, the monsignors in the Vatican were not putting out the same sort of ridiculous misrepresentation as certain Catholic cardinals have done in this country, which does the Catholic Church a disservice. That is not the position of the Catholic Church.

Mrs. Iris Robinson: I remind the hon. Gentleman that not only the Catholic Church but evangelicals across the whole spectrum of Christianity oppose the Bill.

Dr. Turner: I thank the hon. Lady; I am well aware of that.

What was interesting was the Italian law: at that time, the country had only just got round to passing laws to control in vitro fertilisation. Prior to that, the issue had been completely unregulated and all manner of things had been going on. A scientist had been threatening to clone a human being; that would clearly be absolutely impossible in this country under this legislation. When it finally arrived, the law was so badly drafted that it meant that an embryo could not be frozen and that all the embryos produced at any given time had to be implanted. If there were 10 embryos, 10 embryos would be implanted. The consequence of that is excessive multiple births and all that that implies. Embryos could not be frozen, so people were stuck with thousands of frozen embryos that they did not know what to do with.

Getting this legislation right is very important. The issue has started to come under strain because of scientific progress. The Human Fertilisation and Embryology Authority has been called on to make judgments that stretch the framework to its limits. Once that happens, there is judicial review and there are challenges in the courts. The courts, however, are not the places in which to make ethical or medical decisions. The Hashmi case was a classic example, and the Whitaker case was another. In the former case, which typifies the saviour sibling concept, the HFEA granted a licence to permit pre-implantation genetic diagnosis and tissue-typing so that a sibling who was compatible and could donate blood to his brother with beta thalassemia could be born. That was challenged in court and there were many months of wrangling from one court to another before the process was finally carried out. That situation was unacceptable from any point of view, and it tells us why we have to amend the current Act.

Mr. Burrowes: Does the hon. Gentleman think it acceptable that we throw away 98 per cent. of cord blood—a resource that provides cures and treatments for conditions including beta thalassemia?

Dr. Turner: I thank the hon. Gentleman for that intervention. We should use cord blood as a resource; the Anthony Nolan Trust is involved in setting up a cord blood bank for that very purpose, and that is wholly admirable. However, it does not detract from the need to provide for saviour siblings.

I have given one example of where we needed a change. The other controversial issue is admixed embryos. There is a problem in producing stem cells because not enough human eggs are available, so there is a desire to use oocytes, mainly from cows. The results are not even true hybrids. Technically they are cytoplasmic hybrids; it is a question of denucleating an egg and putting in a human nucleus from a skin cell. That is not an embryo as such. In any event, the DNA involved is 99 per cent. human, and all the nuclear DNA is human. The 1 per cent. that remains is the mitochondrial DNA, which does not determine the character of what might grow. In any case, it will not be allowed to grow; it will never get beyond a small ball of cells. At 14 days, it will be destroyed and there is no question of implantation.

What are people seriously worried about? People say that the issue is about the sanctity of human life and that human tissue is involved, but we routinely culture human tissue in laboratories throughout the world without people giving it a moment's thought. Why should things be so different because there is a reproductive implication? On this issue I strongly differ from those with religious views, because human life results from the whole human being; I do not see much humanity in my fingernail, for instance. It takes a whole organism to create a human being. There has been so much misinformation.

Dr. Pugh: Will the hon. Gentleman give way?

Dr. Turner: No. I have given way twice; I shall not do so again. I do not have the time.

As soon as the admixed embryos were licensed, I remember the tabloid headlines—"Human-Cow Embryos in the UK!" I had visions of the bovine equivalents of centaurs trotting down the streets. It was absolutely absurd, because no such thing is happening or will be allowed to happen. There are serious and contentious ethical and moral issues. Like most Members, I respect that. That is fine; people have to make moral decisions on this issue. I just want to make sure that all Members make decisions based on true facts and not misrepresentation.

Amendments will be tabled on abortion, in particular to reduce the 24-week maximum for abortions. I hope that the House will strongly resist them. If Members want more information, I can tell them that tomorrow at 5 pm in Committee Room 15, one of the authors of a national study on the survival rates of pre-term babies, EPICure 2, will present the evidence that largely illuminated the Science and Technology Committee's report on abortion. The study came to the clear conclusion that there was no evidence that, even after decades of advance in neonatal care techniques and practices, there had been a significant increase in the potential survival of foetuses of less than 24 weeks' gestation.

Mr. Peter Bone (Wellingborough) (Con): Will the hon. Gentleman give way?

Michael Jabez Foster (Hastings and Rye) (Lab): Will my hon. Friend give way?

Dr. Turner: No, I will not; I do not have the time.

The issue is simple; there is clearly a developmental time line. At about 24 weeks—plus or minus a day or two; such things are never fixed and there is bound to be variation on either side of the line—there is a minimum point at which a foetus is capable of independent existence. That is basic biology, and no amount of argument can get past it. Remember that nearly all late-term abortions are carried out for medical reasons because of foetal abnormalities that can be detected only very late in the pregnancy. Cutting the time limit would mean more births of deformed children. Do we want that? I think not. I hope that the Bill will go through largely unamended.

7.49 pm

Mr. David Burrowes (Enfield, Southgate) (Con): The hon. Member for Brighton, Kemptown (Dr. Turner) is keen to seek evidence. As a member of the Joint Committee on the Bill, which worked for hours to scrutinise it in its draft form, my concern was to base the Bill on evidence. The other place gave the Bill careful consideration, but we will not have the same amount of time to do so. We are bringing the House into disrepute by not providing the necessary time in the Chamber to look in detail at various issues that cause such concern.

We do not wish to stand in the way of treatment for debilitating and potentially fatal illnesses, and we certainly do not wish unnecessarily to impede sound research. We wish to see Britain leading the way, but on a sound ethical basis. The Bill is by no means what it says on the tin in being a blueprint for the future in leading scientific research and producing results. It hides within its laudable exterior proposals that strike at the heart of the value of human life and commodifies a child's life as an instrument for the benefit of another. We have heard examples of parents who have genuine concerns about their children suffering from severe genetic disorders. Our hearts go out to those people, and we want to find ways of securing treatment for their children, but there are alternatives.

To help me to understand the impact of saviour siblings, I think about the situation in my own household. Yesterday evening, I was holding my one-year-old, Toby, and thinking to myself, "What problems would be created if Toby were to be a saviour sibling for his older brother, Noah, if, for the sake of argument, he had a serious genetic defect?" If we had brought Toby into the world on the basis that he was compatible with Noah, that would, for starters, have led to the destruction of embryos who had not been a match. If we got over that ethical hurdle, the next step would perhaps be to move towards a stem cell transplant via Toby's bone marrow—not a straightforward and trivial procedure for a baby. If, as could well happen—as the other place was warned by Lord Winston, who confirmed it in print over the weekend—that transplant did not work, the pressure would be on to find another way of helping Noah, the sibling who needs assistance.

Let us wind forwards a few months, or perhaps a few years, and Noah suddenly has an organ failure. Under the Bill, we are looking at assistance by way of umbilical cord blood, bone marrow or "other tissue". What regenerative tissue could that mean? What next—a liver transplant from Toby? Then there is renal failure—and it goes on. However much we love Noah, Toby would be living not so much as a saviour sibling but, more accurately, as a spare parts sibling. That is unacceptable.

Dawn Primarolo: I absolutely agree with the hon. Gentleman that it would be unacceptable for organs to be donated and removed from saviour siblings—that is why the Bill prohibits it.

Mr. Burrowes: I am grateful for that intervention, but scrutiny in the other place showed that although whole organs are excluded, many other tissues are not.

This raises the spectre of the deep insecurity that would be bred through Toby's continual wondering whether mummy and daddy will still love him if he cannot make his brother well. Just think of the emotional hang-up for young Toby in thinking that mummy and daddy are willing to hurt him for the benefit of Noah. The doubt that would come from a child's knowing that they were not wanted in their own right but merely as a hope for the "truly loved" older child could be incredibly damaging.

Mr. Bone: I am listening to my hon. Friend with great concern. Surely there must be an age limit somewhere in the Bill so that the sibling must at least reach 18 before they can be used, or is there no such safeguard?

Mr. Burrowes: There is no safeguard in the Bill concerning any age limit.

The Government talk a lot about "Every Child Matters". What about the saviour—or spare parts—sibling, burdened with guilt, obligation and insecurity? Do they not matter—or do they matter, but just not as much as their older brother or sister? Does a child treated as a mere commodity really matter to the Government?

John Bercow: Will my hon. Friend give way?

Mr. Burrowes: I am afraid that I have already taken two interventions and any more would be using up my time.

[Mr. Burrowes]

We need only consider the issue of fatherhood to see the flaws in Government thinking. The removal of the need for a father in licensing IVF treatment is not based on evidence of any harm caused by what is in many ways a light-touch piece of guidance. Evidence confirms, clearly and categorically, that fathers have a distinctive importance in the family parental relationship. The absence of a father has a significant impact on a child, which can be compensated for, but not replaced, by a loving mother and supportive parenting. How can it be right that the Bill will not only remove the need for a father in terms of IVF treatment but permit the deliberate creation of a child with the intention of removing from them the chance of ever having a father? Is it in the best interests of the child's welfare to deliberately and permanently write the biological father out of their life? At a time when the Government and voluntary sector initiatives are looking at how best to encourage fatherhood, it is ironic that the Bill, in effect, authorises state fatherlessness.

We have often heard that the Government want us to lead in the field of scientific progress, and this debate is often skewed between scientific progressives and supposed religious and ethical reactionaries. Yes, the problem is one of a lack of ethics. That was recognised by Sir Liam Donaldson, who told the Joint Committee that

"this country"

has

"a deficit in medical ethics, both in the input to some of our decisions over the years and, also, in medical ethicists".

So we should be cautious. We should not ignore the fact that Australia, France, Germany, Italy, the Netherlands and Belgium have banned what the Bill would like us to permit. Rather than being in the lead, the UK stands out on a limb as regards proposing animal-human hybrids.

The major problem with the Bill is that the Government are marching us up to the top of the hill of embryonic research. It is as if they are saying, "We will reach the summit, where there will be treatments for Alzheimer's, multiple sclerosis, cystic fibrosis and so on." That sounds attractive—obviously, we would all want to sign up to cures for those debilitating illnesses. I need only think of my brother-in-law, who has recently been diagnosed with MS, and how much we would love him to be able to have a cure. However, this is not new—as a country we have been marched up the hill since 1990. At that time, people discounted the alternative arguments for supporting adult stem cell research. Funding was restricted, although it has now been restored to some degree of balance. The summit of treatments is still far off, as it was in 1990. The Government are saying, "We know we have been on this hill since 1990. We've invested millions in limited stem cell lines. We know that there have been no treatments to date and that the problems of immune rejection have yet to be conclusively overcome. Stay on this path—we will get there by a new route, through animal-human hybrids.". Everyone agrees, though, that the prospect of treatment and clinical trials is a long way off. Faced with that long journey, with many obstacles, we naturally wanted to seek reassurance from the scientists who came to our Joint Committee, who said that they were unable to establish any scientific evidence at this stage.

It does not give us reassurance when we look at the summit, which many would say is over-hyped and could well be false. The real progress has been made with adult stem cell research and umbilical cord blood stem cells. Funding has been rebalanced, but umbilical cord blood is the poor relation of the stem cell therapy world. We should be marching up a different hill to ensure that we have regenerative medicine that produces results, relieves suffering and reduces health care costs. Cord blood is producing more than 80 treatments in leukaemia and other areas of immune deficiency and moving into degenerative diseases. If the Government took umbilical cord blood collection and banking seriously, controversial parts of the Bill would not be necessary. Professor Peter Braude has acknowledged that if banked widely and efficiently, umbilical cord blood would obviate the supposed need for saviour siblings. The wide storage of cord blood would increase the availability of matches, not just with siblings and other members of the family but beyond. There is a wonderful opportunity to collect and use that resource that is not being grasped sufficiently by the Government. We are lagging behind other countries in that area of stem cell research. It frustrates me that the Bill condones the creation of commodity humans and part animal, part human entities, but refuses to make provision for the valuable resource of cord blood, which is simply treated as waste in 98.5 per cent. of all cases. When we look at good scientific endeavour, surely we want to look at what produces results, and we are missing an opportunity in this country in the area of umbilical cord blood and adult stem cells.

An issue that greatly concerns me, which threads through the Bill, is how we view life in the context of seeking cures and treatments to degenerative or disabling illnesses. We need to take great care to ensure that we are not casting judgment on the basis of quality of life, which values some lives more than others. That has particular resonance when looking at the issue of embryo selection and abortion on the grounds of disability. Jean Rostand, the French biologist, said:

"For my part I believe that there is no life so degraded, debased, deteriorated, or impoverished that it does not deserve respect and is not worth defending with zeal and conviction. I have the weakness to believe that it is an honour for our society to desire the expensive luxury of sustaining life for its useless, incompetent and incurably ill members. I would almost measure society's degree of civilisation by the amount of effort and vigilance it imposes on itself out of pure respect for life."

According to that judgment, the Bill will, I am afraid to say, make us less civilised through a lack of respect for life. I urge the Government to think again.

My children would describe the Bill as a Humpty Dumpty type of Bill—it is broken and ethically flawed. The king's horses and all the king's men have sought to put Humpty together again, but it is flawed fundamentally. Amendments will not be able to do it; the Bill is too short on sound ethics and sound science and it undermines human and family life. We should vote against it.

8.1 pm

Mrs. Claire Curtis-Thomas (Crosby) (Lab): Over the past weeks and months, I have read the *Hansard* transcripts of the many hours of debate on the Bill in the House of Lords, and I have followed the subsequent debates and

controversies in leading newspapers and on the television. Before immersing myself in *Hansard*, I had only a broad, under-informed view of the issues. My understanding and preconceptions have been significantly augmented by the Lords' debates.

Unfortunately, to my mind, few peers understood the biology and the law involved, which meant that only on issues such as saviour siblings, which could be properly understood because they did not have a scientific background, did we see a healthy debate in which all peers could take part. This Government have failed to heed the assessment of the Joint Committee on the Human Fertilisation and Embryology (Draft) Bill that the Bill lacked an ethical underpinning. The Committee suggested a joint bioethics committee of both Houses to consider bioethical issues, such as the ones raised by the Bill, and a Lords amendment, which was not voted on, suggested a national bioethics committee. Neither of those ideas was adopted, which means that neither the House of Lords nor the House of Commons will have received a vitally needed, scientifically independent bioethical viewpoint on the Bill. I believe that the Bill should not have proceeded without one.

There has been much discussion on the topic of animal-human hybrids, and I support the views of the hon. Member for Enfield, Southgate (Mr. Burrowes), which put the matter very well indeed. Most reasonable people would say that to combine an animal and human embryo is, by definition, monstrous. I regret that individuals who expressed such views have been accused of hype. If anyone was guilty of hype it was Professor Winston and his colleagues who favoured embryonic stem cells, which have not produced any therapies despite 18 years of research, over adult stem cells, which have already produced more than 80 treatments.

The scientific community, which sees the embryo as nothing more than a clump of cells, denies any respect for the sanctity of life or human dignity. In my mind, a human embryo is a potential human being, the personhood of which needs to be respected. In France, the personhood of embryos has recently been recognised by allowing women who have miscarried between 18 and 20 weeks the right to register a name.

I am pro-life, but being pro-life does not necessarily mean being religious, and pro-life organisations are not normally religious. The dictionary definition of pro-life includes the phrase "opposed to abortion" Many of the proposals in the Bill are anti-life because many embryos will be killed to achieve the aims of the research and procedures. Most quality of life arguments lead to the conclusion that life of a lower quality ought to be terminated or that a life that might reduce the quality of another ought to be snuffed out. I cannot agree with those proposals.

The creation of animal-human hybrids is based on a utilitarian mentality that human life can be treated simply as research material if it benefits the common good. Most crucially, it violates the dignity of the human person. The United Kingdom has already breached article 18 of the European convention on human rights and biomedicine by the creation of human embryos for research purposes. Many European countries would not even consider the creation of animal-human embryos. The shortage of eggs should not be used as an excuse for such research; only ethical avenues of research should be allowed. Countries such as Australia, Canada and the USA have legislation to prohibit such research. China, Japan and South Korea may allow experiments in this area, but the Human Fertilisation and Embryology Authority has failed to give details of any other country that has legislated to allow it. There is little appreciation of how far out on a limb the UK is in relation to the creation of human admixed embryos.

Ethical concerns about abortion and embryology mean that advances should be treated with additional caution. Launching into ethically dubious areas will not solve the ethical problem—it will compound it. "Progress" in this area is actually a backwards step that takes us further down the slippery slope of moral decline by crossing the species barrier and treating humans no better than animals. In fact, legislation in this country gives animals better protection than the human foetus because under the Animals (Scientific Procedures) Act 1986, an animal embryo becomes a protected animal after half its gestation period, which is equivalent to 20 weeks for a human being.

The press statement issued by the HFEA on 5 September 2007 said that the public expected animal-human embryos for research to be tightly regulated. The evidence is that two applications that allow for animal-human hybrids were not required to have any additional safeguards. Even the Select Committee on Science and Technology argued for risk management because of the concerns raised by the Scottish Council on Human Bioethics that scientists undertaking such research risked creating new diseases. No consideration has been given to safety issues in the Bill, and cow eggs are simply obtained from local abattoirs.

I come to the deliberate removal of an explicit reference to the father on a child's birth certificate. The Bill will not only allow for designer babies, but for designer artificially created families. Such registration of children on birth certificates will result in the creation of two-father and two-mother families. No account is to be taken of the child's right to a mother and a father. That right should never be outweighed, particularly not by the supposed rights of adults to choose to engineer the structure of their family as they please. The rights of adults are paramount in the proposals before us, while the best interests of the child are totally ignored. The effect on the child's identity, or their gender confusion, has not even been considered. A child is to be treated as a mere commodity, where someone can opt to become the other parent simply by giving notice. That child product, like a washing machine, can be registered by two mothers as parents on the birth certificate.

There are genuine religious concerns, and plenty of biblical passages support the family. They should not be constantly devalued or perceived as old fashioned. It is not old-fashioned homophobia to support the traditional family. I oppose unjustified discrimination against homosexuals, but I must protect the traditional notion of a family. Homophobia means a fear of homosexuals and the term is not appropriate in our current discussion. Opposition to the creation of same-sex parented families does not imply a fear of homosexuals or rejection of homosexual relationships; it is the simple assertion of the rights of a child.

I cannot support Second Reading. Hon. Members of all parties have expressed well the same arguments against it as I have, but I wish to register a further

[Mrs. Claire Curtis-Thomas]

concern. Three hours is not sufficient to debate abortion or to discuss saviour siblings and all the other contentious issues that have been raised this afternoon. I ask the Government to consider extending that time. Without such reassurances, I shall also vote against the programme motion.

8.10 pm

Mrs. Jacqui Lait (Beckenham) (Con): It is a privilege to follow the eloquent plea for the status quo that the hon. Member for Crosby (Mrs. Curtis-Thomas) made. She and the hon. Member for Strangford (Mrs. Robinson) put the traditional case for opposing developments in stem cell research, embryology and abortion. It is one of the House's strengths that we can disagree with one another dispassionately. The red lines in the Chamber show how we manage not to come to physical blows, but the issue is difficult for everybody, whatever their beliefs, and I am therefore grateful that we respect one another's views.

I add my congratulations to those of others to my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), my hon. Friend the Member for Esher and Walton (Mr. Taylor) and others who got the 1990 Act through. Before that, there was no regulation and I understand that experiments were conducted on embryos that we would regard with horror today. It is a relief to have the 1990 Act, and I congratulate the Government on recognising that the science has moved on and that we must therefore ensure that regulation also moves on. I shall vote for Second Reading but against the timetable motion.

The hon. Member for Crosby mentioned the Animals (Scientific Procedures) Act 1986, with which I was closely associated when I worked for the chemical industry. I learned from that experience that the calibre of the scientists working on such difficult matters is high. They apply the highest moral and ethical standards while existing in a world of regulations of which we, as ordinary citizens who complain about red tape, have no concept. It is complex and onerous and I have huge respect for anyone who works in that field. I have no concern about the atmosphere in which the scientists will work under the Bill.

John Bercow: Does my hon. Friend agree that those of us who were fortunate enough to attend the briefing on the matter and the question time session on 23 April in the Jubilee Room, which several scientists as well as the Minister for Public Health attended, were privileged to witness scientists giving such an outstanding account of themselves? I wish that more hon. Members had heard the rational and compelling way in which they made their case for the Bill.

Mrs. Lait: I agree. I am pleased that members of the scientific community, after many years of coaxing, are beginning to put their heads above the parapet and tackle publicly the issues with which they have to deal.

The hon. Member for Harrogate and Knaresborough (Mr. Willis) expressed the age-old scientific conundrum that we do not know the question until we have got the answer. That is the fundamental reason for ensuring that hybrid embryos are available for research under the strictest regulatory regime. I am loth to deny the opportunity for the development of new science and technologies by restricting the ability to use embryonic stem cells.

There is an unspoken demand for instant results from embryonic stem cell research. After decades of expensive research using mechanical and chemical means, we are still trying to deal with cancer. It could well take decades before there are results from embryonic stem cell research, but let us go with it. All the science that I understand suggests that the opportunities of getting perfect results could be greater through using embryonic stem cells. I therefore believe that we should ensure that the opportunity to conduct embryonic stem cell research is available to the scientists who need it.

One of the few letters that I received in support of the Bill—I have had many that oppose it—was from one of my constituents who has been diagnosed with Parkinson's disease. He movingly wrote:

> "It offers me a ray of hope—perhaps I'll be able to profit from the research in, say, ten years' time, when my eldest grandchildren will just be of an age for University entrance. I want to know what happens to them".

That is an admirable ambition, especially given that the gentleman is 65. We need to ensure the way forward.

There has been much debate about the use of siblings for replacement therapies. I understand the difficulties and I am glad that the Secretary of State pointed out that the Bill does not allow the use of organs. Sadly, I have been struck by how negatively the parenting aspect has been perceived. All the comments have implied that the sibling will be regarded as a victim, instead of praising intelligent parenting, which could allow the child to think, "Actually, I'm doing something really good", and to feel proud of helping to keep their brother or sister alive. I believe that we should adopt a much more positive approach to the matter.

I am conscious of the points that have been made about fathers. Having listened carefully to the arguments, I will probably support the amendments that my Front Benchers table. In this day and age, we are confronted with the fact that so much of the breakdown of parenting is due to the lack of fathers. It is symbolically right for the House to reiterate fathers' importance in the family.

We all know that we will have extensive debates about abortion. I have grown grey discussing that subject, given that I first made a speech about it when I was at university in the 1960s and have been going on about it ever since. I will support the 24-week limit. I believe that the evidence shows that there is no difference between survival rates at 24 weeks now and those when the House reduced the limit to 24 weeks. I supported that reduction. I am primarily concerned about the women who are most likely to have to have a late abortion. They are the women who find, very late in a pregnancy, that there is a foetal abnormality; the women in the middle of the menopause who cannot believe what is happening; the women with mental health problems; and the underage girls who dare not admit to themselves that they are pregnant. Taken together, those groups are exceedingly vulnerable. We should be supporting them, not condemning them.

I was so pleased to hear my hon. Friend the Member for South Cambridgeshire (Mr. Lansley) say that we should improve abortion services for women in the first trimester. I shall be supporting the proposal to have a single signature on the consent document, which is the normal process anyway.

The flip-side of our discussions about abortion is this: why do we have so many abortions? We have to answer that our sex and relationship education is somehow not of the quality and calibre that it should be. I hope that the positive message that emerges from our discussions on abortion—sadly, they will be far too limited by the timetable motion and will generate an enormous amount of heat and distress, both inside and outside this Chamber—is that we ought to be examining where the failure is. Why do so many women have to resort to abortion? Many of them know no better. That is the real failure in our society. Our girls should know better. We shall be failing as a society if we do not ensure that in future they do know better.

8.21 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I declare an interest as a member of the British Medical Association medical ethics committee and a member of the former Select Committee on Science and Technology, which conducted two relevant inquires in this Parliament. One was on hybrid embryos and the other was on scientific advances relating to abortion law. I was also a member of the Science and Technology Committee in the previous Parliament, as was the hon. Member for Bolton, South-East (Dr. Iddon), that conducted a wide-ranging inquiry into the issues, which presaged the Government's consultation, which led eventually to the White Paper.

We have heard some powerful speeches in this excellent debate on both sides of the argument. There are strongly and sincerely held views on both sides. However, it is important to stress that we are not discussing a matter that pitches science against morality. In my view, there are morality and ethical codes on both sides. I feel, for example, morally obliged to support the Bill. I do not accept the view that it is only science that is in favour of the measure and that the opposition to the Bill has all the moral and ethical arguments. In fact, I would obviously say that that opposition was wrong—although I respect the views taken—and that it is ethically wrong to seek to stand in the way of some of that research.

I was particularly pleased to see scientists standing shoulder to shoulder with patients at lunchtime today, in a show of support for the Bill in Old Palace Yard, opposite Parliament. Often we see only the protest from people who feel strongly against something, particularly measures such as this Bill. It is appropriate that Ministers should know not only that there is public support for embryo research for medical purposes—indeed, I think that the Government do know that—but that people are willing to come out and show themselves publicly in support of the measure.

I pay tribute to those people, and to the scientist and patient groups and the medical charities that have done so much to explain to the media, parliamentarians and the public what the research is about. It is much easier if those explanations come from patients, patient charities, doctors and scientists than simply from Ministers or other politicians, who may seem to have a vested policy interest in the matter, even though I do not doubt the sincerity of people on either side of the debate.

The Government deserve some plaudits for bringing forward the Bill in its current state. The White Paper was not the best way of interpreting the results of the consultation, but the Bill is far better than that presaged in the White Paper. That is a result of the Government's willingness to listen to the reports of scrutiny committees, such as the Select Committees that considered the matter. Governments and political parties are sometimes unwilling to change their expressed view for fear of being accused of doing a U-turn, but in this case, where there is a need to consider scientific evidence, it is appropriate that the Government have done so.

Paul Farrelly (Newcastle-under-Lyme) (Lab): I, too, was a member of the Science and Technology Committee, along with the hon. Gentleman and my hon. Friend the Member for Bolton, South-East (Dr. Iddon), when it considered the issue in 2005. I have grave concerns about the lack of debate on human-animal chimeric embryos and human-animal transgenic embryos or hybrids. The issue is being glossed over. Does the hon. Gentleman recollect that we on the Committee did not agree about those issues and that five members—half the Committee—issued a separate report disowning the substantive report?

Dr. Harris: What I can say is that when the Science and Technology Committee considered the issue more recently, there was unanimity, which included the three Conservative Members, two of whom have a strong history of voting for pro-life positions. They had recognised—by the time we reported in 2007—that the evidence was clear that authorising embryo research would be ethically appropriate and scientifically justified.

I should like also to thank the Government for listening to the concerns—expressed through the House of Lords—of scientists about consent, which my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis) mentioned. The Government have to pay some attention to the timetable. It would be a pity if some people felt that they could not support certain measures in the Bill because we had not been given enough time, although I obviously understand the pressure on Government time. The Government should hold out some hope that they will seek to amend the Bill in certain areas, if only to give clarity on, for example, whether embryos can be licensed for therapy as well as research.

A number of interesting points have been made by opponents of that measure, although it is unfair to characterise the position of embryonic stem cell research in the way that they did. For example, the hon. Member for South-West Devon (Mr. Streeter) argued that after 20 years of embryonic stem cell research there were still no therapies. As the Minister rightly said in an intervention, however, the technology is relatively recent; indeed, it was only possible to pursue it in this country following the passage of the 2001 cloning regulations. I understand that there is already the prospect of two early clinical trials in the United States relating to—I believe; I am not certain—the treatment of spinal injuries and serious retinal disease.

[Dr. Evan Harris]

We also heard the hon. Member for Morecambe and Lunesdale (Geraldine Smith) citing leading scientists, apparently in support of her position. I intervened to say how inappropriate that was. Sir Martin Evans, Robin Lovell-Badge, Professor Martin Bobrow and Sir Liam Donaldson all support the measures in the Bill. Quoting them out of context and then misinterpreting what they said on specific points does not do justice to the debate.

True hybrids were discussed by the hon. Members for South Cambridgeshire (Mr. Lansley) and for Morecambe and Lunesdale. The reason why the Select Committee advocated including true hybrids in the permissive regime and allowing the HFEA to license their use if an appropriate application came forward was that there was no good reason not to. Once one accepts that it is legitimate to do destructive medical research on human embryos, there is no ethical reason to give greater protection to things that are not human embryos. It would be an inversion of everyone's ethical compass to say that certain embryo entities require greater protection than a fully human embryo.

It is true that scientists have not yet, beyond the hamster test, identified potential scientific uses for true hybrids, but if they do not, the HFEA would not then license their use, because that research would not be necessary or desirable enough and neither would the further test, that it is necessary to use embryos at all, be satisfied. It would be wrong to have a ban in primary legislation, however, because a non-ethically difficult use might come along in a few years' time, and the House might then be required to pass new primary legislation. The onus is on hon. Members such as the hon. Member for South Cambridgeshire to show why we should not give the HFEA the power to license such research if the appropriate requirements are met.

I was disappointed to hear the hon. Member for Enfield, Southgate (Mr. Burrowes), who is not in his place and whom I genuinely respect for the clarity of his views, argue that there were no safeguards for saviour siblings. Common law provides significant safeguards for children regarding non-therapeutic acts such as the donation of bone marrow and other interventions. It is ridiculous to suggest that hospital ethics committees, doctors—who are subject to General Medical Council supervision—and common assault laws would allow the removal of body parts from living children, even without the Lords amendment that the Minister mentioned, which would prevent the use of saviour sibling legislation to presage the use of solid organs. There is no prospect of children's bodies being raided for organs against their best interests, and there has never been any question of that happening. Children have always been able to donate tissue to siblings, and our having the ability to do tissue-typing in advance does not change that.

Hon. Members such as the hon. Member for Enfield, Southgate have asked whether harm would be done to the saviour sibling. One can envisage circumstances in which a saviour sibling might ask, "What was the purpose of my being born?" but there is no evidence that that will happen. There is, however, clear evidence that if we do not allow these changes, small numbers of children—the siblings who are ill—would die. It is therefore appropriate to give the benefit of the doubt in favour of that clear evidence, and to proceed on that basis. I cannot see harm coming to a saviour sibling in a case such as that of the Whitakers, who were mentioned earlier. They ended up with two healthy children, but the alternative would have been that they ended up with none.

John Bercow: It is certainly true that my hon. Friend the Member for Enfield, Southgate (Mr. Burrowes) envisaged harm to saviour siblings, but the harm that he envisaged was purely speculative. Does the hon. Gentleman agree that my hon. Friend was in danger of universalising from his sense of what would be favoured by his family? He is entitled to his view about what should apply to his family, but it is not clear why he should seek, on the basis of speculation, to prescribe for the rest of the nation in quite such a fashion.

Dr. Harris: Indeed. I agree with everything that the hon. Gentleman just said.

I move to the need for a father. I was, again, disappointed by comments on this issue. The hon. Member for Morecambe and Lunesdale said, at the beginning of her speech, that she had nothing against lesbian parents, but at the end of it she attacked them for what I believe she called the "fantasy" of their parenting. It is offensive and discriminatory to use such terms.

The hon. Member for South Cambridgeshire made the assumption, in his otherwise very good speech, that we should start from that discriminatory hurdle, because it was not causing any trouble—*[Interruption.]* I hear "Nonsense" from those on the Conservative Front Bench, so let me put it in another way. In my view—I think that this is the Government's view as well, and it should be the view of Parliament—discrimination against lesbian couples, such as making them jump over extra hurdles, is not justified by the evidence that we have heard about. That evidence comes from research into how well children do when they are born to lesbian parents and solo parents—women who specifically seek to become single parents. If that is the research finding, the onus is on people who want to put a discriminatory hurdle in the way of such people to justify doing so by showing that there is evidence of harm. It is not enough to say, "People can get treated if they go to enough clinics," or that because no one has been willing to go through the publicity of a legal case, instead of getting on with their life, there has been no harm. We should start from the position that unjustified discrimination, such as placing extra hurdles before certain people, should not be allowed.

Finally, I want to deal with the question of the abortion time limit. It was asserted earlier that some babies are now surviving at 23 weeks, but a few also survived at 23 weeks in 1990. The point of viability is not the earliest point at which babies might survive when prematurely born, but the point at which a premature baby—a foetus—alive at the onset of labour would have a decent chance of surviving, without serious abnormality, independently of the woman's body. In 1990, that point was set, on medical advice, at 24 weeks. The same medical advice that we trusted in 1990—we can read the debates to show that we did—shows that that has not changed, and that is why the abortion time limit should stay at 24 weeks.

8.34 pm

Dr. Richard Taylor (Wyre Forest) (Ind): May I first record my support for the establishment of a bioethics committee, as has been suggested by the hon. Member for Bolton, South-East (Dr. Iddon) and many other hon. Members? Like other hon. Members, I have received a lot of letters on these issues. Many have been from those who are against the Bill, but I have also had some very strong ones from people asking me to vote in favour of it. I am not an up-to-date scientist; I bow to the views of the hon. Member for Oxford, West and Abingdon (Dr. Harris). I am speaking as a rather long-retired physician, with my knowledge of patients and of how some of the illnesses in question have affected them. I am speaking on behalf of the patient.

People know about the horrors of motor neurone disease. Although a person's intellect remains intact, their body begins to fail around them. Their muscles can be the first to go, or their limbs, followed by swallowing and speaking. Gradually, they lose control of all bodily movements and functions, and eventually they cannot eat, talk or even breathe. This results in anguish for the patient and for their family. There are no effective treatments or cures, and it is even worse than cancer in that, because it is not a painful death, doctors cannot give analgesics to ease the end. It is truly awful, which is why so many motor neurone disease patients wish to die, and go to huge extremes to achieve a legal suicide. We must think of those people.

We have seen references to people with Parkinson's disease in *The Guardian* today, and the hon. Member for Beckenham (Mrs. Lait) also mentioned the condition earlier. It starts with tremor, stiffness and perhaps an immobile face, which can result in the patient beginning to lose their rapport with their friends. At first, drugs help, but the treatment becomes more and more complicated. The patient needs more and more drugs at more and more frequent intervals, and they eventually reach the terrible stage at which the side effects of the drugs, which they cannot get away from, are almost more terrible than the disease. Eventually, the poor patient becomes a total salivating wreck, with intellectual impairment thrown in.

Alzheimer's disease was originally described as pre-senile dementia, but the description has now changed to cover senile dementia and atherosclerotic dementia. Its original description covered dementia that affected people who could still be in their 50s, which is unbelievably cruel for a spouse who might still have relatively young children. The family can be completely destroyed. The first thing that happens with any kind of dementia is that all the nice parts of a person's personality go: their personal cleanliness and their recent memory, for example. Eventually, worst of all, they fail to recognise their best beloved. The effect on a family, particularly one with young children, is horrific. Those are just three of the illnesses for which, despite all the advances, we can do very little. So any research that could help, and that could possibly give patients and their families a gleam of hope, must be supported.

I respect all Christian views against the Bill, and we have heard from both extremes of the Christian spectrum. I think that there is, however, a middle view. I shall attempt to put forward—with great trepidation, as a lay person—the alternative Christian view, which I view as a middle-of-the-road Christian view. Those of us who attended the funeral of the late hon. Member for Crewe and Nantwich, Mrs. Dunwoody, will remember this prayer:

"As children of a loving heavenly Father, let us ask his forgiveness, for he is gentle and full of compassion".

Then there is the opening of the confession, addressed to "God of mercy". Many of us believe in a God who is loving, gentle, compassionate and merciful. If that is the God we believe in, surely we also believe that he would want all efforts to be made to reduce suffering.

Returning from faith to fact, I wish to support the comments made about the use of blood from the umbilical cord. It is a completely wasted resource. The Anthony Nolan Trust, already referred to, estimates that 65,000 litres of cord blood are discarded every year. Cord blood is taken after the baby is born, so there is no risk to the baby. It is wasted, yet it can be an excellent source of stem cells. The Anthony Nolan Trust is asking for support because it has the opportunity to establish a cord blood bank that would have a much wider scope for collection and distribution of cord blood than does the current NHS cord blood bank.

To conclude, let me say a few words about abortion. Like other hon. Members, I cannot see how it has crept into this Bill. I just wish that it had not, because there is so much of relevance in the Bill that needs careful discussion that I do not think we have the time to debate abortion, which is a wholly separate issue.

If the main purpose is to reduce unwanted pregnancies, the Health Committee report into sexually transmitted illnesses of several years ago said categorically that sexual and relationship education in schools should be obligatory and Ofsted inspected. I have not been able to check it today, but I am pretty sure that the Minister who responded for the Government said that that aspect of education would indeed be so inspected. However, I do not think that it has been subject to such inspection yet.

Another practical and pragmatic point against dropping the limit from 24 weeks is, I am afraid, one of cost. If we ever reach the stage of debating the rationing of health care in the NHS—I think it is almost inevitable at some time—how would we balance the cost of looking after some of those very tiny premature babies that require intensive treatment for ages against the cost of treatment for cancers, blindness or the diseases that affect patients so badly later in life? I will certainly support Second Reading and I will be very interested to follow the debate on subsequent amendments. I regret that abortion has been brought into the Bill, as it is a matter that deserves attention separately.

8.44 pm

Alistair Burt (North-East Bedfordshire) (Con): I am grateful to have an opportunity to take part in such an excellent debate, in which many viewpoints have been well put by many colleagues. No such debate takes place in isolation from scientific advance or ethical debate outside. I do not want to deal with the heavy aspects of individual parts of the Bill, each of which could take several hours, but to address what Cardinal Cormac Murphy-O'Connor was speaking about at the

[Alistair Burt]

weekend, and what others have spoken about: the great pressure from those outside this place without a faith perspective to deny the validity of the views of those who do have faith and to deny them the opportunity to persuade others about their views. That is not a new phenomenon, but it has had renewed vigour in recent months and years. From well-known commentators to academics, that approach is presented not as an attack on free speech, which it is, but yet another step on the enlightenment path to make us happy, rational and free. It is not a challenge that Christians in the public square are prepared to duck.

Commentators in national newspapers have been forthright, not only on Christians' right to speak on this issue, but generically about Christians in the public sphere—attacking their right to hold to faith or at least to propound it as part of their reasons to do something. Among the clamour when Tony Blair mentioned God in the famous "Parkinson" interview, the hon. Member for Oxford, West and Abingdon (Dr. Harris) was quoted on the BBC website as saying that his remarks were "bizarre", and warned against politicians making "references to deity" in public life.

Dr. Evan Harris: The hon. Gentleman kindly warned me that he would cite that, and he knows from our conversation that the quote is only partial. What I remember saying is that when talking about a decision to go to war in the middle east, which was controversial among religions, it was probably best for western leaders not to talk about being judged by God in the afterlife for that decision. That was just a word of advice; otherwise, I agree entirely with the hon. Gentleman that people should have a right to give their view, from whatever perspective, in the public sphere.

Alistair Burt: I am grateful for the clarification. The hon. Gentleman will not be the first colleague not to have been entirely accurately represented by the BBC. I am also delighted that the honorary president of the National Secular Society now welcomes the opportunity for politicians in the public square to put forward a defence of their views based on faith.

When I cast my votes on embryo research, abortion or the concept of fatherhood, on what do my constituents expect me to base my view? Is it their opinions and views? Certainly. Is it evidence from different sources about the impact of legislation? Yes, of course. At some stage, I must, as we all must, choose between competing views. But what else do I base my views on? I have a Christian world view, which impacts on those issues. It is not much of a secret, either in this place or my constituency. I do not believe in an impersonal universe—one made up of random collections of matter and energy. I believe that there is a God. Among other things, I believe that his plan for his universe holds life to be dear and sacred. No other understanding of my world makes sense to me.

I also hold a view, deeply influenced by Jesus's parable of the prodigal son, that God's laws for us are not designed to punish, to hurt or to prevent good things happening, but to warn us away from things that do us harm, and to safeguard the creation that he loves. Modern society provides plenty of evidence of the truth of that. It is a positive interpretation of God that makes sense to millions.

My Christian tradition also tells me that God works with us to interpret and unveil his creation. We do so with trepidation and humility, recognising both our fallibility and the viewpoints of others, which we must respect. The hon. Member for Wyre Forest (Dr. Taylor) is entirely right: there is a moderate Christian view to be put. That view does respect others. There is also an obligation on us to handle the arguments carefully and not to over-sensationalise either the arguments or those who hold to a different view. In relation to medicine or physics, we do not know everything, but scientific revelation, in which many Christians are involved, uncovers more every day.

By combining my beliefs, my knowledge and the evaluation of what is new, I come to a conclusion about how I might vote in this place on the matters before us today. But I cannot see why my vote or opinion should carry less weight than those of others because it has a base of faith, nor why any reference that I should make to God in that context should be considered bizarre by anyone.

Just over a month ago, *The Independent on Sunday* launched an attack—or what constitutes an attack for *The Independent on Sunday*—on a group of 12 Members of Parliament of all parties for having in their offices interns from the Christian charity CARE. Beneath the emotive and misleading headline "Evangelicals fund MPs ahead of embryo vote" was an article that was equally distorting, trading on the ignorance of the public to suggest that our interns' passes—the same as those held by 13,000 other people—gave them privileged access with which they could influence MPs, and that the position of some of the MPs mentioned in the article, such as mine in the Opposition Whips' Office, would allow them to exert undue influence on colleagues. There was also the old chestnut that all this was based on what had happened in the United States and heralded the rise of the evangelical right—ironically, just as that influence is, quite properly in my view, in decline over there. That last point must have been especially galling to colleagues who may be further to the political left than me.

However, the heart of the attack, and my reason for raising it tonight, was contained in the paper's leader column, and in a quotation from Richard Dawkins:

> "If only these restless busybodies would keep their prejudices to themselves, nobody would object. But they can't resist inflicting their ignorant opinions on others."

I presume that that must be some other Richard Dawkins rather than the one who, I believe, has made a small fortune out of his prejudices by inflicting them on the public; but that is by the bye. The leader column also referred to "infiltration", and stated:

> "We do not accept...that the religious beliefs of a minority should be allowed a veto on medical research that benefits society as a whole."

Well, nor do I. Have I missed something? Does my vote tonight or next week constitute a veto in the House? Who within the Christian community has ever suggested that we do or should exercise such a veto? But why should my vote be devalued, or considered less well-judged or lacking in integrity, because it stems from a Christian or other faith base?

The article also failed to let the public know that, despite the allegedly shadowy influence on us, MPs with CARE interns do not universally vote the same way on these issues, and I suspect that they will not do so tonight or next week. We reflect the same diversity of opinion as many parts of the Church itself, because our basic principles are rounded by our experience and judgment. Society should not be afraid of that, or lack confidence in those who form their views in the belief that their judgments are ultimately accountable to a power beyond this House.

On Saturday I marched through my constituency with a group representing Christians from many denominations who wanted to draw attention to the "turn on the tap" campaign, which highlights the need for clean water throughout the developing world. Yesterday and today, we listened with heartbreak and humility as the mother of the murdered teenager Jimmy Mizen spoke of the pity in her heart—not bitterness—for the family of the youth who had brutally killed her son.

The Christian love and faith that informed my constituents of their commitments to their neighbours overseas and which drives millions to give themselves and their resources to work all over the world, and God's sense of forgiveness which filled the heart of a grieving mother, would rightly—I think—be praised and lauded by society, and by all of us here. Why should such a wellspring of goodness be considered unworthy of portrayal in the public square? When does that faith turn into the "prejudice" and "dogma" that opponents throw at Christians who have views on this issue? Why should the faith that gives me and hundreds of other Members of Parliament their inspiration to be in public life, their sense of justice, their commitment to others, their views on life and death, their reference point beyond solely the beat of the party drum or the passing fancy of a modern fashion be considered a threat to this place, rather than a voice that millions will recognise?

We may not always be right. We may not always be in a majority. However, it is not for those who disagree with us to seek to deny our views a fair hearing.

8.54 pm

Andrew Stunell (Hazel Grove) (LD): It is a pleasure to follow the hon. Member for North-East Bedfordshire (Alistair Burt). I certainly share his perspective on the Christian faith, but I do not think I shall reach the same conclusions about how the Bill should be treated. Despite the temptation, after some six hours, to give the House my opinions on all the complex and controversial issues in the Bill, I shall not do so. I think my constituents are more interested in my views than the House is, and if they want to know about them, I send them letters accordingly.

I simply want to bring to the House's attention one highly relevant set of circumstances involving a family in my constituency. It is a sensitive issue for them, and they want to preserve their anonymity. Therefore, I shall quote from a letter of 5 March that I wrote to the interim chief executive of the Human Fertilisation and Embryology Authority:

"I am writing on behalf of a constituent of mine who...has recently donated eggs intended to be available for the fertilisation of her own daughter at a later stage in her daughter's life. Her daughter suffers from Turner's syndrome"

and is infertile.

"The issue that faces her is that her daughter is currently ten and she has been told by your agency that the maximum time limit for the storage of eggs permitted by you is ten years. As my constituent will shortly cross the thirty-six year age threshold"

for the donation of eggs,

"it is clear that those eggs could only be used by her daughter up to the age of eighteen which, as she quite properly remarks, is unlikely to be an appropriate cut-off point."

I wrote to the agency to ask whether the 10-year limit was set by statute or was the product of the agency, and for an explanation of the logic involved in setting such a limit. It was interesting to hear the right hon. Member for Rother Valley (Mr. Barron) talk earlier in the debate about his part in setting the regulations in 1991 as a follow-up to the Human Fertilisation and Embryology Act 1990. To paraphrase him, he said that the issue was too hot to handle in that Bill, and it was dealt with by subsequent regulations. In fact, it is hard to see what the difficulty was.

The HFEA replied to me, with admirable promptness, just two days later, on 7 March:

"The ten year maximum storage period that you mentioned is set by the Human Fertilisation and Embryology (Statutory Storage Period) Regulations 1991. These regulations were drafted by the Department of Health. The storage limit was originally set so that clinics would not be over-burdened by the number of samples in storage and because the potential risks of long term storage were unknown at the time."

The letter goes on to say that the regulations

"allow for eggs to be stored beyond ten years providing certain conditions are met. These include that the woman who provided the eggs herself has significantly impaired fertility and that she was under the age of 45 when the eggs were first put into storage",

and that the eggs had been stored for her own later use.

"Unfortunately the regulations only allow the storage period to be extended if the eggs are intended for use in the woman's own treatment...Therefore, regrettably, your constituent will not be able to extend the storage of her eggs and there is no flexibility for exceptional circumstances."

I hope that it is clear from these extracts that my constituent and her family are in a Catch-22. She is coming up to the latest date at which she can store eggs, and she faces a 10-year maximum storage period, by which time her daughter, who would be the beneficiary of that donation, will not be at an appropriate age or stage in her life.

I simply want to make sure that Members and Ministers take note of the need to widen the circumstances in which the storage period for donated eggs can exceed 10 years—for instance, in cases such as that of my constituent, where the donated eggs are intended for another family member who is infertile. I think that an extension would be sensible and highly desirable, and I must say that that does not seem to raise any of the difficult and troubling ethical issues that have so perplexed speakers in the debate so far. I would therefore take this case as an example of the fact that we need a Bill that updates the current rules and regulations that apply to this fast-moving situation—although the term "fast-moving" is applicable only in parliamentary terms, as it has taken 18 years to get from step one to what is now step two.

I hope that if I can draft a suitable amendment to cover this issue, it will receive favourable consideration in due course. Equally, I would very much welcome a

[Andrew Stunell]

signal from the Minister and the Bill's proposers that they would assist in ensuring that such a change is properly drafted and effective in its scope. Even a nod from the Minister would be very welcome at this point.

I shall not go into any of the significant issues that have been debated so far, except to comment on the role of the father and the rights of the child. I have heard it said tonight by two different speakers that the child has a right to know its father. I should like to remind the House that many children do not know who their father is. For children of single parents, the father may never be put on the birth certificate, or the details may be put on wrongly. The proportion of cases, even involving those in stable relationships, where, for perfectly understandable reasons, the wrong father is entered on the birth certificate is higher than Members of this House might like to think. An absolute right for the child to know its father would commit this House to a wide-ranging extension of settling of the paternity of every child born in this country. Let us not extend that right solely to those who are conceived as a result of the processes outlined in the Bill.

9.1 pm

Mr. David Amess (Southend, West) (Con): The Secretary of State, in introducing the Bill, described it as "flagship" legislation. I can now well and truly see why this Government are on the rocks, because the Bill is deeply flawed. We are being asked to take so much on trust—but where has trust got us in the House, given what Tony Blair told us about the weapons of mass destruction, not to mention so many other things?

I do not claim to be an expert in the natural sciences, but if the right hon. Member for Kingston upon Hull, East (Mr. Prescott) can be bulimic, there are clearly many aspects of the human body that I do not understand. None of us should hide behind a façade of scientific objectivity. The Bill deserves to be opposed on Second Reading, because the principles enshrined in it are unjust and contrary to human rights. There is no prospect of the Bill's being amended to a state in which it might protect the rights and welfare of early human life. The Government intend to quash any saving amendments. What right does this House have to impose an arbitrary social experiment on the lives of thousands of unconsenting children?

I say to the Minister that if I could find a good part in the Bill, it would be the bit banning the selection of the sex of offspring for non-medical reasons. Many years ago, I introduced a ten-minute Bill on that matter. It did not get anywhere, but I am glad that the Government have decided, in 2008, to do something about the issue.

This Bill weakens the prohibition on so-called reproductive cloning and reduces the status of the human embryo by permitting new abuses and extending those already permitted. The creation of test-tube babies accentuates the human nature of the early embryo. Creating human embryos in the laboratory and treating them like commodities abuses them, thus dehumanising all human beings.

The potential of stem cell research has been vaunted as a reason for supporting the Bill. There is no particular disease that could only ever be threatened or cured by research on embryonic stem cells. The Bill enshrines the idea of saviour siblings—embryos that are modified to be a genetic match to their siblings and then harvested for particular tissue. An unborn child should not be killed because he or she is unwanted, and to create a child solely for one's own wishes is to make the child's very right to exist dependent on our own changeable attitudes.

The Bill will also allow scientists to create embryos that are half-human, half-animal—for example, from the egg of a woman and the sperm of an animal. To do that would be a radical violation of human dignity.

At present, infertility clinics have to consider the need of a child for a father. The law should give recognition to fathers and encourage them to take responsibility for their children. The Bill needs to recognise the natural right of a child to a father and mother. However, I, like other hon. Members, urge the creation of a statutory national bioethics commission with a broad spectrum of experts, including people from faith communities.

Mr. Jim McGovern (Dundee, West) (Lab): Will the hon. Gentleman give way?

Mr. Amess: I would normally, but I think it would be unfair on the three hon. Members who are looking daggers at me as they wait to speak.

I believe that the public are being fed the same false hopes as they were in 1990. In 1990 the arguments were all about human embryo research. In 2001 they were about embryonic stem cell research. Now, we are told that the creation and destructive use of human-animal hybrid embryos will lead to cures for diseases. I fear that that will not be the case. The answers to parliamentary questions given by the Minister's Department reveal that since 1990 there have been no such cures derived from human embryo research or embryonic stem cell research. I see no reason to believe that we will get any cures from so-called admixed embryos.

Yes, I am a pro-lifer, so if I am going to err, I will err on the side of life. I believe that the message the House needs to send out to the scientific lobby is that it should forget about these unethical proposals and concentrate on adult stem cells and cord blood stem cells, which represent areas of research that have resulted in a number of cures. I hope that hon. Members will vote against this deeply flawed Bill.

9.7 pm

Mr. William Cash (Stone) (Con): A debate that has not been mentioned before—in fact, there were two—preceded the 1990 Act. It was the debate on the Warnock report on 23 November 1984. I have looked up the proceedings, and at that time I said:

> "Can we, in our so-called civilised society, condone, whether under licence or not, in any circumstances the development of human-animal hybrids"?—[*Official Report*, 23 November 1984; Vol. 68, c. 574.]

In other words, I take the same position now as I did then. We have undoubtedly been made aware of the slippery slope to which my hon. Friend the Member for Southend, West (Mr. Amess) has just referred, and of the practices that have developed over the intervening period, which, in my opinion, have undermined our civilised behaviour.

I was led to take part in that debate by my religious belief. I make no bones about it. That is the reason why many people who hold such convictions should object to such procedures. In August 1984, before the Warnock report was produced, I proposed to the Life conference in Leamington Spa the idea of a petition with 2 million signatures. I said that I believed that there would be a need for legislation, and that the best way to ensure that we got our case across was not merely to have a petition with 500,000, 1 million or 1.5 million signatures, but one with 2 million signatures. That petition was delivered to this House.

There is a contrast between the atmosphere in the House tonight, or even in 1990, and the atmosphere in 1985 when the Unborn Children (Protection) Bill, promoted at my suggestion by the right hon. Enoch Powell and filibustered in Committee by the efforts of the then Member for Bolton, Mr. Peter Thurnham, who was supplied with information by a young doctor —Robert Winston. That contrast takes us back to some of the fundamental questions that we have to address today. These are not new issues; they are central to the question of whether we should have new therapeutic methods, with committees largely packed by those of a certain opinion, which tends to lead them to their predetermined conclusions. There is great feeling outside that something is not quite right about what is being done in our name.

Like other Members who have spoken today, I have vigorously opposed the genetic regulations that have been brought in over time. I have always been concerned about how the committees involved—whether the BMA ethics committee or Committees of this or the other House—take decisions, because they tend to be dominated by people of a certain persuasion. It does not surprise me at all that the slippery slope has continued to grow.

I had discussions with Edwards and Steptoe during the course of proceedings in earlier days and became increasingly concerned about some of the research being conducted in the name of so-called science. There is no doubt that we should all be concerned about those who suffer from degenerative diseases and the other conditions that have been mentioned, but we have to face a choice. Our choice should be based on deep and instinctive repugnance towards the proposition that a thing, however defined, whose sole purpose or object is that it may be a human life, should be subjected to experiment and destroyed for the acquisition of knowledge. We should maintain that fundamental tenet.

I would go further. The great Thomas Huxley said:

"If a little knowledge is dangerous, where is the man who has so much as to be out of danger?"

As I said earlier with regard to Professor Einstein, science without religion is lame; religion without science is blind. We have a responsibility, on behalf of our constituents, not to evaluate these matters entirely and exclusively by reference to scientific endeavour or to the therapeutic results that may be produced. There are alternative methods, as we have discussed, and which I raised in an earlier intervention. We have heard much of the fact that scientific results cannot be produced immediately: research is needed, and the process takes time. The sort of research conducted by Professor Shinya Yamanaka, which I mentioned earlier, largely adopted by Professor Sir Ian Wilmut, is overtaking the human hybrid cloning research—the embryonic research—to which so much of the debate has been devoted.

I was glad to hear my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Secretary of State for Health, say that we would consider different systems; I hope that I am not misquoting him. If and when we are satisfied that the most beneficial research is the sort in Professor Shinya Yamanaka's programme, I hope that we will have the opportunity, through amendment to the Bill, to abandon the other research, the provisions on which will, I fear, be agreed tonight. The Government will, at a later stage, give a free vote on certain aspects of the Bill, but I am afraid that that will not be sufficient to defeat the proposals.

On the issue of resources, let me point out one of the things that really trouble me about all the research. This world is full of misery, poverty and death. My campaign for water and sanitation, backed by 250 Members; the fact that a child dies every 15 seconds from water-related diseases; the misery that we observe in Burma—all those things are demands on our finances, and I do not believe that the research that we are discussing will produce results that will be generally available to all people.

I end by quoting from the Nuremberg principles, which make a case for themselves:

"The experiment should be such as to yield fruitful results for the good of society, unprocurable by other methods or means of study, and not random and unnecessary in nature."

That principle, decided on in 1947, should stand good today.

9.17 pm

Dr. John Pugh (Southport) (LD): Avoiding any controversy, may I begin with six unquestioned and unquestionable truths? First, it is uncertain whether important therapies will come from embryonic stem cell research. Secondly, if they come, it is probable that they are a long way off. Thirdly, no substantial therapies have so far come from embryonic stem cell research but, fourthly, many therapies have come from adult stem cell research. Fifthly, it is ultimately adult stem cell research—this point has not yet been made—that holds the key to mass-producing and industrialising the production of stem cells. Sixthly, adult stem cell research—cord blood use and so on—is morally problematic.

Despite all that, the research community wants to continue to extend the embryonic stem cell research programme, although clearly some in that community would give it up if it turned out to be futile and a dead end, or if such research proved to have no demonstrable advantage over adult stem cell research. Parliament is asked to extend the programme. At the meeting referred to by the hon. Member for Buckingham (John Bercow), Professor Colin Blakemore, a former head of the Medical Research Council, asked me to have faith. Why should we not? Well, the main, fundamental reason is the possible encouragement that the research gives to a casual attitude to, or a lack of respect for, human life.

The ethical position would have been so much easier in the middle ages, when an embryo was seen as unformed matter, but in the 21st century we know better. We know that every embryo is the blueprint of

[Dr. John Pugh]

an individual and the code of a human life no different from ours. Of course, an embryo is not actually an individual, and we could argue that its destruction and its treatment do not matter—that it is mere human material. That has already been argued in this debate. However, that is not the view of the existing law. It requires good reasons for experimenting on, or tampering with, embryos. If that was not the case, we would be comfortable with embryos being used in cosmetics, foodstuffs and so on. We require good reasons, namely the hope of scientific advance or medical therapy. The potential risks and harms are set against the potential goods in a utilitarian fashion.

In the House of Lords, Baroness Warnock made it clear that this is a utilitarian debate. Utilitarianism seldom works, because people weigh risks and harms differently. But assuming it does, we are asked to consider the benefits of extending the research programme to allow cybrids—cloned admixed embryos—human-animal embryos, chimeras and transgenic beings. Arguably, although it has not been said in the debate, the Bill allows a loophole for human reproductive cloning. All these permissions are not quite subject to the 14-day rule or the no-implantation rule.

If one looks for a clear principle that explains the boundary between the permissible and the impermissible, one does not find it in the Bill. The real limit is the imagination and endeavour of the scientific community—the ad hoc, post hoc baptising of what decent scientists do, as opposed to rogue, usually foreign, scientists. There is no rule that can be provided to differentiate the two categories, other than the claims that the decent scientists have good ethical reasons, that their work may minimally advance understanding, and may, but not will in all probability, lead to therapy. What research programme, when one thinks about it, could not meet that standard? Perhaps that is why the HFEA has refused none hitherto.

If we have no clear idea what we want to rule out, we can have no clear idea what we want to rule in. We are a society in moral and intellectual confusion, and that is embodied in the debate, drawing ad hoc, post hoc temporary limits, and wrapping legislation round existing practice.

I take seriously the claim that embryonic stem cell research will be fundamental to the cure of Parkinson's disease, motor neurone disease and so on. I am uncomfortable setting the gain to society of a reverence for human life against the clear pain and suffering of individuals with those terrible diseases, but I am not yet persuaded that extending the embryonic stem cell research programme is essential to a speedy cure of those terrible afflictions. I have been urged to have faith on the issue, but I would like to have my faith in this context based on rationality.

The case for cybrids, admixed embryos, is based not on a drive for better experiments, because animal mitochondria will be mixed in, which will be a problem, but on a drive for more experiments. Perhaps that work will produce a gain that cord blood, aborted gonads and adult stem cells cannot provide. Perhaps it will produce something to fill the gap, but perhaps not.

The case for extending human-animal hybrids is based not on existing research objectives but on the possibility that someone might have a research objective. The Royal Society says the provision may have been drafted because

"the emergence of a scientifically valid reason cannot be ruled out"

and we must "future-proof" the legislation. Aside from the moral issues and the possible waste of time and money, I am genuinely at a loss to know what scientific research programme cannot be justified by saying

"the emergence of a scientifically valid reason cannot be ruled out".

This is blank cheque legislation.

9.23 pm

Mark Simmonds (Boston and Skegness) (Con): This has been an excellent and stimulating debate, which has belied the concerns, rumours and accusations that the House could not cope with such complex issues. There have been contributions demonstrating real passion and real expertise. The contributions have been intelligent and well informed, particularly that of my hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Secretary of State.

The Bill is evolutionary and thought provoking, but the debate has demonstrated the significant diversity and disparity of views in the House, reflecting the diversity and disparity of views outside, although not necessarily in the same proportion. I have enormous respect for those with ethical and moral reservations about the Bill. As one who is married to a south American Catholic, I understand how deeply and passionately held those views are. The comments that I am about to make from the Dispatch Box are therefore my personal views, not necessarily those of the entire party that I represent.

The 1990 Act has proved a robust piece of legislation. Credit for that must go to my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) who, with his colleagues, piloted the Bill successfully through the House 18 years ago. The Act was also built on the excellent work of Baroness Warnock and her colleagues, whose ideas were its precursors. However, the 1990 Act should now be updated and reviewed, within an ethical framework, in the light of advances in science, medicine and technology.

As other Members have said, Britain is a world leader in reproductive stem cell technologies. We should be proud of that heritage and want Britain to remain at the forefront of such scientific research, in a clear ethical framework. Britain has flourished in the field, not only because of the skills of our scientists and our first-class facilities but because of the clearly defined regulatory environment, grounded on ethical platforms.

It is right that the complex issues involved should be carefully considered in Parliament and the country as a whole, and I welcome the national debate on many of the controversial and important issues. However, it is also right that Members should be able to vote with their consciences on these key moral issues. It was wrong of the Government to try to whip the Bill, as they originally intended, and it was wrong to whip the Bill in the other place. I am pleased that Conservative Members will have a free vote throughout the Bill's passage.

In answering interventions from my right hon. and learned Friends the Members for Rushcliffe and for Devizes (Mr. Ancram), both distinguished and experienced Members, the Secretary of State gave no decent response on why Government Members would not get a completely free vote, which the House had in 1990. I suspect that if the Secretary of State and the Minister had their way, this would be a completely free vote for Government Members.

There is a large number of controversial and complex aspects to the Bill and it is right that some of the votes should be on the Floor of the House; we Conservatives have been pressing for that. I am pleased that many more Members will have the opportunity to contribute to the debate. We believe that the programme motion is incorrect and that there should be longer debates, particularly on admix embryos. If we are to debate abortion as part of our discussion of the Bill, that should be for longer than three hours.

The debate on schedule 2, which contains provisions on not only saviour siblings, but such important issues as embryo selection, embryo research and, potentially, the issue of birth certificates, will all be taken in a three-hour period next Tuesday afternoon if the programme motion goes through. That will not allow anything like the time that should be allocated for such significant issues. We will have time to debate in detail the four different types of admix embryos, but there are significant differences between them. I will not go through them in detail now, but I want to highlight one or two key differences. Cytoplasmic embryos are a mix of only up to 0.1 per cent. of the genetic material. Transgenic embryos probably usually transmit only one gene—but not gametes, which are sex cells—into animal mitochondria. Human-animal chimera embryos are useful for understanding how stem cells develop into the different types of cells in our bodies.

However, the main issue during the debate on admix embryos will be the necessity or otherwise for true hybrids. Some hon. Members have said that they do not believe that there are disparities between the types of potential admix embryos, but there are. True hybrids are the only ones that are 50-50 and the only ones to merge the sex cells of animals and humans. We shall certainly table further amendments to enable further discussion on these important issues.

There is a shortage of eggs, a point rightly articulated by my hon. Friend the Member for Buckingham (John Bercow). However, it must be understood that the animal eggs are used only as a vessel to ensure an ample supply of eggs for research. My hon. Friend the Member for Stone (Mr. Cash) and others have cited the work of Professor Yamanaka in Kyoto. Recently, I was fortunate enough to go to Kyoto university to discuss these issues with Professor Yamanaka's team, which does not want embryonic stem cell research to cease. In fact, it needs to have a laboratory in California, which has a more permissive regulatory regime than Japan, in order to carry out embryonic stem cell research and continue its work on pluripotent cells. Let me quote what it said when I asked what would happen if embryonic stem cell research was not allowed: "We still need embryonic stem cells. If embryonic stem cells were not allowed we would be in trouble. Achievements here are based on former work done on embryonic stem cells."

These issues are not mutually exclusive. The development of induced pluripotent cells is an excellent advance, but the process is not without problems. Many scientists are concerned about the risk of telomere degeneration in induced pluripotent cells, as well as mitochondrial degeneration, damage from the virus used to stimulate reproduction, and the risk of reintroducing defective genes, culminating in potentially significant tumour growth—a point correctly made by the hon. Member for Bolton, South-East (Dr. Iddon). I believe that all types of stem cell research—embryonic, adult and cord blood—must continue, as we do not know which, if any, will herald cures for some of the serious diseases that exist. However, I have reservations about true hybrids, to which we will return in Committee.

Hon. Members rightly raised the issue of saviour siblings and embryo selection. The Bill is absolutely right to outlaw sex selection for non-medical reasons. However, pre-implantation genetic diagnosis—PGD—will be permitted if there is a significant risk of a child developing a serious gender-related physical or mental disability, serious illness or other serious medical condition. It is not compulsory for parents with possible genetic illnesses to use PGD, and rightly they may not use it to select any positive characteristics. The Bill also permits the selection of embryos in order to provide compatible cord blood cells, bone marrow or other tissue to a sibling with a serious medical condition. Cells are taken from the umbilical cord of the saviour sibling, and, as a very last resort, bone marrow. It is clearly very controversial, but the creation of a saviour sibling already occurs, if only rarely: to date, the HFEA has licensed tissue-typing for only six families. It is, and should remain, a last resort. In that context, cord blood is known to be an excellent source of useful stem cells. As other hon. Members have pointed out, 98.5 per cent. of cord blood is currently thrown away. Retaining more would not entirely obviate the need for the creation of saviour siblings, but it would increase the chances of a match being found for a seriously ill child. I urge the Government to consider ways of increasing the amount of cord blood that is banked.

Let me turn my attention to the so-called "need for a father" clause. The important thing is the welfare of the child. The hon. Member for Oxford, West and Abingdon (Dr. Harris) needs to be careful. We will have a great deal of debate throughout the passage of the Bill, and he must not assume that those who disagree with him start from a basis of prejudice—we do not. The Bill requires fertility clinics to take into account the need for a father when providing treatment. It is widely accepted that the clause has not stopped same-sex couples and single women facing barriers in accessing treatment, nor would it in future were it to remain. The hon. Member for Morecambe and Lunesdale (Geraldine Smith), who, sadly, is not in her place, rightly pointed out that there is no evidence to contradict this.

Dr. Evan Harris: Will the hon. Gentleman give way?

Mark Simmonds: Not at the moment. The hon. Gentleman and I will have plenty of time to intervene on each other in the course of the Bill's passage.

I strongly believe that children benefit from having role models of both sexes in their lives. Of course children can and do thrive being brought up in a

[Mark Simmonds]

loving, same-sex couple household or by a loving single parent—that is not in question. However, I would like clinics to have a duty to discuss with applicants for fertility services the differing perspectives that men and women can bring to life and the importance of both. The points made by some Members earlier about the social criteria that primary care trusts have for IVF treatment have no bearing on the Bill at all, although the inconsistency of those social criteria and their lack of transparency is creating real angst for many people. I know that the Minister is looking at that issue in great detail.

I was pleased to see that artificial gametes are to be outlawed by the Bill; it would be helpful if the Minister would confirm that. I was surprised to hear that the hon. Member for North Norfolk (Norman Lamb) seemed to be in favour of artificial gametes. I recognise that they could lead to a therapy for those who, through illness or accident, can no longer produce sperm, but artificial gametes have inherent risks. Were that practice to be permitted, the stem cells of a man could theoretically be used to create a female ovum. The stem cells of a woman could be used to create male sperm, enabling same-sex couples to have children who are the genetic offspring of them both. One individual could have a child who is the genetic offspring of only themselves, which is not the same thing as cloning, but clearly is something that the House must prohibit. I am afraid that by prohibiting such research in the Bill, we will not stop it; it will just move elsewhere in the world.

There are serious issues in the Bill that are not the subject of a free vote for Labour Members, and I think that they should be—for example, the issue of complex mitochondrial diseases. The Bill includes the possibility of eradicating a number of serious genetic conditions that are inherited through mitochondria. By opening the door to mitochondrial replacement, the Bill could allow the nucleus of a mother's egg to be transferred into an egg with healthy mitochondria and then fertilised. That will allow women who know that they are carrying serious genetic conditions in their mitochondria to have children without the risk of passing on those conditions to their offspring. That highly innovative area requires careful research and consideration. It could provide significant medical enhancement, but it does throw up difficult ethical and moral issues.

The issue of birth certificates was mentioned earlier. It is a highly complicated area and the Bill would allow for same-sex couples to be named on birth certificates, bringing legislation in line with heterosexual couples who have used donor sperm. As I understand it, that issue is covered by schedule 2, and if it is not debated during the three-hour period next Tuesday, we will not be allowed to debate it during the remaining Committee proceedings. Parliament has to decide and consider whether we believe that birth certificates should primarily be a record of one's social origins or one's biological origins, or indeed, whether a further compromise can be found.

Another controversial issue on which the Government are not allowing Labour Members a free vote is the storage of child embryos or gametes in existing cell lines. Two areas must be looked at, in the context that consent is the cornerstone of the Bill, which avoids the need to decide on the issue of property and create explicit property rights. First, we are concerned that in cases where a child suffers from a serious genetic illness that will prevent them from reaching adulthood, parents are unable to consent on behalf of the child to the storage of their eggs, gametes or cells to use for research into the child's condition. If a child cannot live to the age of 18, it will be impossible to do research to enable other children who suffer from such diseases to survive beyond that period.

Secondly, some valuable work has been done creating stem cell lines, which could be lost if the Government do not amend the legislation to allow cells donated in the past to be used for embryonic stem cell research without additional consent from the donor. In some cases, the cells have been anonymous to such a degree that it would be impossible to contact the donor, and in other cases it may be impossible to locate the donor. The Minister in the other place agreed to consider those issues and return to the House and we await the Government's decision with interest.

Complex issues surround the surrogacy laws. In England, surrogacy agreements have no legal force, so parents who wish to use surrogate mothers have to adopt or apply for a parental order, which involves a great deal of state intervention. Parents can be refused adoption orders even though the child is their genetic offspring. Children who are born to surrogate mothers abroad also face challenges. In some countries, as in the UK, a child will be regarded as the offspring of the surrogate mother, but in others—for example, the United States—the child will be considered that of the commissioning parents, potentially leaving a child stateless and parentless.

As the hon. Member for North Norfolk said, other significant issues surround the therapeutic use of embryonic stem cells. I am sure that we will revert to that in Committee.

There are no provisions in the Bill to allow the creation of embryos or derivation of embryonic stem cells to treat conditions other than those associated with reproduction. Clearly, that needs to be examined.

The measure is important and complex, and it stirs intense and passionate convictions, as we have heard today. The significant pre-legislative scrutiny and the debate in the other place has honed many arguments and already altered its architecture for the better.

The debate is ultimately about where hon. Members decide to position the fulcrum, taking into account the importance of scientific innovation and the ethical framework within which we wish to operate, while—most important—protecting the special status of the embryo.

9.41 pm

The Minister of State, Department of Health (Dawn Primarolo): The debate has been excellent and wide ranging, covering many significant matters in the Bill and some that are not currently in the measure.

I acknowledge, as have all other contributors, that we are considering difficult issues for many hon. Members. The Bill is important, and the conduct of today's debate reflects positively on Parliament and its ability and that of hon. Members to deal with matters of major scientific

and ethical complexity. As the hon. Member for Buckingham (John Bercow) said so eloquently, the Bill seeks a pragmatic fusion between science and the social mores of today.

The Bill is primarily an overhaul of legislation that was passed 18 years ago. It builds on a model that Parliament originally laid down and several of its proposals reflect more recent decisions in the House and in another place. Its overall effect is that of evolution, not revolution.

As the right hon. and learned Member for Rushcliffe (Mr. Clarke) said, the foundation that the 1990 Act provided was a considered response to concerns that there should be limits and barriers in law under a scheme of statutory regulation. The Bill is a recasting, in a similar mould, to ensure that the law and regulations can tackle the challenges of today and tomorrow.

I agree with the sentiment of the hon. Member for Salisbury (Robert Key), who said that he knew of no scientist who does not give due attention to the ethics of the issues. That was echoed by the hon. Member for Beckenham (Mrs. Lait).

I thank the hon. Member for Boston and Skegness (Mark Simmonds) for his positive and constructive approach. I look forward to our debates, although I feel that we might not always agree. I echo his point that the Government's expressed aim is to ensure that the United Kingdom is at the forefront of developments in cutting-edge science and technology, which promises so much for individuals and their families and for society. The hon. Member for Wyre Forest (Dr. Taylor) graphically described that when he spoke about the diseases that blight people's lives. To achieve those aims, it is imperative that good regulation can keep pace and provide proper oversight.

Advances in technology go hand in hand with those in regulation. They are united through proper accountability and public confidence. The Bill is an attempt to maintain that unity, keeping the established foundations that have proved sound, and updating them when necessary. Failure to address those matters would lead inevitably to a loss for society. Doubts about what is regulated or what is allowed would endanger public confidence. Confusion about legal duties and responsibilities would harm public accountability. The impact would be felt through slower or stopped progress in understanding and treating infertility and serious medical conditions.

The Bill aims to ensure that all such embryos come within the scope of regulation, as the current law, drawn up in the late 1980s, is not explicit about these entities. The Government decided that the matter should not be left open to interpretation. We believe that the Bill as drafted provides the necessary clarity. As my hon. Friend the Member for Bolton, South-East (Dr. Iddon) explained, developments of treatments and scientific advances have always been controversial. The Bill has its share of that. It allows the creation and use of admixed embryos for licensed projects of research, in much the same way as it allows projects of embryo research. That means scrutiny of every proposal through the licence application process, which is overseen by the Human Fertilisation and Embryology Authority. For embryo research projects, the law again sets out that the HFEA must be satisfied that the research is necessary or desirable for one of the defined statutory research purposes. The use specifically of embryos must be necessary.

What the hon. Member for South-West Devon (Mr. Streeter) fears—that such research will be a distraction and will skew research in other areas—therefore simply will not happen. The position is not either/or; it is about ensuring that the breadth of research that the House believes is important is allowed to develop for treatments.

Mr. Cash: Will the Minister explain the extent to which the research that will be made available will be available on a universal basis? There are those, including me, who are deeply concerned not only about the principles involved, but about whether the research would be available only to those who were at the upper end and could afford it. Will the research be universal or not?

Dawn Primarolo: I think that the hon. Gentleman is confusing a regulatory framework that permits research with the commissioning or funding, from different authorities, for that research to take place. The Bill is not about what research will be funded in the future from where, but about putting important regulations in place and continuing to afford the protection that the House has always wanted.

To deal with the hon. Gentleman's second point, having ensured that the regulations apply and that the projects must meet the proper criteria, the Bill sets out strict prohibitions to guard against abuses. It makes it an offence to keep an admixed embryo beyond 14 days and prohibits the placing of an admixed embryo in a woman or an animal. Those are genuine safeguards, as my hon. Friend the Member for Brighton, Kemptown (Dr. Turner) and the hon. Member for Beckenham pointed out.

The Government have listened carefully to wide-ranging and deep-seated views on each side of the issue. There has already been considerable debate on the issue in another place, and through consultation and the scrutiny process. Scientists do not undertake such work lightly or through mere curiosity. The primary motivation is a pragmatic issue, namely the shortage of human eggs for use in the creation of embryonic stem cell lines. The Bill is a means to ensure that effective regulation applies, while also allowing scientific endeavour that promises advances in the knowledge and understanding of some serious diseases.

Mr. Burrowes: On the subject of safeguards, will the Minister give some of the reassurance that Lord Darzi gave in the other place, at a similar stage, that the Government are committed to banning human reproductive cloning? Will she confirm in particular whether permission for reproductive cloning could be given for any purpose laid out in proposed new section 3ZA(5)?

Dawn Primarolo: I am happy to give exactly the same undertakings as Lord Darzi gave in another place. *[Interruption.]* My right hon. Friend the Secretary of State says, "Thank goodness for that."

The hon. Member for Enfield, Southgate (Mr. Burrowes) is right that cloning is outlawed. I would like to reassure

[Dawn Primarolo]

hon. Members that I am speaking on behalf of the Government at this stage, not as an individual, as that way of speaking seems to have drifted in and out of the debate. The Bill is a means of ensuring that effective regulation applies and that we can undertake research. As the hon. Member for Buckingham said, the Bill will not force anyone to undertake research using embryos, whether admixed or otherwise. The controls that the measures put in place will ensure that other avenues of research will be considered as part of the research licensing process. Before a licence is given, the licensing authorities will have to consider other areas or forms of research in which the same issues could be pursued.

Several issues have been raised in the debate, and I shall do my best to answer some of them in the time available. The hon. Member for South Cambridgeshire (Mr. Lansley) talked about true hybrids, which were allowed in the 1990 Act for testing the fertility of sperm by mixing it with a hamster egg, and for related research. Any licence application will have to pass the usual tests of satisfying the HFEA that it is necessary or desirable for a statutory research purpose and that the specific use of embryos is necessary. That will give a great deal of protection.

The Bill will bring all forms of true hybrids under the regulation of the HFEA, and it will be for the HFEA to decide whether such hybrids should be licensed. We are talking about wider types which will be licensed only under the specific research licence. If we do not bring those processes within the Bill's protection, we will not be able to express views or control; the law will be silent about the developments.

I turn to the point on what is called the need for a father.

Mr. Lansley: Will the Minister give way?

Dawn Primarolo: I should like to make some progress. The hon. Gentleman will want to return to that issue, and there will be a great deal of discussion on it.

To retain the reference to the need for a father would be inconsistent with other legislation that has been passed by Parliament to recognise civil partnerships and to remove discrimination on the ground of sexual orientation. In addition, Parliament would be seen as sending out the message that clinics must consider the need for a father. The code of practice, on which they rely at the moment, could not be relied on to amend that practice in future, because of the clearly stated views of Parliament. My hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry) explained eloquently and in great detail why that change is necessary. There are further issues to do with the welfare of the child.

If women are discouraged from approaching legitimate services, they might be encouraged to make their own arrangements. A loophole in the 1990 legislation was that it did not prevent the rise in the amount of sperm supplied by internet-based firms. We have already acted to bring those activities under regulation. Properly licensed services can give the necessary assurances of quality and safety, along with important access to future requirements with regard to identifying parents.

With regard to artificial gametes, I can confirm that the Government do not intend to amend the Bill. Our position is set out in the Bill, and there will be no further amendments.

On the question of birth certificates, and of telling children that they are donor-conceived, we have made it clear in another place that we would carry out a review within four years of the Bill coming into force. It is therefore a bit difficult for me to explain what has already been done, as I shall have to wait until the Bill has been passed.

With regard to the translation of stem cell research into therapy, the Government have made it clear that an amendment is not necessary. The Bill will enable research to progress speedily, but with proper scrutiny. The development of treatments will be able to take place under the controls in the Bill.

My hon. Friend the Member for Stockton, South (Ms Taylor) spoke passionately about access to IVF in the national health service. As she knows, that is not necessarily within the remit of the Bill, but the Government are taking steps to deliver exactly what the House expects to see, which is not only that the NICE guidelines relating to three cycles are delivered, but that proper social criteria are universally used.

The right hon. and learned Member for Rushcliffe spoke of his experience of proposing and preparing for the 1990 legislation. He told the House how it was necessary to deal respectfully with all human tissue, and that is precisely what we are trying to do. The 1990 Act did not attempt to provide a detailed definition of an embryo and, after 17 years and one legal challenge, we have to face that issue now.

I understand that my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith) is passionately committed to the issues that she identified in the debate. It will come as no surprise to her to learn that I do not necessarily agree with the points that she made, but I want to assure her that no attempt is being made to airbrush fathers from the process. We need to recognise that family structures have changed, however, and it is not for clinicians to make decisions about those family structures or to make those judgments. It is for the House to ensure that every child is a wanted child, a loved child and a supported child.

A number of other issues have been raised. My hon. Friend the Member for Morecambe and Lunesdale also raised the question of saviour siblings. I know that she feels very strongly about these issues, and I have a feeling that if she had been in the House in 1990, she would not have supported the proposals at that time.

Geraldine Smith: I want to ask the Minister about birth certificates. Will we reach a position in which two mothers appear on a birth certificate, but no father? How will a birth certificate be worded if two lesbians have a child, and one of them appears on the certificate as the second parent? What will the certificate actually say?

Dawn Primarolo: It will say that one is the mother and the other is the parent, which conveys the legal standard.

The Bill and the review that led to its drafting have evolved through a long period of reflection—*[Interruption.]*

Mr. Speaker: Order. Hon. Members must let the right hon. Lady speak—*[Interruption.]* Order.

Dawn Primarolo: Thank you, Mr. Speaker.

This is about introducing regulation that takes us into the 21st century. Not to do so would be a lost opportunity. I look forward to our discussions on these critical issues in Committee, and I shall finish by echoing the comments of the hon. Member for Salisbury (Robert Key): the Bill is a great force for good. I commend it to the House.

Question put, That the Bill be now read a Second time:—

The House divided: Ayes 340, Noes 78.

Division No. 176] **[9.59 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Barron, rh Mr. Kevin
Beckett, rh Margaret
Bercow, John
Beresford, Sir Paul
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cabom, rh Mr. Richard
Cairns, David
Cameron, rh Mr. David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curry, rh Mr. David
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Davis, rh David *(Haltemprice and Howden)*
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Featherstone, Lynne
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gidley, Sandra
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howard, rh Mr. Michael
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lait, Mrs. Jacqui
Lamb, Norman
Lammy, Mr. David
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Letwin, rh Mr. Oliver
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackay, rh Mr. Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
Maude, rh Mr. Francis
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill

Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Price, Adam
Primarolo, rh Dawn
Prisk, Mr. Mark
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Soames, Mr. Nicholas
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Mr. Graham
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Thurso, John
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Viggers, Peter
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wills, Mr. Michael
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek
Young, rh Sir George

Tellers for the Ayes:
Tony Cunningham and Siobhain McDonagh

NOES

Ancram, rh Mr. Michael
Bacon, Mr. Richard
Beith, rh Mr. Alan
Benton, Mr. Joe
Binley, Mr. Brian
Bone, Mr. Peter
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Gregory
Cash, Mr. William
Chope, Mr. Christopher
Clarke, rh Mr. Tom
Conway, Derek
Crabb, Mr. Stephen
Curtis-Thomas, Mrs. Claire
Davies, Philip
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Mrs. Nadine
Drew, Mr. David
Duncan Smith, rh Mr. Iain
Durkan, Mark
Evans, Mr. Nigel
Farrelly, Paul
Field, Mr. Mark
Goodman, Mr. Paul
Gray, Mr. James
Green, Damian
Gummer, rh Mr. John
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hemming, John
Hoban, Mr. Mark
Hosie, Stewart
Howarth, Mr. Gerald
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Knight, rh Mr. Greg
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Mackinlay, Andrew
MacNeil, Mr. Angus
McCrea, Dr. William
McGrady, Mr. Eddie
McLoughlin, rh Mr. Patrick
Mudie, Mr. George
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rowen, Paul
Scott, Mr. Lee
Selous, Andrew
Simpson, David
Smith, Geraldine
Spring, Mr. Richard
Streeter, Mr. Gary
Swayne, Mr. Desmond
Tapsell, Sir Peter
Taylor, David
Teather, Sarah
Truswell, Mr. Paul
Turner, Mr. Andrew
Walker, Mr. Charles
Weir, Mr. Mike
Widdecombe, rh Miss Ann
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas

Tellers for the Noes:
Daniel Kawczynski and Mr. David Amess

Question accordingly agreed to.

Bill read a Second time.

HUMAN FERTILISATION AND EMBRYOLOGY BILL *[LORDS]* (PROGRAMME)

Motion made, and Question put forthwith, pursuant to Standing Order No. 83A (Programme motions),

That the following provisions shall apply to the Human Fertilisation and Embryology Bill [*Lords*]:

Committal

1. The following shall be committed to a Committee of the whole House—

(a) Clauses 4, 11, 14 and 23 and Schedule 2;

(b) any new Clauses or new Schedules relating to the termination of pregnancy by registered medical practitioners.

2. The remainder of the Bill shall be committed to a Public Bill Committee.

Proceedings in Committee

3. Proceedings in Committee of the whole House shall be completed in two days.

4. Those proceedings shall be taken on each of those days as shown in the first column of the following Table and in the order so shown.

5. The proceedings on each of those days shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
First day	
Clause 4	Three hours after the commencement of proceedings on the Bill
Clause 11 and Schedule 2	Three hours after the commencement of proceedings on Clause 11

TABLE

Proceedings	*Time for conclusion of proceedings*
Second day	
Clauses 14 and 23	Three hours after the commencement of proceedings on the Bill
Any new Clauses or new Schedules relating to the termination of pregnancy by registered medical practitioners	Three hours after the commencement of proceedings on any such new Clauses or new Schedules

6. Standing Order No. 83B (Programming committees) shall not apply to the proceedings in Committee of the whole House.

7. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 17th June 2008.

8. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

9. When the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Public Bill Committee have been reported to the House, the Bill shall be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee.

Consideration and Third Reading

10. Proceedings on consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

11. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

12. Standing Order No. 83B (Programming committees) shall not apply to proceedings on consideration and Third Reading.

Other proceedings

13. Any other proceedings on the Bill (including any proceedings on consideration of any message from the Lords) may be programmed.—*[Liz Blackman.]*

The House divided: Ayes 265, Noes 149.

Division No. 177] **[10.14 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Beckett, rh Margaret
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bottomley, Peter
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Howarth, rh Mr. George
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward

Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, rh Jacqui
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, Matthew
Taylor, Dr. Richard
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wills, Mr. Michael
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Ayes:
Tony Cunningham and Siobhain McDonagh

NOES

Ancram, rh Mr. Michael
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Bone, Mr. Peter
Brake, Tom
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Campbell, Mr. Gregory
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Conway, Derek
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
Davies, Philip
Dodds, Mr. Nigel
Donaldson, rh Mr. Jeffrey M.
Dorries, Mrs. Nadine
Duncan Smith, rh Mr. Iain
Durkan, Mark
Evans, Mr. Nigel
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Garnier, Mr. Edward
George, Andrew
Gidley, Sandra
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Green, Damian
Gummer, rh Mr. John
Hammond, Mr. Philip
Hancock, Mr. Mike
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hoban, Mr. Mark
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Hughes, Simon
Hunter, Mark
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Key, Robert
Knight, rh Mr. Greg
Kramer, Susan
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Lilley, rh Mr. Peter
Mackinlay, Andrew
MacNeil, Mr. Angus
McCrea, Dr. William
McGrady, Mr. Eddie
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Murrison, Dr. Andrew
Öpik, Lembit
Osborne, Mr. George
Paisley, rh Rev. Ian
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Price, Adam
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rowen, Paul
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Simmonds, Mark
Simpson, David
Smith, Geraldine
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Tapsell, Sir Peter
Taylor, David
Taylor, Mr. Ian
Teather, Sarah
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wilshire, Mr. David
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wood, Mike
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Daniel Kawczynski and Mr. David Amess

Question accordingly agreed to.

HUMAN FERTILISATION AND EMBRYOLOGY BILL [*LORDS*] *[MONEY]*

Queen's recommendation having been signified—

Motion made, and Question put forthwith, pursuant to Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Human Fertilisation and Embryology Bill [*Lords*], it is expedient to authorise the payment out of money provided by Parliament of any expenditure incurred under or by virtue of the Act by a person holding office under Her Majesty or by a government department.—*[Ms Diana R. Johnson.]*

Question agreed to.

HUMAN FERTILISATION AND EMBRYOLOGY BILL [*LORDS*] *[WAYS AND MEANS]*

Motion made, and Question put forthwith, pursuant to Standing Order No. 52 (Money resolutions and ways and means resolutions in connection with bills),

That, for the purposes of any Act resulting from the Human Fertilisation and Embryology Bill [*Lords*] it is expedient to authorise the charging of fees by the Human Fertilisation and Embryology Authority.—*[Ms Diana R. Johnson.]*

Question agreed to.

PETITIONS

Development and Healthcare (Hampshire)

10.26 pm

Peter Viggers (Gosport) (Con): I beg to present a petition that has been signed in these terms by 16,132 constituents and others. It relates to the Royal hospital, Haslar, which has been highly regarded as the only military hospital in the UK and which continues to provide excellent medical services for civilians and service personnel despite an announcement in 1998 that it was to be closed. I maintain that through this campaign Haslar has become the best known hospital in the UK. The petition demands that the hospital should be allowed to continue as a vital local asset.

The petition states:

The Humble Petition of Mr Alan Scard and others,

Sheweth,

That Gosport Borough Council, Fareham Borough Council and the Haslar Task Force have proposals for the future use of the Haslar site and have urged that ways be found to utilise the site for the provision of healthcare services and treatment in Gosport, Fareham and the surrounding areas.

Wherefore your Petitioners pray that your Honourable House shall urge the Ministry of Defence, the Department of Health and all other relevant bodies to promote this particular proposal.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000189]

Human Fertilisation and Embryology Bill

10.27 pm

Mr. David Burrowes (Enfield, Southgate) (Con): It is my pleasure to present a petition on behalf of many people of this country who are extremely concerned about today's proceedings and those that will take place over the coming weeks in relation to the Human Fertilisation and Embryology Bill, and about the effect that it will have on respect for human life.

The petition of residents of the UK has been signed by 45,403 people. I want to express the gratitude of many hon. Members to the Society for the Protection of Unborn Children for organising the petition, which is reflective of the views not only of those signatories but of many thousands of others throughout the country who have expressed their concern.

The petition states:

The Petition of residents of the United Kingdom,

Declares that the Human Fertilisation and Embryology Bill (2007) proposes to endorse the creation of human-animal hybrid embryos in the laboratory; the widening of the scope for experiments on human embryos, and the creation of human embryos for other purposes without regard for the welfare and status of such embryos.

The Petitioners therefore request that the House of Commons vote against the Human Fertilisation and Embryology Bill, and urges the Government to change its policy towards endorsing the creation of human-animal hybrid embryos in the laboratory; the widening of the scope for experiments on human embryos, and the creation of human embryos for other purposes without regard for the welfare and status of such embryos.

And the Petitioners remain, etc.

[P000190]

HMRC (Newport)

Motion made, and Question proposed, That this House do now adjourn.—*[Ms Diana R. Johnson.]*

10.29 pm

Jessica Morden (Newport, East) (Lab): I am grateful for this opportunity to raise with my right hon. Friend the Financial Secretary to the Treasury the impact of the work force change programme on my constituents, especially those who work in the Newport office of Her Majesty's Revenue and Customs. In the light of significant new developments, I shall be asking my right hon. Friend to look again at plans to relocate staff from the Newport office. Many thanks to my right hon. Friend for responding to the debate, because I know that she is extremely busy at present; I thank her, too, for affording me opportunities recently to talk about the issue.

Over the past 18 months I have worked closely with groups of dedicated staff from a number of Government agencies, including HMRC in Newport and the Valuation Office Agency, who have been faced with a series of overlapping reviews in the name of gaining greater efficiency. Although I and undoubtedly all taxpayers applaud the drive to ensure value for money in Government services, those reviews have been marked by lack of co-ordination, shifting goalposts and contradictory outcomes, leading me to consider that such actions are largely counter-productive in my constituency.

I pay tribute to the professionalism and dedication of the staff in Newport who have worked as civil servants for many years. I pay tribute, too, to the Public and Commercial Services Union in Wales, which has campaigned alongside staff to highlight their concerns. The fear is that dedicated employees who have a track record of success may be forced to leave the service. In the short term, staff face an uncertain future and in the longer term, the objectives of the Welsh Assembly Government to move jobs out of Cardiff to benefit the whole of Wales have been trampled underfoot.

In Newport, we find ourselves in a particularly incongruous position. Some HMRC staff in Newport are being moved to a location on the outskirts of Cardiff, outside reasonable daily travel by public transport. At the same time, the VOA, which has also just concluded a review of its office locations, will move into part of the offices that the HMRC has vacated, use of which was deemed inefficient by the HMRC. During the debate, I want to examine how much more efficient the review and its outcomes could be if a more co-ordinated approach were considered. I ask the Minister to look again at the situation in Newport.

The overall objective of seeking out inefficiencies and improving services may be necessary but many more problems have been created by the uncoordinated review on top of review approach. Back in 2004, Gershon focused on the objective of releasing to front-line services major resources from activities that could be done more efficiently, but he was at pains to stipulate that the savings should not be achieved at the expense of service delivery. Gershon repeatedly emphasised the need for joined-up approaches as the key to securing an efficient future for service delivery.

In HMRC in Newport, a local departmental review was launched just weeks before the HMRC-wide work force change programme began the department's review of the Cardiff urban centre. That confused staff and demonstrated a lack of joined-up thinking and planning from the start. There are a number of concerns about the fact that Newport was even included in the Cardiff urban centre. HMRC initially asserted that it was within the 25 km boundary of the Llanishen site. However, later documentation puts the Newport office at 28 km from the Ty Glas office in Llanishen. I fully appreciate that is a difference of only 3 km but the boundary has to be drawn somewhere and if Newport was outside the boundary it should have been included in the cluster group of offices now being considered, not in the Cardiff urban centre review.

The outcome of the review was issued by the work force change team in February and the conclusion was that Newport HMRC should

"withdraw from Crown Building and relocate staff in...Cardiff by spring 2010".

The move will result in difficult if not impossible public transport options and thus increased reliance on cars, which will have an impact both on traffic in an already congested commute and also on the environment. Staff will face large parking problems as the Cardiff office is in a residential area that is notoriously congested. I understand that management has no responsibility for providing parking, and those with young families and caring responsibilities will face particular difficulties in getting there.

The initial review revealed that more than 90 per cent. of staff from Newport faced travelling for more than an hour to work. That calls into question the decision to opt for relocation. Following the review, Paul Grey stated, in a reply to a staff hot-seat question, that HMRC expected that most people would find it easier to travel to a central office, and that the majority of staff would travel by public transport. In this case, that is clearly not true.

Given a set of criteria, the staff in Newport were able to demonstrate successfully and in great detail why moving the whole Newport team was not an effective or efficient option, in view of travel issues and the impact on staff, service and the environment. I have learned that a significant proportion of the staff have successfully made individual cases for why they should not be moved, citing unreasonable travel requirements, or caring or other responsibilities. I would like to thank HMRC for looking in detail at each of those cases and for taking seriously the concerns of employees. The members of staff concerned are understandably grateful for that reprieve, despite concerns about how the split of the team will work in practice, and how it will affect their future employment. However, that does not negate the bigger question that I am posing today about the nature of the reviews and the failure of the Department to take a more holistic approach to seeking efficiency; in fact, in many ways, it reinforces my point.

If more than 50 of the 124 members of staff will now not be transferred to Llanishen, additional arrangements will be made for them. That calls into question the whole premise of the review and reveals the failure of HMRC to undertake the promised full equality impact assessment, which could have revealed in the early stages of the process that 41 per cent. of staff have disabilities, that 31 per cent. are part-time, that 66 per cent. are women, and that a high number of staff would be unable to transfer.

HMRC has announced the closure of the Newport office by 2010, with some staff expected to transfer to Cardiff. The HMRC presence planned for Newport is an inquiry centre with three members of staff. Experienced staff who are now to be retained in Newport will also have new working arrangements. At the same time, the Department for Work and Pensions announced plans to relocate Cardiff members of staff to Newport, so civil servants will literally cross each other on the M4 to travel to new places of work as a result of relocation decisions. In addition, as I have already mentioned, the Valuation Office Agency announced, following its review, that it sees Newport as one of its strategic locations and will move into the office currently populated by HMRC staff. The valuation office will also recruit 50 new members of staff.

I very much welcome the decision by the valuation office and the additional jobs, but it is hard to see how the Treasury is saving any money whatever by relocating staff from Newport to Llanishen, given that the valuation office will occupy the office space, and that a proportion of HMRC staff will have to be located there. According to the work force change programme, there would be a £470,000 saving if the building were vacated. The valuation office will take up one floor, so the savings will be smaller than anticipated if the building is not fully vacated by HMRC.

In addition, there are costs associated with prolonged journeys. Many staff who will relocate will be eligible to claim money for the additional travelling. Many members of staff report to me that the travel allowance will have a knock-on effect on their tax credits, and those are the people who report that they are affected by the abolition of the 10p tax band.

Nia Griffith (Llanelli) (Lab): Does my hon. Friend agree that a number of HMRC Llanelli staff would experience acute difficulties in transferring to other offices, and that by the time that the additional excess fares that would have to be paid are taken into account, plus the cost of keeping the Llanelli office open with a skeleton staff, there would be virtually no saving from closing the Llanelli office? The decision is particularly difficult given that Llanelli is in an objective 1 area. It seems quite unjustifiable in that respect.

Jessica Morden: I agree with my hon. Friend entirely. She has campaigned vigorously on the issue, and has been a feisty advocate for her constituents. I will come on to the point about the Welsh Assembly shortly.

I struggle to see how the changes will bring about the desired savings and efficiencies, but they will have a negative impact on staff and, importantly, on front-line services. I also want to focus on the impact that the proposals are having on Newport as a city. Newport is a regenerating and developing city. The council, Newport Unlimited—our regeneration company—politicians and business leaders are working hard to make Newport a prime location for investment and for doing business. The ongoing success of Newport's regeneration has resulted in its being ranked 7th in the UK tables showing the predicted economic strength of cities.

Success in attracting new employers, investment and jobs is shaken each time a high-profile decision is taken by a Government agency to buck the trend and take not only jobs, but front-line services such as the employers' section, out of Newport. In addition, the National Assembly for Wales has a clear policy that public sector jobs and the benefits that they bring to an area should be spread out of Cardiff to other parts of Wales. Will the Minister comment on the steps that were taken to work with the Assembly during the making of those significant decisions?

Over the past 18 months there has been a lack of co-ordination between Departments and agencies involved in conducting the reviews and making decisions, and a reluctance to consider alternative or more holistic solutions. During the consultation period I was pleased to work with a number of partners including Newport council to explore alternative solutions, such as the collocation of services. However, these independently run reviews, with specific parameters, are too inflexible to consider cross-boundary solutions, ignoring the joined-up approach whose aim was identified as the key to success.

In the light of the situation that I have outlined, will the Minister review as a matter of urgency the decision to relocate HMRC Newport? In particular, what thought was given to the wider consequences, such as the impact on Newport or the wider aims of the National Assembly for Wales? Given the outcome of the interviews with employees, would it not be wise to reconsider the whole decision? In a recent hot-seat question from staff to management, staff were told that the decision to vacate an HMRC office would be reconsidered if significant new information came to light. In view of the fact that, as I understand it, more than 56 out of 124 staff are now to remain in Newport, would it not make sense to rethink the move to Cardiff and allow all staff to continue their careers and public service in their present location?

I understand that the Newport office has just been given a major national project looking at 400,000 historical employer cases. Given the expertise and experience of staff there, would it not make sense to give them also the national employer work which, I understand, is looking for a home, and to make Newport truly a centre of excellence?

Finally, I urge the Minister in future to ensure that the Department and its agencies consider a more practical and holistic approach so that agencies and Departments work together to create joined-up solutions that will make real efficiency gains, improve services and, crucially, value the staff.

10.42 pm

The Financial Secretary to the Treasury (Jane Kennedy): I am pleased to have an opportunity to respond to the concerns expressed by my hon. Friends the Members for Newport, East (Jessica Morden) and for Llanelli (Nia Griffith).

My hon. Friend the Member for Newport, East has pursued this matter vigorously on behalf of her constituents, and I acknowledge the strength of feeling in her constituency, which she described. Members' interest in the reorganisation of HMRC in Newport and across Wales has already been brought to my attention through petitions and questions in the House, in addition to contributions to the consultation process that HMRC has developed, for which I am grateful. I have also had the benefit of a meeting with my hon. Friend and her colleagues from Wales on at least two

[Jane Kennedy]

occasions. That is a formidable representation when it arrives in the office all at the same time. The force of the arguments was not lost on me or on HMRC.

As my hon. Friend is aware, as a result of pressures from Ministers—she mentioned Gershon—and other reforms, Revenue and Customs is being required to increase its effectiveness while making efficiencies. Because of the changing demands on the Department, HMRC estimates that it will have up to 40 per cent. too much accommodation. I acknowledge the justice of the case that my hon. Friend makes about the need for Government as a whole to be coherent about decisions affecting public sector job distribution. I shall come to that in a moment, in greater detail.

In order to manage the pressures on it while responding to new and changing customer demands, HMRC is making significant changes to the way it carries out its business. For example, many customers now choose to telephone HMRC offices or use the internet to file returns or make claims. As a result, for some years very little work directly connected to the local community has been done in HMRC buildings.

Although it is right for HMRC to keep its network of inquiry centres, it is also right for the organisation's senior management to look at its back-office operations. They must ensure that those are run as efficiently and effectively as possible. In some work areas, that is done best by concentrating work in large units, but in others the best solution to meet customer needs is a more mobile work force.

Nia Griffith: Given that so many things can be done from local areas, does the Minister agree that there is no particular logic in favour of centralising things in the biggest cities, where there are the most job opportunities? Jobs could be maintained and created in the areas that most need them, such as objective 1 areas, if the offices in those places, rather than those in the big cities, were kept open.

Jane Kennedy: My hon. Friend's point relates to keeping public sector jobs in certain locations for economic reasons. My constituency on Merseyside has benefited from objective 1 status, so I understand the arguments for that. However, as I shall explain, HMRC has a responsibility to the taxpayer to ensure that it achieves the best possible arrangement of its resources. HMRC is subject to enormous pressures to change how its staff work. The benefits gained by people working together in larger offices, so that they can be more flexible about the priority of work and the areas of work that they cover, are essential to the efficiency of HMRC in responding to public demand.

As I will explain, those pressures mean that HMRC is required to look at issues across the particular business—whether in respect of VAT, income tax or corporation tax. All those different sectors have been looking carefully at how best to use their resources—in this case, particularly human resources—to deliver an ever-improving service to the public.

There must be an emphasis on improving compliance by focusing resources on the risk with which the organisation is dealing in respect of different taxes and customer groups. I have used the example of missing trader intra-Community fraud, which we call more prosaically "carousel fraud". That resulted in a threat to the Revenue of some billions of pounds; there was a sudden escalation in that particular type of fraud and HMRC had to respond quickly. That brought about pressures in parts of the organisation. HMRC representatives tell me that to be able to respond rapidly and efficiently to such pressure, it is better that staff work together in larger groups, rather than according to the approach recommended by my hon. Friends the Members for Newport, East and for Llanelli.

I hope that my hon. Friend the Member for Newport, East will accept that HMRC values the face-to-face contact that the public appreciate, and it is determined to maintain that. I reassure her that, in respect of the decisions for Newport, the HMRC inquiry centre services will be maintained in their current location or nearby. Staff in Newport will not be required to commute to an office beyond reasonable daily travel, and there is an established process for managers and staff, which she has described. I am grateful for her welcome for the way in which HMRC has managed and responded to staff representations. The process is open, transparent and accessible to the trade unions.

The systematic process of review designed by HMRC involves consultations and announcements on decisions, and is being implemented across the whole UK. As we heard from my hon. Friend, in February the decisions on Newport were announced to all staff and trade unions, and all Members with a constituency interest were notified at the same time.

Newport was reviewed as part of the larger Cardiff urban centre. The proposals to rationalise work and office space across this urban centre were put forward for consultation in June last year. It is not true to say that a blanket policy of moving jobs from more rural and less highly populated areas into urban centres is being applied. The process is very much influenced by experience of what HMRC sees on the ground, and decisions have been adjusted according to the representations that it received.

Let me briefly outline some of the factors that have been considered in reaching the decision to vacate Newport. Cardiff urban centre has four offices accommodating some 3,100 staff. HMRC expects its staff requirement to reduce to around 2,800 by 2011. The decision to consolidate work on one site within this urban centre—Ty Glas in Cardiff—was based on HMRC's strategic requirements, the excess of accommodation, and the continuing drive to improve customer services across all its business areas. Although my hon. Friend may not agree with HMRC's decision to vacate Newport, the Department has an obligation to spend what is ultimately taxpayers' money to good effect. The decision factored in the latest travel and diversity data available, and managers within HMRC are in the process of discussing with individuals their own personal circumstances.

I well understand the concerns of some people about any extra travel time that they may face and their dependency on the availability of transport links from their homes. My hon. Friend is right that the analysis undertaken by HMRC to support its recommendations was extensive. It recognises that although an analysis of travel times for staff suggests that 88 per cent. of staff

in the Newport office are within reasonable daily travel of Ty Glas by car, a majority of staff may not be able to make the journey by public transport. In order to move to the more efficient structure that HMRC needs, it will relocate all staff who can reasonably make the journey to Ty Glas.

For those who cannot move, the department is looking at how best to accommodate them while continuing to provide them with suitable work and offering a variety of support—for example, assisted home moves for pre-surplus staff to fill specialised posts elsewhere in the department, a public sector release scheme which offers grants to staff leaving to train for front-line public sector jobs, and perhaps moves to suitable jobs available in other Government Departments. I welcome the fact that the Valuation Office Agency has been able to work together with other departments to ensure that the best use is made of the Government estate in Newport. There may even be opportunities for staff to transfer between the two departments. My hon. Friend cited the example of jobcentre staff moving one way up the motorway as HMRC staff move in the opposite direction. In fact, this will create opportunities for staff to transfer between the departments, and I hope that that will prove helpful.

Throughout the programme, senior management in Revenue and Customs have been committed to being open with staff, explaining the options available to individuals and exploring how their expectations can be matched with the need to make its operations more efficient and effective. As I have indicated, HMRC is keen to retain the skills and experience of staff in the Cardiff urban centre and to match these with its aims of achieving improved customer service and more efficient operations. I can reassure both my hon. Friends that meetings have been arranged between HMRC and Welsh Assembly Government officials at the end of this month to discuss the consultation process in advance of its next stage. Officials have been made aware of the policy of the Welsh Assembly in this regard. I expect the review of the remainder of HMRC locations in Wales—cluster and individual locations—to begin in June. HMRC will engage with the Welsh Assembly and with other Government Departments, where appropriate, during the course of consultation.

I welcome this debate as part of our commitment to the process of consultation and openness in moving forwards. It is a long-term programme that will deliver a more responsive and efficient service for taxpayers and claimants.

Although I cannot respond to my hon. Friend the Member for Newport, East in the way that she would wish, by committing to review the decision, I acknowledge the continuing concerns that she expressed. I believe that the process of change will be broadly for the long-term benefit of her constituents in Newport. I acknowledge that such public sector jobs are of particular value in a place like Newport, but none the less, the changes that HMRC is making will be for the long-term benefit of the customers that it serves. It would not be right if taxpayers' money were used to support public sector jobs in a way that would be unjustifiable if it were closely scrutinised with regard to efficiency. Notwithstanding the disappointment that my hon. Friend will feel on the decision on Newport, I hope that she will support the organisation in the future and encourage staff to be committed to the overall change, which will be for the benefit of the customers whom they serve.

Question put and agreed to.

Adjourned accordingly at four minutes to Eleven o'clock.

House of Commons

Tuesday 13 May 2008

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Durban II

1. **John Mann** (Bassetlaw) (Lab): What assessment he has made of the progress made at the April preparatory meeting for Durban II on racism. [204795]

The Minister for Europe (Mr. Jim Murphy): The United Kingdom wants the Durban review conference to contribute to the global fight against racism. The preparatory work is ongoing, but there should be no repeat of the disgraceful anti-Semitism that blighted events surrounding the 2001 world conference against racism.

John Mann: With Libya chairing the preparatory committee and Cuba and Iran supporting it as officers, the signs are not too good. Can the Minister assure us that if there is even the slightest whiff of anything comparable to the disgrace of the first Durban conference, the United Kingdom will not participate?

Mr. Murphy: I pay tribute to my hon. Friend and to other hon. Members in all parts of the House who played such an important part in the all-party inquiry into anti-Semitism. My hon. Friend is right that there have been dreadful comments and behaviour of an anti-Semitic nature in previous gatherings of that type. I wish to be clear that the UK Government will play no part in a gathering that displays such behaviour. We will continue to work to make sure that the conference is a success, but we will play no part in an international conference that exhibits the degree of anti-Semitism that was disgracefully on view on the previous occasion.

Mr. Tim Boswell (Daventry) (Con): Although the Minister's comments are welcome, and his remarks about the anti-Semitism group are equally welcome, does he agree that it is interesting that Canada, whose Government are one of the most responsible and friendly with whom we ever have dealings, has already decided not to attend the conference? Is he in touch with the Canadian Government about their reasons for doing so?

Mr. Murphy: The hon. Gentleman was another important contributor to the all-party inquiry and it is right to put that on record. We are in touch with international partners on this serious issue. One of the reasons why the Canadian Government withdrew, as I understand it, is that unacceptable conditions were placed on a Jewish non-governmental organisation from Canada, initiated by the Iranian authorities. We continue to discuss that with Canada and other international partners and that dialogue will continue. If it gets to a point that we come to the view that the conference cannot be a success, the option of withdrawal from the conference remains available to us.

Iranian Nuclear Programme

2. **Mr. David Jones** (Clwyd, West) (Con): If he will make a statement on the Iranian nuclear programme. [204796]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Iran continues to enrich uranium and carry out heavy water-related projects in defiance of four UN Security Council resolutions requesting it to stop. We urge Iran to co-operate fully with the International Atomic Energy Agency, to implement the additional protocol that it has signed with the agency, to respond to the serious questions that the agency has put to Iran on weaponisation, and of course to comply with UN Security Council resolutions. On 2 May, I chaired a meeting of my E3 plus 3 colleagues to agree a refreshed offer to Iran as part of our dual track strategy to persuade Iran to comply with its international obligations. That will soon be transmitted to the Government of Iran.

Mr. Jones: Much of the west's knowledge of the Iranian nuclear programme is the product of information passed to it by the People's Mujahedeen Organisation of Iran, most recently in respect of the nuclear warhead facility at Khojir. Given the historic helpfulness of the PMOI to the west and given also the trenchantly expressed judgment of the Court of Appeal last week, can the Foreign Secretary please say when the Government will make a statement to the House as to the continued proscription of the organisation under the Terrorism Act 2000? *[Interruption.]*

David Miliband: We were deeply disappointed by the result, given the well documented history of terrorist attacks involving the MEK. I am happy to give details. It explicitly claimed responsibility for a number of serious acts of terrorism on Iranian interests for a number of years. *[Interruption.]* It has never publicly given up violence and gave up its arms only in the face of overwhelming military might in Iraq in 2003. *[Interruption.]* None the less, my hon. Friend the Member for Thurrock (Andrew Mackinlay) will be pleased to hear that we will of course abide by the ruling of the court, and I understand that my right hon. Friend the Home Secretary will lay an order before Parliament in the next few weeks to take forward that judgment.

Mike Gapes (Ilford, South) (Lab/Co-op): The Foreign Secretary is aware that the Foreign Affairs Committee published a report a few months ago on the situation on

Iran. In that report we expressed concern that the current strategy to prevent the Iranian regime from developing a nuclear weapon is not very successful. Does the Foreign Secretary share the Committee's view that on present trends Iran could have such a breakout capability in about seven or eight years? What will the Government, with their international partners, do over the coming months and years to make sure that that does not happen?

David Miliband: I am obviously not going to comment on intelligence—ours or others'—in respect of the timeline for the Iranian nuclear programme. However, the sense of importance that came through in the Foreign Affairs Committee report is shared by the Government and by our partners as well. Not only the three European countries and the United States, but Russia and China are part of a coalition that sees the dangers of a nuclear arms race in the middle east, which all sane people would see as a danger.

Our quarrel is not with the people of Iran, which is a country of huge civilisation and education; in the end, our quarrel is not with Iran's rights under the non-proliferation regime, which ultimately include the right to civilian nuclear power. Our quarrel is with the responsibilities, or the lack of responsibility, exercised by the regime. That is why it is important that we take forward at each stage the dual track strategy. There is the offer to Iran of economic, scientific and cultural co-operation, but if it refuses to co-operate with the international community, it is right that sanctions be in place.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): Does the Foreign Secretary agree that last year's United States national intelligence estimate that Iran had halted its nuclear weapons programme in 2003 was deeply misleading, because it referred only to warhead production? Does the Foreign Secretary agree that the real threat is from the uranium enrichment programme, which, far from slowing down, has been accelerated by the Iranians in recent months? Will he do all in his power to ensure that that point is fully understood, both by public opinion in this country and at the United Nations?

David Miliband: I do not know whether the right hon. and learned Gentleman is quoting from my article in the *Financial Times* that appeared after the national intelligence estimate came out, but I certainly echo entirely what he has said. A very important confusion was created by the national intelligence estimate report about the difference between, on the one hand, weaponisation, and on the other, the three processes—above all, the uranium enrichment process—that are important for building a nuclear weapon.

It is precisely the dangers of the expanded uranium enrichment programme that have motivated successive United Nations Security Council resolutions that have demanded the suspension of that programme. Last year, the E3 plus 3 put forward a proposal for a "freeze for freeze"—a freeze on sanctions in response to a freeze on the uranium enrichment programme. We are refreshing our offer, but are absolutely clear that underlying it is a determination to ensure that Iran fulfils its responsibilities as well as exerts its rights under the NPT.

Mr. Quentin Davies (Grantham and Stamford) (Lab): What is the best estimate available to my right hon. Friend on the number of centrifuges available to the Iranians for uranium enrichment at present? Where are those centrifuges coming from?

David Miliband: I am not going to comment on our estimate of the number of centrifuges. My hon. Friend will have seen President Ahmadinejad's claim—I repeat that it is a claim—that 3,000 centrifuges have been increased to 6,000 centrifuges. As I say, that is his claim. I am afraid that I am not able to go into any details on their origins, but obviously we are working across all parts of the international community to staunch the flow not only of equipment, but of personnel and ideas.

Mr. Michael Ancram (Devizes) (Con): Following on from the question asked by my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), may I ask the Foreign Secretary whether he sets more store by the United States intelligence community's assessment of Iran's nuclear capability, to which he has referred, or by the very much more bullish assessment made by Israeli intelligence, on which he had a report this week?

David Miliband: What is bullish and what is bearish in this context I will not go into. What I rely on are British intelligence estimates. That is the right basis for policy—*[Interruption.]* I am very, very surprised to see Opposition Members querying the exceptional quality of British intelligence. *[Interruption.]* I might expect the Liberal Democrats to denigrate the work of public servants, but I will not do that. What is important is that the international community is united in recognising that the problem is serious and that it is not a question of pursuing a vendetta against the people of Iran, or even the regime of Iran. We are seeking a change in behaviour, not a change in the regime. It is right that we devote ourselves diplomatically to achieving that end.

Andrew Miller (Ellesmere Port and Neston) (Lab): The centrifuges are based on a design stolen by A.Q. Khan; that is how the Iranians acquired them. May I clarify something with my right hon. Friend? Are the use of the centrifuges or the lack of inspection agreements at the core of the problem? How is he proposing to change the inspection regime to ensure that although Iran can continue with a nuclear power programme if it wants to, nuclear weapons conventions will be protected?

David Miliband: There are three charges against the Iranian regime: first, in relation to its refusal to comply with UN Security Council resolutions in respect of uranium enrichment; secondly, in respect of IAEA demands for full information on previous programmes, not just the P1 but the P2 programme—I apologise for going into the detail—and thirdly, there is the question of the additional protocol, which the IAEA has demanded that Iran lives up to. These are not my demands; they are demands that have been made by the international community, unanimously on successive occasions, and by the International Atomic Energy Authority—[Hon. Members: "Agency."] I am sorry; I

am grateful for the correction. Living within the bounds of UN and IAEA requirements is what we ask of the Government of Iran. I should also add that we are asking nothing more of them than to live within boundaries that are set for every other country; that is a point that we can all do well to remind people of, in Iran and more widely.

Mr. David Lidington (Aylesbury) (Con): Can the Foreign Secretary give us a clear assurance that if Iran were now to reject the new offer that he has described to the House, the sanctions against Iranian oil and gas, which the Prime Minister promised as long ago as last November, will finally be imposed? Does he agree, too, that with Lebanese Ministers alleging that Iranian republican guards have been deployed and are fighting on the streets of Beirut, the need for effective pressure on the Iranian regime really is urgent?

David Miliband: I certainly reaffirm our commitment to take this up at European level. We said that we would pursue these actions at the European level, because that is the right place to do it, and we will certainly continue to do so. It is worth reporting to the House that the latest figures for the UK's action alone show that £513 million of Iranian assets have been frozen, and EU trade with Iran is down 34 per cent. in the year to March 2007.

In respect of the second part of the hon. Gentleman's question, which takes us into new territory, all I can say is that I spoke to the Prime Minister of Lebanon on Friday, discussed the very serious situation there, and expressed my total support for his Government in seeking to maintain the integrity and democratic legitimacy of the Government of Lebanon. I hope that in topical questions I may be able to say more about last night's phone call of the Friends of Lebanon group, which involves 12 countries around the world, mainly from the region. I will be happy to report on that to the House.

Guatemala

3. **Kelvin Hopkins** (Luton, North) (Lab): What recent assessment he has made of the human rights situation in Guatemala; and if he will make a statement. [204797]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): We are encouraged by Guatemala's participation in the United Nations universal periodic review of human rights. As part of this process, the UK has raised its ongoing concerns about the human rights situation in Guatemala—in particular, widespread impunity, child rights, human rights defenders and the rise in murders of girls and women. I raised these issues with the Guatemalan Minister for Foreign Affairs, and Vice-Minister, during my recent visit.

Kelvin Hopkins: I thank my hon. Friend for her answer. She will be aware that there were 6,000 murders in Guatemala last year, which is equivalent to 28,000 murders in a country the size of Britain. There are terrible problems with policing and the justice system in that country. Will she comment on the recent Bill on the death penalty vetoed by President Colom?

Meg Munn: Certainly—my hon. Friend is absolutely right about these concerns. We have also been putting in support for training of police officers. The UK worked with EU partners and we were successful in lobbying President Colom to veto the recent law that the congress had passed seeking to restore the death penalty. I stressed with the Guatemalan Minister for Foreign Affairs the importance of finally abolishing the death penalty. I can assure my hon. Friend that the UK and the EU will continue to work towards the abolition of that in its entirety.

Mark Pritchard (The Wrekin) (Con): Does the Minister agree that if the new President of Guatemala, Álvaro Colom, is serious about human rights, he will deal with the corruption in the judiciary, in the army and in some parts of the Government, and he will introduce the measures that he said he would introduce prior to his election as President to deal with what is perhaps Latin America's worst human rights record?

Meg Munn: The hon. Gentleman raises important points. During my visit in April, I had a frank discussion with Ministers about their unacceptable human rights position. They insisted that the Colom Government would work energetically to improve matters, but clearly those good intentions need to be put into action and we will continue to press the Guatemalan Government on the fact that good human rights are essential to good democracy.

Jeremy Corbyn (Islington, North) (Lab): I would like to thank the Minister for visiting Guatemala and for raising human rights concerns with the Government there. She must be aware of the marginalisation of women, particularly non-Spanish speaking women, in society; they have little access to justice or human rights and are fearful of the army and the police in all that they do. Is there anything that she can do by way of providing practical or financial support to human rights defenders and human rights advocates, and training programmes for them, so that they can try to defend themselves legally against unaccountable forces?

Meg Munn: My hon. Friend is absolutely right. Those are the precise issues that we raised. The Department for International Development has committed £60,000 in support of a United Nations anti-impunity commission in Guatemala, and there is a range of other support for projects there. Perhaps I can write to my hon. Friend in greater detail on that.

Afghanistan

4. **Mr. Adrian Bailey** (West Bromwich, West) (Lab/Co-op): What progress the Government have made in co-ordinating the new Government of Helmand in Afghanistan. [204798]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The UK works to support the Government of Afghanistan at both national and provincial levels through an extensive, co-ordinated programme of development assistance and military support, as well as diplomatic activity. That includes providing support to the local government structures in Helmand. We have frequent and wide-ranging contacts with Governor Mangal

of Helmand—the new governor—as well as with the independent directorate of local governance, working together to extend governance and the provision of services in the province.

Mr. Bailey: I thank my right hon. Friend for his reply. Given the crucial importance to the whole world of a stable and democratic Government in Afghanistan, can he outline the progress being made in the international community to ensure better co-ordination of economic, military and political assistance to the Government?

David Miliband: My hon. Friend makes an important point. There are now 46 countries in Afghanistan, and the danger is that the Government of Afghanistan spend all their time in a series of bilateral meetings with each of those Governments instead of getting on with the business of running Afghanistan. The appointment of Mr. Kai Eide as the new UN Secretary-General's representative in Afghanistan is a major opportunity. My meetings with him suggest that he is a serious figure who has the confidence of all sides, and he will be able to play a co-ordination role at national level as well as the rallying role in capitals around the world that is so important.

Mr. Mark Harper (Forest of Dean) (Con): What does the Foreign Secretary think the new Secretary-General's representative will be able to do about improving the security situation in Helmand province, which is where our armed forces are primarily deployed? When will we see some improvement in the situation for our security forces?

David Miliband: I am sure that the hon. Gentleman knows that the first responsibility for security after the Afghan Government lies with the commander of the international security assistance force, General McNeill. The responsibility of Mr. Eide, the UN Secretary-General's representative, is to ensure that civilian work matches that military activity properly. The two are two sides of the same coin.

One indicator of improved security in Helmand is the fact that drug production is falling so fast. That also reflects the rising wheat price, which is encouraging farmers to go into farming wheat. In a way, that is a leading indicator of security. That is not to say, however, that our forces do not face serious danger every day that they are doing work. Kai Eide's appointment, and his professed determination to get to grips with policing issues as a counterpart to the military campaign, is essential. It is in respect of policing that we hope to see the greatest improvement over the next couple of years.

Mr. Khalid Mahmood (Birmingham, Perry Barr) (Lab): Does my right hon. Friend agree that in the long term the only way to resolve issues in Afghanistan is through a greater involvement of the Afghani military and police, and the civil structure? The quicker that we establish those relationships, the quicker we can deal with those issues.

David Miliband: Yes; my hon. Friend is absolutely right about that. He will also appreciate that a major contribution will be to ensure that complementary strategies are pursued on both sides of the Afghan-Pakistan border. The fact that the new Pakistani Government have made a commitment to ensure that they tackle terrorism on their side of the border is the sort of activity that will help the Afghans, and get us out of the Afghan-Pakistan blame game, which has too often typified relations between those two countries.

Mr. Gregory Campbell (East Londonderry) (DUP): Can the Foreign Secretary outline whether there are any plans to allow the Territorial Army personnel who are currently serving in Afghanistan to join in the commemorations of the centenary of that fine and upstanding organisation?

David Miliband: I have to apologise to the hon. Gentleman because I do not know the answer, but I will ensure that my right hon. Friend the Secretary of State for Defence writes to him as soon as possible with the answer to his question.

Sir Peter Tapsell (Louth and Horncastle) (Con): How does the Foreign Secretary account for President Karzai's hostility to British political advances in Helmand province when our troops are fighting so bravely there to defend his interests?

David Miliband: I have discussed President Karzai's alleged hostility with him directly on three occasions. He denies any hostility and insists that he has been misquoted in the allegations that have been made against him. He also insists that he has nothing but admiration for the commitment of British forces, and that of the British people in supporting the role of British civilians and British armed forces in that country.

Mr. Nicholas Soames (Mid-Sussex) (Con): Does the Foreign Secretary agree that it is important that the Department for International Development works more closely with British military forces on the ground? It is a widely held view by all those who have served in Afghanistan that the Department for International Development, although it does a good job, could do much more if it would swallow the nonsense about not working with people in uniform.

David Miliband: I have talked in Helmand to soldiers and representatives of the Foreign and Commonwealth Office and the Department for International Development. I do not want to associate myself with the hon. Gentleman's allegations but I want to take collective responsibility for the activities of FCO and DFID staff. There is no question but that we need to ensure better civilian-military co-operation. I hope that he agrees that the appointment of a civilian head—as it happens, from the FCO—of the Helmand provincial reconstruction team, who takes office next month, will be the symbol of the proper, high quality civilian-military co-operation that he and I agree is essential.

Mr. Keith Simpson (Mid-Norfolk) (Con): The Foreign Secretary knows about the complexities of co-ordinating policy in Helmand. What is the Foreign Office view, especially given the new appointment, of conducting negotiations with those elements of the Taliban who may have been active in violence but are now prepared for a more peaceful solution? How will he persuade President Karzai of the importance of such a subtle approach?

David Miliband: The position is clear and shared by President Karzai and the British Government. I sat with the US Secretary of State in President Karzai's office in Kabul in February, discussing the reconciliation programme. I describe it as a reconciliation programme rather than a negotiation programme for the simple reason that those members of the Taliban who are willing to live by constitutional rules are welcome to do so, and the Government of Afghanistan will bring them into the political system. In that sense, it is not a negotiation—the red lines are clear. Recent evidence from Musa Qala shows that there is a genuine opportunity to bring members of the Taliban, who are not ideologically convinced but make a contingent decision about which side to back, into the mainstream and persuade them that that is where they have the most stable and prosperous future. We are determined to do that.

China

5. **Alistair Burt** (North-East Bedfordshire) (Con): If he will make a statement on the UK's relations with the People's Republic of China. [204799]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): In light of the recent devastating earthquake in China, I am sure that I speak for the House in extending our deepest sympathies to the families and friends of all those affected. I commend the Chinese Government for their rapid and efficient response to the crisis.

Our relationship with China is strong and growing. The Government believe that engagement with China is firmly in the UK's national interest.

China's development offers opportunities for co-operation and advancement on key global challenges. Our engagement allows us to tackle all issues with China, including human rights and internal reform.

Alistair Burt: I am sure that the House would wish to be associated with the Under-Secretary's sentiments about the Chinese earthquake. The earth's fragility has been awesomely demonstrated through the recent tragic events in south-east Asia, as has the need for the world to rely on itself and our mutual dependence for aid and assistance. Does the Under-Secretary believe that, in the medium term, those events might help China revisit its obligations on issues such as carbon emissions? Much more urgently in the short term, does she believe that China's experience of tragedy today will ensure that it urges the Burmese Government this afternoon to do all they can to allow aid and assistance in immediately, given that it is waiting on the borders and needed to deal with Burma's tragedy?

Meg Munn: The hon. Gentleman makes a powerful point. Indeed, my right hon. Friend the Foreign Secretary made that point when he spoke to his counterpart in China just before this Question Time. I understand that China is now requesting international support for the situation. We know that the position in China is much better than in Burma. There is much more infrastructure and the Chinese Government are much more capable of supporting people. We know that the situation in Burma is dreadful. Without the help and support being readily offered by the international community, many more people will die. We will continue to urge China, as well other countries in the region, to make those points to the Burmese Government. This is not a political issue; it is a humanitarian issue. On climate change, we are in discussions with the Chinese on the development of technology. We will continue to work on those issues, which affect us all and on which we need that international co-operation.

Ann Clwyd (Cynon Valley) (Lab): The Foreign Secretary has used strong words on the subject of Burma and the responsibilities of other countries, such as China, to assist in getting humanitarian aid instantly—not in a few days—to Burma. The United Nations has established the principles of the right to intervene and the responsibility to protect. We chair the Security Council; surely we can do more than we are now.

Meg Munn: We will support any and all activities that will take the matter forward and get that aid into Burma. It is clear that the US and the European countries on the Security Council are ready to move the issues forward. We are pressing to get that aid in. What is important is not just the physical aid, which is already under great pressure, but the need for people who can distribute it. There are development workers on the ground, but they are not disaster relief experts. We need disaster relief experts there. Burma needs to let those people in now.

Mr. Andrew Mackay (Bracknell) (Con): The Minister has just told the House that the Government's relationship with China is strong and growing. Will she also tell us what action the Foreign Secretary has taken in expressing our concerns to the Chinese Government that that arms shipment should never have been sent to Durban? It was only as a result of the brave decision of the dockers in Durban that that shipment did not go to Zimbabwe, where it would have been used by a vile regime.

Meg Munn: I am sure that we all applaud the stance taken by the dockers in preventing that shipment, which demonstrates the importance of civil society acting in such situations. We on the Labour Benches support the role of trade unions in that. We are working for an international arms embargo to Zimbabwe and will continue to do so.

Mr. Brian Jenkins (Tamworth) (Lab): Following the previous question, will we use our good offices with China to express the disquiet felt throughout the House and the country about China not only training but arming regimes all across Africa?

Meg Munn: We need to recognise that China can choose to play a positive role in the world, too. We know that China is putting a great deal of aid into Africa. We of course express our concerns about human rights and negative actions, and through our engagement with China we are unable to do so better.

Angus Robertson (Moray) (SNP): I add the condolences of the Scottish National party and Plaid Cymru to the people of China on the terrible circumstances of the earthquake. The Minister used the same words as the Red Cross in Beijing today to describe the response there—the Red Cross said that it

was "swift and very efficient". Should the Burmese Government not pursue the same course of action? What will the Minister and her EU colleagues do in concrete terms to persuade them to emulate the Chinese approach?

Meg Munn: Of course—that is exactly what should happen and that is what we are doing. Indeed, my right hon. Friend the Secretary of State for International Development is at the EU Development Ministers meeting doing precisely that. The problem is that the Burmese Government are failing to grant visas for the aid workers to enter. The world is ready to help. This is not a political situation; it is a humanitarian disaster. The Burmese Government need to grant those visas and let people in, so that they can begin to save lives.

Sir Nicholas Winterton (Macclesfield) (Con): I shall shortly visit Taiwan to attend the inauguration of the new, democratically elected President of that country. What pressure are the Government bringing to bear on the People's Republic of China to live in peaceful co-existence with its small neighbour and to remove the 1,000 missiles that are directed from mainland China towards Taiwan?

Meg Munn: It has been Government policy for a long time to support a one China policy, and our position on Taiwan is well known and has not changed. However, we certainly look to both sides to avoid unilateral measures that raise tensions across the straits, and we will continue to engage in confidence-building measures. In that respect, I support what the hon. Gentleman has said.

Bosnia (EU Accession)

6. **Mr. Don Touhig** (Islwyn) (Lab/Co-op): What recent discussions he has had with the EU high representative to Bosnia on Bosnian accession to the EU. [204800]

The Minister for Europe (Mr. Jim Murphy): I met High Representative Lajcák on 18 March in Sarajevo. I discussed with him the key reforms needed for Bosnia to move towards EU membership and reaffirmed the UK's support for his efforts to uphold the Dayton peace agreement.

Mr. Touhig: Following the welcome demonstration by the Serbian people in Sunday's general election that they want closer links with the European Union, will my hon. Friend ensure that the accession of the Balkan countries, and of Bosnia in particular, remains a high priority in the European Union, so that we can help to contribute to bringing peace and stability to that still-troubled part of Europe?

Mr. Murphy: My right hon. Friend is absolutely correct to say that the result of the election in Serbia was a clear demonstration of the continuing European aspirations of the population of that country. We should acknowledge and celebrate that fact. He is also right to say that the area is recovering from the vile ethnic cleansing of recent years. The United Kingdom Government will do all that they can to support the expansion of the European Union into the western Balkans. It is also in our strategic self-interest to do so.

Ms Angela C. Smith (Sheffield, Hillsborough) (Lab): My hon. Friend will be well aware that the priorities of the people of Bosnia are focused on job creation and on securing further improvements in their standard of living. What contribution does he think that members of the EU could make towards ensuring that the voices of the people of Bosnia are properly heard by their Government at every level?

Mr. Murphy: My hon. Friend is right. The real need for economic development was made clear to me when I met representatives of the Bosnian, Croat and Serb communities in Bosnia. The signing of the stabilisation agreement with the European Union over the next few weeks will be crucial as it will send a clear signal that all 27 EU countries are willing to support Bosnia's development and economy. In return, Bosnia will of course have to undertake significant structural domestic reform.

Somalia

7. **Tony Lloyd** (Manchester, Central) (Lab): What recent assessment he has made of the effectiveness of the UN and other international organisations in the process of peace and reconstruction in Somalia. [204801]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): We support reconciliation talks, arranged by the special representative of the UN Secretary-General, due to begin this month, between representatives of the Somali transitional Government and the opposition Alliance for the Re-liberation of Somalia. We remain very concerned by the general humanitarian and security situation in Somalia. We are working hard within the UN Security Council for improvements, including a new resolution addressing the political, humanitarian and security needs.

Tony Lloyd: I am sure that a United Nations Security Council resolution would be very welcome, but does my hon. Friend not agree that the world has neglected Somalia, to all our costs? We know the lessons of the failed state in Afghanistan, and we are aware of the potential for Islamic radicalisation in Somalia. Because of our resident Somali population, Britain of all countries has a huge interest in creating stability in Somalia. Can we ensure that the EU addresses the lack of capacity of African agencies such as the African Union, and that we now put real effort into bringing this internal conflict to an end?

Meg Munn: I know that my hon. Friend has long taken an interest in this area, and he is absolutely right to point out the importance of the European Union in this regard. I am pleased to be able to tell him that the EU has done a great deal. It has contributed €15 million to the African Union mission, and it is engaging with the Opposition. It has contacts within civil society to try to develop its role in the country, and it is responding to the humanitarian problems that arise there. I am sure that we will continue to press for this engagement through the European Union as well as through the United Nations.

Tony Baldry (Banbury) (Con): The Minister will be aware that the African regional press testifies that food prices in Somalia are skyrocketing, which means that families have to buy less food or less nutritious food, leading to malnourishment and malnutrition. Does not that present a massive task for the international community and the World Food Programme? Will the Minister share with the House the results of the welcome summit that the Prime Minister recently held at No. 10 on the rises in international food prices? As has been said, Somalia will become a humanitarian disaster area if the international community does not act in the near future.

Meg Munn: The hon. Gentleman makes some important points and I appreciate the tone in which he does so. We are giving a lot of humanitarian aid to Somalia; we are the second largest bilateral donor. Of course, the humanitarian situation will improve only if the political situation improves. A genuine political process is under way and we have to put our support behind it. In view of the history of Somalia, it is easy to be discouraged, but for precisely the reasons that the hon. Gentleman raises—the concerns of the population and the continuing pressure of rising food prices—we must ensure that this political process moves forward, if at all possible, in order to bring about greater stability in the area.

Darfur

8. **Mr. Desmond Swayne** (New Forest, West) (Con): If he will make a statement on the political situation in Darfur. [204802]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): There has been little movement in the Darfur political process because of fragmentation among rebel groups and continued violence. The Prime Minister has offered further UK support for international efforts, including a meeting in the UK, if it would help revitalise the process. We are exploring the scope for this with the United Nations, the African Union, Sudan's neighbours and international partners, the Government of Sudan and movements in Darfur.

Mr. Swayne: The Secretary-General's most recent report states that in, one month alone, the air raids of the Government of Sudan have killed 200 civilians and displaced 10,000. Their impounding of vital equipment, blocking of the deployment of contingents and withholding permissions for 15 helicopters have resulted in less than a quarter of the United Nations-African Union Mission in Darfur forces being deployed. Is it not time that we had a serious review of the sanctions regime?

Meg Munn: We rightly discuss Darfur and Sudan every month at parliamentary questions and it is, of course, extremely disappointing and frustrating when the situation does not improve. Indeed, it is a matter not just of the aerial bombings by the Government of Sudan but of recent incursions by rebel groups that have made the problem even more difficult. The fighting must stop and the talking start. Sanctions might have a role to play, but the serious issue is the need for the fighting to stop so that proper talks can begin.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Does my hon. Friend agree that the warrants issued by the International Criminal Court in respect of events in Darfur should still be pursued—and pursued urgently?

Meg Munn: Yes, I agree that they should be pursued. We need to do everything we can to bring about peace in Darfur, and securing proper justice and the end of impunity is part of that process.

Ministerial Meetings

9. **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): When he expects to meet the new Foreign Minister of Italy. [204803]

The Minister for Europe (Mr. Jim Murphy): My right hon. Friend the Foreign Secretary spoke to the new Italian Foreign Minister designate, Mr. Franco Frattini, on 16 April to congratulate him on his appointment. Both my right hon. Friend and I look forward to meeting our new counterparts in the very near future.

Mark Lazarowicz: The sight of supporters of the new right-wing nationalist Government in Italy celebrating their victory with fascist salutes and shouts of "Duce" was not exactly a good advert for Italy throughout the world. When my hon. Friend has the opportunity to meet the new Foreign Minister, will he discuss with him the importance of the Governments across Europe working together to tackle xenophobia and racism?

Mr. Murphy: My hon. Friend is absolutely correct that all European Governments—in fact, all Governments across the world—have a responsibility to demonstrate by their actions as well as their words their revulsion at the sentiment represented by those fascists and extreme right-wing politicians. We rightly take the view, however, that the Italian Government as they are and will be constituted will, as a modern democratic European state, take that responsibility very seriously indeed.

Mr. Mark Francois (Rayleigh) (Con): When the Minister meets the Foreign Minister of the newly elected centre-right Administration in Italy, one of the issues that I am sure they are bound to discuss is the Lisbon treaty and its ratification. When they do meet, will the Minister confirm to his Italian counterpart that if Ireland votes no on 12 June, the British Government will respect that decision and there will be no adverse consequences for Ireland were the people of Ireland to make such a choice?

Mr. Murphy: Only the hon. Gentleman could turn a question about the new Italian Government into a question about the Lisbon treaty referendum in the Republic of Ireland. *[Interruption.]* He takes it as a compliment, but I take it as a statement of the modern Conservative party and its Europhobia gone mad, running rampant through the middle of the party. When I am in Italy, as I hope to be next week, I will search very hard for a political party anywhere near the Italian mainstream that shares the British Conservative

party's view of Europe. As I have reflected before, there are literally dozens of conservative parties in Italy and not one of them shares his obsession with, and dislike of, all things European.

Mr. Denis MacShane (Rotherham) (Lab): May I calm things down a bit? Clearly we must all be sensitive to the election of high officials with whom we do not agree. They might use words such as piccaninnies or xenophobic language, but they are elected, and that is it. Foreign Minister Frattini, as a former Foreign Minister, worked very constructively with this country, and as the EU Commissioner on Interior Affairs he worked constructively, sensitively and tolerantly. Italy is an important country. Its diplomatic service is first-rate. We should construct a positive relationship with Mr. Frattini. After all, the centre-right parties of Europe can only talk to this party in power; they do not talk to the rubbish over there.

Mr. Murphy *rose—*

Mr. Speaker: Order. We should use temperate language. May I also say that one day—perhaps one day—I will get a brief supplementary question from the right hon. Gentleman?

Mr. Murphy: I have always considered my right hon. Friend in the role of a conciliator, both here and elsewhere, and towards the end of his question he showed just why.

On the specific points raised, my right hon. Friend is absolutely right: we have common cause with the Italian Government and Italy on so many big strategic interests that face our world—climate change, international terrorism, and concerted and co-ordinated work on the migration of people across the planet. We have a packed agenda of common concerns with our colleagues in Italy, and we look forward to holding that conversation in the months and years ahead.

Mr. Speaker: We are into injury time. I call Willie Rennie.

Middle East

10. **Willie Rennie** (Dunfermline and West Fife) (LD): What recent discussions he has had with Quartet representative, Tony Blair, on Gaza and the middle east road map. [204804]

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): We met on 1 and 2 May to talk about the middle east peace process and discuss the situation in Gaza. The ad hoc liaison committee meeting in London kicked off a critical six to eight week period for the middle east peace process, and it is vital that the practical progress in the negotiations is matched by improvement of the situation on the ground.

Willie Rennie: Is it not clear that without an improvement in the economic and humanitarian conditions within Gaza, we are not going to see any lasting chances of peace in the near future? Surely the road map is coming to the end of its life and we should reappraise it so that we can work with our EU partners and the Quartet to bring some lasting chances of peace to the region.

David Miliband: I entirely agree that the humanitarian situation in Gaza needs to be improved, but I plead with the hon. Gentleman not to start throwing out the road map and the Annapolis process now. This is a critical six to eight week period. President Bush is, I think, going to the region tomorrow, the Bethlehem investors conference is taking place the week after next, and the Germans are taking a lead on security sector reform to support the Palestinian Authority. For seven years, we have not had a process: now we have one, for goodness' sake, let us not lose it at this stage.

Topical Questions

T1. [204786] **Mr. George Mudie** (Leeds, East) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): The whole House will be aware that as we debate here today people are dying by the score in Burma, and the Burmese regime are unconscionably holding up the supply of foreign aid. Hon. Members throughout the House will share my anger that any Government could show such a callous disregard for their responsibility towards their own citizens.

The Prime Minister made it clear yesterday that Britain would do everything possible to make a difference. We have pledged £5 million of assistance, a United Kingdom aid flight has left for Burma and more are planned for this week, and a team from the Department for International Development is on the ground there. We are examining all options for getting the aid through, and getting the message through to the Burmese regime that its obstructionism is completely intolerable. Over the past 12 days we have supported the use of any and all United Nations action that will help, and we will continue to do so. The only test is whether that action saves lives in Burma.

Mr. Mudie: The Secretary of State will share the House's deep sadness about the terrible consequences of the earthquake in China. As he knows, following earthquakes specific aid is required, and is required quickly. Can he assure us that the Foreign Office is offering aid and discussing what aid is necessary and relevant? Can he also assure us that the Foreign Office is participating in the co-ordination of aid so that it arrives quickly and relevantly?

David Miliband: I am happy to say that just before I came here today I had a long conversation with the Chinese Foreign Minister about, among other things, the Chinese response to the disaster, which in many ways has been exemplary. I obviously inquired about the position of British nationals, about which we are concerned, and about offers of assistance. I am pleased to say that the Chinese Ministry of Commerce has now made it clear that the country is open to cash donations and humanitarian help, and we shall ensure that that is given maximum publicity. At present, as I have said, the Chinese Government are handling the matter in an exemplary fashion, but I think that this is an opportunity for people to come together at a difficult time.

Mr. William Hague (Richmond, Yorks) (Con): I support what the Foreign Secretary has said about the gravity of the situation in Burma and the extraordinary callousness of the Burmese regime. Will he take up the suggestion made by my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), the shadow Secretary of State for International Development, that the United Nations Secretary-General go to Rangoon on behalf of the whole international community to urge the regime to provide immediate, unfettered access for all international relief?

While aid can be delivered with great effectiveness only with the co-ordination of the Burmese Government, does the Foreign Secretary agree that the international community has a responsibility to consider any other options? He just mentioned that the Government were considering all options for delivering more help to people in such desperate circumstances. What assessment has he made of the viability of direct aid drops? What plans exist for such drops, and when would they be put into effect?

David Miliband: The right hon. Gentleman asks about the role of the United Nations Secretary-General. For some time we have discussed with him the proposition—originally advanced, I believe, by this country in New York—that he should go there himself. The statement that he issued yesterday was very helpful and positive, and suggested the degree of engagement that is necessary. We know from what happened in 2004 that the role of the UN Secretary-General in bringing people together can be very important.

I chose the phrase "any and all options" deliberately, to make it clear that we are supporting any and all action at the United Nations. As for aid drops, I think it best to quote what has been said by the World Food Programme. It does not rule out such action, and it would be quite wrong to do so, but it does say that

"it's dangerous and potentially counter-productive if you carry out air drops of food or assistance without the proper set-up on the ground."

Oxfam, which has a long history in this area, says:

"Food and mosquito nets cannot be targeted at the most vulnerable... clean water systems and safe sanitation cannot be dropped from the sky".

It also says:

"The biggest risk is that... air-drops will be a distraction from what is really needed—a highly effective aid operation on the ground."

The right hon. Gentleman is absolutely right to want to be certain that all options are being considered, and I assure him that they are. However, the best option by a long way is for the Burmese Government to stand up to their responsibilities.

Let me raise another matter on which I am sure there is cross-party agreement. We have been emphasising the important role of the Association of South East Asian Nations. The neighbouring countries that will inevitably have to provide the basis for any sort of humanitarian or military help will play a critical part, which is why we have been talking directly to ASEAN countries on the telephone and in person through ambassadors in capitals. I am sure that that action is supported throughout the House.

Mr. Hague: May I emphatically support what the Foreign Secretary says about the ASEAN countries, and may I turn his mind to another tragic situation: Zimbabwe? Given the violence and intimidation, orchestrated by the Mugabe regime's thugs, across Zimbabwe, will he join me in commending the bravery of the Opposition activists in their conduct since the elections, for which some have already paid with their lives, and their bravery in contesting a second round that may be overshadowed by violence and devoid of transparency? The regime has indicated that it will not accept international observers to oversee the poll. Can the Foreign Secretary hold out any prospect of southern African nations making a decisive effort to change that, so that the efforts of Mugabe to rig and intimidate in this way can at least partly be constrained?

David Miliband: Yes, I am glad that the right hon. Gentleman has raised this issue. The bravery is exemplary, and support from the international community is much needed. It is true that the Opposition have not yet won the presidential election, but Mugabe has not been able to claim victory, and that is very significant in itself. I agree that monitors are essential. I was very pleased to hear from the Ghanaian Foreign Minister in person yesterday, and by e-gram from the Tanzanian Foreign Minister, of Southern African Development Community countries taking their responsibilities seriously. I also believe there is a role for Caribbean countries in supplementing the observer mission from the SADC countries, so that there are a greater number of observers on the ground to ensure that, in dreadful circumstances, some sort of freedom is available for people to cast their votes.

T2. [204787] **Ms Dawn Butler** (Brent, South) (Lab): What assessment has the Foreign Secretary made of Kosovo's independence, and what is the UK doing to support Kosovo?

The Minister for Europe (Mr. Jim Murphy): Forty-one countries have so far recognised the independence of Kosovo, including all the G7 nations and 20 countries of the European Union. The United Kingdom is, of course, among that number, supporting Kosovo's independence based on the Ahtisaari plan. That is about ensuring that there is no break-up of Kosovo and maintaining territorial integrity, and it is also about ensuring that the forthcoming international donors conference is a success, so that the new Government in Kosovo can kick-start the economy effectively.

Mr. Edward Davey (Kingston and Surbiton) (LD): The Foreign Secretary has spoken eloquently against the malign neglect of the Burmese Government in respect of foreign aid. I recognise that Ministers have been working hard on this issue, but how does he explain the delays in getting British Government aid into Burma, when aid from the American, French, Indian, Swedish, Spanish, Greek, Chinese and Russian Governments has arrived, not to mention aid from the World Food Programme and non-governmental organisations such as the Red Cross and Save the Children? If other countries and organisations have managed to get aid in despite the problems with the Burmese junta, why did the first British Government aid plane arrive only today?

David Miliband: I am grateful for the hon. Gentleman's kind words, and the answer lies at the door of the Burmese Government, who have placed so many obstacles in the way of foreign aid, and of foreign aid workers, who are essential to ensure that the aid is delivered to the people who need it, not to support the regime.

T3. [204788] **Chris Mole** (Ipswich) (Lab): Will the Foreign Secretary give his assessment of the recent elections in Serbia?

Mr. Jim Murphy: My right hon. Friend the Foreign Secretary has today spoken to the Foreign Minister of Serbia, Mr. Jeremic, to congratulate him and his party, For a European Serbia, which is now the largest party after the elections in Serbia. It is clear that Serbia now has a European future. The 27 countries of the European Union have said that very clearly, and have signed up to a new agreement with Serbia. With that, of course, comes responsibility for Serbia, in particular adherence to its responsibility to bring to justice in The Hague those alleged war criminals, Mladic and Karadzic, and we will continue to press the Serbian authorities on that matter.

T4. [204789] **Mr. Andy Reed** (Loughborough) (Lab/Co-op): Obviously, the world's attention has moved on from Kenya, despite the fact that last week the new Kenyan Government, with 40 new members from both the Opposition side and the previous Government, were formed. What is the Government's assessment of the viability of that Cabinet, and what assistance is being given to ensure that the democratic process wins in this process, despite all the problems Kenya has had over the past few weeks?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): My hon. Friend is right: that has slipped from the front pages. However, he is also right to say that a grand Government coalition has now been formed and that common sense has prevailed. Clearly, the imperative is for Kenya's leaders to implement the power-sharing agreement. In terms of our support, the Secretary of State for International Development will reinforce our message about the UK's commitment to this process when he visits Kenya next week.

Mr. Paul Keetch (Hereford) (LD): The Foreign Office was rightly congratulated on its support following the tsunami; it provided consular support on the scene and at home. Today, I received a message from a constituent whose parents from Hereford are missing in China. Can the Foreign Secretary assure the House that consular support will be available not only in China, but at the Foreign Office in London to ensure that families are kept abreast of the situations of missing British nationals?

David Miliband: Yes, I can. Our ambassador is on his way to the main scene of the earthquake disaster, we have a consular team in place and we have investigations going on into all those whom we know are missing. I am happy to have a word with the hon. Gentleman straight after this, and we will get the details of his constituent. I am pleased to tell him that the Chinese Foreign Minister, to whom I spoke just before questions, wanted to talk to me about what his Government were determined to do to maximise the openness with which the Chinese authorities investigated any and all suggestions of missing people. I hope that that will bring some relief to the hon. Gentleman's constituents, who are doubtless very worried about the situation.

T6. [204792] **Tony Lloyd** (Manchester, Central) (Lab): In the context of the welcome co-operation between the United Kingdom and China, will my right hon. Friend impress on the Chinese the fact that our humanitarian efforts would be properly amplified if China were to bring considerable pressure on Burma to ensure that the Burmese opened up facilities to humanitarian agencies there?

David Miliband: Yes, I shall. The regional powers, notably China, have an immensely important role to play not only in facilitating practical support on the ground but in applying political pressure on a Burmese regime who have so far been closed to reason. It is obviously essential that we continue the links with the Chinese Government to ensure that they understand the strength of feeling across British political parties and across Britain about the need to respond to what is becoming a man-made catastrophe.

Mr. Bernard Jenkin (North Essex) (Con): May I invite the Foreign Secretary to give his latest assessment of the situation in the Lebanon? May I also ask him to reassure us that military preparations are being made to evacuate 5,000 British citizens and their dependants, if necessary, and that a decision on that will be made early enough, before the situation deteriorates and an armed force is required to land in the Lebanon to effect such an evacuation?

David Miliband: The attempt to disrupt and disable the Government of the Lebanon—the full frontal challenge to that Government from Hezbollah—is, or should be, completely unacceptable to the whole international community. Last night's Friends of Lebanon discussion, which was convened by Saudi Arabia and the United States and which included the United Kingdom, brought a strong statement of condemnation of the activities of Hezbollah and its supporters from a wide range of viewpoints. I am happy to associate myself with that. Practical support must be not only military, but economic and political support for the existing Government of Fouad Siniora. I shall continue to offer that political support, as I did to him personally on Friday.

T7. [204793] **Mr. David Drew** (Stroud) (Lab/Co-op): The most worrying aspect of last weekend's Justice for Equality Movement-inspired attacks on Omdurman in the Sudan was that they appeared very much to be tit-for-tat attacks mounted in response to the attempt to remove President Deby from Chad. What assurances can my colleagues give that they will talk to the Governments in Khartoum and in Chad to ensure that there is no conflict between Sudan and Chad?

Meg Munn: My hon. Friend raises an important point. We are in regular contact with Governments on those issues. As I have said, the important point is that

all sides need to stop the conflict, because until it stops and the talks are in place, we cannot hope for the much-needed peace in Darfur and in Sudan.

T5. [204791] **Mr. David Chaytor** (Bury, North) (Lab): The recent rise in global food prices has led to food riots in a number of developing countries, one of which is Cameroon. As it is the only Commonwealth country to have an English-speaking minority with a justified sense of grievance, will the Minister speak to her counterpart in Cameroon to ensure that the riots over food prices are not used as a pretext for a further crackdown on that English-speaking minority?

Meg Munn: We obviously share the concern that all Cameroonians should enjoy equal rights, free from disadvantage, in respect of their regional or linguistic reasons. We have not raised this issue previously, but I am happy to pass this on to my noble Friend and to take up this issue of discrimination.

Income Tax

3.34 pm

The Chancellor of the Exchequer (Mr. Alistair Darling): With permission, Mr. Speaker, I would like to make a statement on how I propose to deal, this year, with the consequences of the withdrawal of the 10p starting rate of income tax.

In the Budget last year, my right hon. Friend the Prime Minister, as Chancellor, introduced just two rates of tax with the basic rate of tax cut from 22p to 20p—the lowest rate for 75 years. At that time, allowances for pensioners over the age of 65 were increased; and recognising that, as the tax credit system became more developed and more generous, we were better able to target resources on low-income households, we increased the working tax credit and the child tax credit, as well as child benefit.

As a result of those changes, more than 16 million households have gained and 600,000 more pensioners pay no income tax at all. Because of the changes announced in 2007 and in this year's Budget, half a million children will be lifted out of poverty—a record that no other Government have ever matched.

In my letter to the Chairman of the Treasury Committee three weeks ago, I said that I would set out our proposals to help those who lost out as a result of the withdrawal of the 10p starting rate of tax for the longer term in the pre-Budget report later this year. As I said in my letter, my focus would be on changes to offset the average loss of £120 per household and that whatever conclusions we came to, the changes would be backdated to the start of this financial year. But I also said that I would not wait unnecessarily until November before setting out how we intended to proceed.

I said that I would look at the administrative practicalities of other options that some right hon. and hon. Members have suggested, including a one-off rebate or compensatory payment, as well as changes to the tax credit system to allow the average losses to be offset. Having looked at this further, I believe that a rebate scheme would be complex and expensive to administer. It would also take time to set up and, in any event, changes to the eligibility for tax credits could not be introduced this year.

However, I can bring forward a proposal for this year that will offset the average loss and that will provide financial support more fairly, quickly and efficiently than any one-off rebate scheme—provided we legislate for it now in this year's Finance Bill. For that reason, I am proposing to bring forward one measure from the pre-Budget report now.

I want to help families on low and middle incomes as soon as possible. But my proposal for this year will not only help those on low incomes who lost out, but do more to help all basic rate taxpaying families at a time when oil and food prices have been rising in every part of the world. So, at a cost of £2.7 billion, I will increase the individual personal tax allowance by £600 to £6,035 for this financial year, benefiting all basic rate taxpayers under 65.

That will mean that 22 million people on low and middle incomes will gain an additional £120 this year. It will mean that 4.2 million households will receive as much, or more than, they originally lost. The remaining 1.1 million households will see their loss at least halved. In other words, 80 per cent. of households are fully compensated, with the remaining 20 per cent. compensated by at least half. In addition, 600,000 people on low incomes will be taken out of income tax altogether.

People aged between 60 and 64, whose average loss was £100, will also get the advantage of the increased personal allowance worth up to £120. They will also receive the additional £50 winter fuel payment for this year, which I announced in the Budget. The increased personal allowance will apply to all income for this tax year and so will be backdated to 6 April. As a result, from September, basic rate taxpayers will see a one-off increase in their monthly income of £60 and then an increase of £10 per month for the rest of the financial year.

Higher rate taxpayers were largely unaffected by the reforms that were announced last year. So it is fair to focus this additional support on basic rate taxpayers only. However, as the £600 increased personal allowance applies not just to basic rate taxpayers but also to those paying tax at a higher rate, I am reducing the threshold at which an individual starts to pay tax at the higher rate by £600.

The net effect of these changes is that the tax liability of everyone who currently pays tax at 40 per cent. will be unaffected by the increase in the personal allowance. Those brought into the higher rate will gain by up to £120 this year.

I propose to legislate for these changes in this year's Finance Bill so that taxpayers will get the benefit of the change from September. Raising the personal allowance is simpler than other solutions, and also retains the benefit of a simpler tax system and allows basic rate taxpayers to see the benefits as soon as possible, and for the whole of this financial year.

My proposal will also provide additional support for individuals and families this year, including those on middle incomes who have benefited from other reforms announced in 2007. We are providing that support at a time when they are facing additional costs. I have brought forward this measure from the pre-Budget report in order to ensure that people get the benefit as soon as possible. I shall set out proposals for next year and beyond at that time.

As I made clear at the time of the Budget, it is right and sensible to allow borrowing to rise and investment to be maintained as the economy slows. Debt is lower than it was in the past and low by international standards. Our fiscal policy, like our monetary policy, is designed to support stability in these uncertain economic times generated by the turbulence in world financial markets and global commodity-price inflation. I am able to finance the proposal through borrowing this year, ensuring that we do not take money out of the economy at this time.

I will, of course, set out my fiscal projections and decisions in the pre-Budget report as usual, consistent with the fiscal rules and in line with the requirements of the code for financial stability. For future years, our aim is to continue the same level of support for those on lower incomes and I shall bring forward proposals to do that in the pre-Budget report.

The change that I am announcing today represents the fairest and most effective way to help all those affected as a result of the changes proposed last year. In addition, this family tax cut provides support this year for those on middle incomes at a time when they face increased bills, so supporting the economy. I commend the statement to the House.

Mr. George Osborne (Tatton) (Con): This is, of course, the 10th emergency statement in the 10 months that the Chancellor has been in office. How humiliating for him to come to the House today with a mini-Budget to clear up the mess made by the Prime Minister in his last Budget as Chancellor.

Unlike in the case of the Minister for Housing today, we have not seen an advance copy of the statement. The Chancellor will forgive us if we look at the small print of his Budget announcement—after all, this lot cheered when he announced the last changes, which then unravelled.

Let me also make it clear that we will welcome anything that can be done to help the millions of low-paid people hit by the regressive tax rises of this Government. We will support any genuine compensation that is offered. The Prime Minister, muttering to his Chancellor, might remember that he spent months before the last general election arguing against increases in personal tax allowances, saying that they were not a particularly well-targeted measure.

Surely the lesson is that this sounded less like a considered statement from a Chancellor and more like a cynical press release in a by-election campaign. First we got the tax con, and now we are getting the compensation con, for it is clear that this help is for one year only. It is a one-off payment—a one-off solution to tax rises that hit every year. The Opposition remember the one-off council tax rebate to pensioners before the last general election. We will look carefully at what the Chancellor promises. We will ask him what the long-term plans are to help people and to compensate them. The Government are treating people like fools.

The Chancellor said in his first interview in his job, with the *Financial Times*, that tax changes should only ever be announced "at the proper time"—at the Budget or the pre-Budget report. Since then, he has announced U-turns on every single original tax idea that he has had. And here he is, in the middle of May, reopening last year's Budget's changes in income tax and attempting to clear up the mess of the man sitting next to him. It comes on the same day that inflation numbers have soared and his plans to tax foreign profits are unravelling. Surely whatever remaining reputation that the Prime Minister had for economic competence has evaporated today.

This is the Prime Minister who, on the plane back from America, said that there were no losers from his Budget, but was then forced to admit that there were millions of losers. He said that he would not rewrite his Budget but he now sits as the man next to him rewrites the Budget that he gave. He said that in-year payments were impossible, but now the Government are making in-year payments.

Let no one be fooled—*[Interruption.]*

Mr. Speaker: The right hon. Gentleman should be listened to, and I do not expect a Parliamentary Private Secretary, Mr. Robertson, to be shouting across the Chamber. It is just not the done thing.

Mr. Osborne: Why do they not save their fury for the internal Labour party rows that are happening?

Let no one be fooled about why the Chancellor is making this statement today. It is not because he wanted to, or because of any sense of guilt at hitting the low-paid, or because the Prime Minister thinks that it is the right thing to do. It is because this divided, dithering and disintegrating Government are panicking in the face of the Crewe and Nantwich by-election. The Prime Minister, who once commanded so much respect from friends and foes alike, now looks like the unelected leader who is desperate to save his skin, cowering before every electoral challenge and insulting the intelligence of the very people whom he has hurt.

This is a one-off change only, for this year only. The Chancellor serves up a compensation con after a tax con and expects people to believe it. What utter cynicism, what total incompetence—and what a complete humiliation for this Chancellor of the Exchequer.

Mr. Darling: Three weeks ago, when the hon. Gentleman stood at the Dispatch Box on the first day of consideration of the Finance Bill, he led us to believe that he had very strong views and that steps should be taken immediately to deal with those people who lost out as a result of the withdrawal of the 10p rate. Yet today he cannot tell us whether he is for or against what we are proposing.

Once again, as on every issue, we see that there is nothing here of substance. The shadow Chancellor cannot say whether he is for the proposal or against it. The Conservative party was in favour of withdrawing the 10p rate when the proposal was first made. When my right hon. Friend the Member for Birkenhead (Mr. Field) put forward his amendment last year, the Conservatives abstained. Three weeks ago, they wanted to reinstate the 10p rate. Their position has been completely confused and it is self-evident today that they have no idea whether they are for or against what we are proposing.

We are making proposals that will help 80 per cent. of those who lost out as a result of the changes. They will gain up to £120 a year, and that will go a substantial way towards helping people. I am sorry that the Conservative party could not bring itself to welcome what we are doing.

John McFall (West Dunbartonshire) (Lab/Co-op): I welcome the Chancellor's statement today. I have to say that it is nothing but churlish and mean not to welcome a statement that benefits everyone on basic rate taxation and which takes 600,000 people out of tax altogether.

Given the Chancellor's welcome for the Treasury Committee's inquiry, which was focused exclusively on the low-paid, will he continue to work with us to monitor the effects of the Government's policy on ensuring the reduction of child poverty, the elimination of fuel poverty and the increase in the labour market participation of those on benefits? That inquiry will ensure that we work towards the PBR and get something

[John McFall]

done for people—not just for this year, although what my right hon. Friend has done is welcome, but for future years as well.

Mr. Darling: I am grateful to my right hon. Friend for the welcome that he has given. He is right that today's proposals will benefit many people in this country. Yes, the Treasury will of course continue to co-operate with the Treasury Committee and its inquiry. I think that I am still looking forward to appearing before that Committee at the beginning of June.

Dr. Vincent Cable (Twickenham) (LD): I of course welcome measures to lift low earners out of tax, and for a few hours this announcement may well get the Chancellor out of the difficulties that he created for himself. How many of the 5.3 million losers will be fully compensated by the measure? A quick back-of-the-envelope calculation—that is all that he has allowed us to do, because he is hiding behind market sensitivity—suggests that to compensate the losers, he would have needed to raise the threshold by £1,000. Clearly the Treasury has done the sums and has looked at the various categories, including pensioners, low-paid workers, and part-time and full-time workers. Can he tell us precisely how many of the 5.3 million losers will be fully compensated within the year?

Secondly, the Chancellor has imposed an apparent levy on high earners; the money will be clawed back from them. How long will that measure be in place, and how much of the £2.4 billion cost will be paid for by that route, rather than through additional borrowing?

Can the right hon. Gentleman also explain in a little more detail his reasons for rejecting the idea of a tax rebate? Over the past few days, I have had discussions with tax practitioners, including people from the low incomes tax reform group, which I know he relies on very heavily. That group suggests that it would be perfectly simple for the Inland Revenue to calculate the tax that people would have paid under the old 10p/20p system, and rebate them fully for their losses. The group will come forward with a proposal to that effect in the next few days. Why is the measure that he described more complex than that, and why does it do less to guarantee payments?

Finally, the Chancellor is quite right to focus attention on the low-paid workers, many of them earning well below the minimum wage, who pay tax. It is welcome that he is moving in the direction of lifting them out of tax. All of us will have to focus on how that is done and how it is paid for. I hope that today's measures are not just another short-term gimmick, but the beginning of a process through which the low-paid pay less tax.

Mr. Darling: The hon. Gentleman raises four perfectly pertinent questions, which I shall answer. May I acknowledge his welcome for the measure that I am proposing?

First, I said in my statement that 4.2 million households will receive as much as, or more than, they originally lost. The remaining 1.1 million householders will have their loss at least halved. In addition, those people might be benefiting from tax credits and other measures. I set out to try to offset the average loss; I think that that is what the majority of people in the House wanted us to do. The hon. Gentleman also asked how the measure is being paid for. This year, it is being paid for by borrowing. As for what I have done in relation to higher rate tax payers, under the tax system, every single taxpayer gets the same personal allowance, but because I wanted to ensure that the help went to basic rate taxpayers only, I made a change there. People who currently pay the 40 per cent. rate will not pay any more, so the cost is covered by borrowing.

The hon. Gentleman also asked why I did not use a rebate. I looked into that very carefully. I had always thought that the Liberals' policy was to use allowances. He is nodding; it is not clear why he is wishing on me something that he does not want himself, but there we are. I considered the issue of rebates, and I saw that that would be horrendously complicated. We would have to set up a new system. In addition to that, the Inland Revenue tells me that every year about half a million people move, and the Revenue does not know their addresses, so their cheques would go missing. When I looked at the proposal, and at the comparative costs, which are not actually that different, I decided that it would be far better to do something simpler and easy to understand. It is easy to understand that personal tax allowances will be raised by £600 a year. Basic rate taxpayers will therefore get £60 in their pay packet from September, and £10 a month thereafter.

The hon. Gentleman's final question was what would happen in future years. I have said that I will set that out in the pre-Budget report, but I repeat what I said in my statement: in addition to helping those people who have an income of up to £20,000—those whom people were principally concerned about—we are helping those whose incomes go up to £40,000. Given the current circumstances, in which people face increasing bills because of what is going on in the world commodity markets and the financial markets, this year it is right to do more to help people on low and middle incomes—in other words, all those on the basic rate tax—as other countries have done. That is why I think that my proposal is far better and far more effective, and goes far further, than the measures that many people were asking for just three weeks ago.

Mr. Frank Field (Birkenhead) (Lab): I congratulate the Chancellor on putting an end to the issue. I hazard a guess that the pleasure being expressed from the Labour Benches will be widely expressed in the country as well. As the Prime Minister is in his place, may I add that over the weekend I allowed my campaign to become personal. I much regret that, and I apologise without reservation.

Mr. Darling: I am grateful for what my right hon. Friend said in both respects. It is not every day that hon. Members have the courage to say what he said, and it is appreciated. In relation to his comments on tax, I hope that most people, not just in the House but outside, will welcome the announcement as a substantial step in helping people on low incomes as well as those on middle incomes, especially at a time when they rightly look to their Government to support them in very difficult and uncertain times in the world economy.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): The Chancellor has not spelled out where he will obtain the welcome £3 billion, almost, that he was not able to find at the time of his Budget. In the past he has always said that any tax cut translates automatically into a reduction in the number of nurses, doctors and teachers. If he is not saying that that consequence follows in the case of his tax cuts, why does he say it of other tax cuts?

Mr. Darling: I am glad the right hon. Gentleman does not want to see any reduction in the numbers of doctors, nurses and teachers. As I said in my statement, I promised the Select Committee that I would return to the matter in the pre-Budget report. The reason that I am announcing the step today is so that we can legislate in the Finance Bill that is before the House, to get the changes in place so that the extra money can be in the hands of taxpayers from September onwards.

John Battle (Leeds, West) (Lab): I thank my right hon. Friend for his patient efforts to tackle and resolve the matter. That clearly demonstrates that even in difficult circumstances, it is this Chancellor, this Prime Minister and this Government who are clearly on the side of the people on low pay and middle incomes. Will my right hon. Friend also deal with the abysmally low take-up of tax credits? Could his Department initiate a take-up campaign so that people get the income that is justly theirs?

Mr. Dai Havard (Merthyr Tydfil and Rhymney) (Lab): On a point of order, Mr. Speaker.

Mr. Speaker: After the statement.

Mr. Havard: I would like to read it—

Mr. Speaker: Order.

Mr. Darling: On the point made by my right hon. Friend the Member for Leeds, West (John Battle), I agree that we need to do more to encourage the take-up of the working tax credit. The take-up of the child tax credit is quite substantial. I am grateful to my right hon. Friend overall for the welcome that he has given.

Mr. Speaker, if my statement is not now in the Vote Office, it ought to be, and I will take steps to make sure that it is.

Mr. Speaker: It has been put to me, Chancellor, that those in the Press Gallery have the statement—*[Interruption.]* Order. I take a dim view of the Press Gallery having information before the House. I hope that that information is wrong.

Mr. Darling: From the moment I sat down, my statement should have been available. Steps are being taken to find out why it is not in the Vote Office, because it ought to be there.

Several hon. Members *rose*—

Mr. Darling: Mr. Speaker, I understand that there actually are copies of my statement outside.

Mr. Iain Duncan Smith (Chingford and Woodford Green) (Con): Can the Chancellor confirm that the 1.1 million losers of whom he spoke earlier are from the lowest income brackets—those earning between just under £7,000 and £8,000 a year? Those people will lose up to £120. Will he confirm that that is the case? Will he now take the opportunity to apologise to them— as his right hon. Friend the Member for Birkenhead (Mr. Field) has done—right now at the Dispatch Box, for all the trouble and fear that he has caused them?

Mr. Darling: As I said in my statement, the overall effect of what I am proposing is that 4.2 million households will receive as much as or more than they lost. The 1.1 million people to whom I think the right hon. Gentleman referred will see that their losses are at least halved. He asked about the distribution of those people. The position is that there are people at different stages of income who do not benefit as much as others. I said that I will return to that matter at the pre-Budget report this autumn.

Mr. Russell Brown (Dumfries and Galloway) (Lab): I most sincerely congratulate the Chancellor on the steps that he is taking today. I do not wish to be pedantic, but I sincerely hope that in the pre-Budget statement he takes steps on the issue of families who still find themselves £2 or £3 a week worse off; £2 or £3 a week is precious to people on extremely low incomes. I hope that he will further rectify the situation with a second announcement in the pre-Budget statement.

Mr. Darling: I said in my statement that I wanted to concentrate help in future years particularly on those with lower incomes. Today I have been able to propose a measure that will benefit not just people on low incomes, but a substantial number of my hon. Friend's constituents and others who face increased bills at this time. It is right to do that, having regard to the current uncertainties in the world economy and the rising prices that people face here at home.

Stewart Hosie (Dundee, East) (SNP): In his statement, the Chancellor said that he would deal with the issue this year, that he would offset the average losses and that he has brought forward the increase in the allowance to £600. I give that a very, very guarded welcome—first, until I read the small print, and secondly, because 1 million-plus individuals will still be worse off.

Will the Chancellor confirm, however, that the change to the allowances on earnings will have no bearing on the abolition of the 10p rate on savings income, and that those households that may lose up to £460 a year in additional tax because of the abolition of the 10p tax rate on their savings income will not be compensated in any way as a result of the measures announced today?

Mr. Darling: Last year, when the changes were proposed, the savings rate was not changed at all. If the hon. Gentleman was raising a slightly different point or I misunderstood him, I will be happy to deal with that in correspondence. However, I think that he will find that the savings rate was not changed.

Mark Durkan (Foyle) (SDLP): I join other hon. Members in welcoming the Chancellor's statement. The remedy that he has announced today is clearer and has come earlier than previous statements had indicated. As well as the welcome remedy that he has provided for the 4.2 million households—in some cases, it is better than a remedy—will he give us an assurance that the figure of 1.1 million in respect of those who will see their loss reduced by at least half is accurate? Will he tell us who, typically, those remaining losers are and why they could not be better helped?

Mr. Darling: As I explained in my statement, I am proposing to increase the personal tax allowance that everyone gets. To that extent, the benefit is a flat-rate one that will go to all basic-rate taxpayers. As a result, 80 per cent. of people will find that their loss is completely offset or that they will do better than that. There are others whose loss is at least halved. At the pre-Budget report, when I set out proposals for future years, I want to do more, particularly for people on low incomes.

When I looked at how we might deal with the problem, I saw that the difficulty of trying to isolate actual losses or set up a rebate system that took account of individual circumstances was such that doing those things would have taken a very long time. I also suspect that it would have been a very blunt-edged instrument. The approach that I have set out is more straightforward and simpler and has the benefit of getting money into the hands of people at an early opportunity, rather than our having to wait right up until the end of this financial year.

Mr. Michael Fallon (Sevenoaks) (Con): But why should 1.1 million still be losers? At a time of rising prices, why should any low-paid people pay more tax?

Mr. Darling: I said when I wrote to the Select Committee—and this was certainly a theme taken up by many Members of the House—that what I wanted to do quickly was offset the average loss that was sustained by people following the withdrawal of the tax rate. That is what I sought to do, and that, I think, is the right thing to do. If the hon. Gentleman thinks that we should be doing something different or more, then no doubt he will advocate that course to his own Front Benchers. As far as I can see, however, they have no intention of doing anything more, just as I suspect, if left to their own devices, they would have absolutely no intention of helping people on low incomes at all.

Judy Mallaber (Amber Valley) (Lab): I very much welcome the statement, because it would be very cumbersome to try to recalculate for individuals. It also recognises that although taking children out of poverty has been very welcome, those without children or whose children have grown up have lost out because of this. Will my right hon. Friend still consider some of the proposals that he previously suggested he would consider, such as the minimum wage for young people and the tax credits system generally, in looking forward to the next pre-Budget statement?

Mr. Darling: Yes, I can. I said that one of the things that we needed to consider was the minimum wage and its inclusion of younger people. Equally, in relation to tax credits, I think, unlike the Conservatives, that tax credits have gone a long way towards boosting the incomes of people on low and middle incomes and have made substantial changes. As my right hon. Friend the Member for Leeds, West (John Battle) said, we need to ensure that take-up of the working tax credit is improved, but tax credits are a much better way than we have had in the past of helping people who particularly need help. The answer to my hon. Friend is that those are both areas to which I will return.

Julia Goldsworthy (Falmouth and Camborne) (LD): There are still 1.1 million low-income households that will lose out as a result of today's announcement, even though all the people who had previously been paying the basic rate of tax will gain. Why does the Chancellor consider that this group remains the least deserving poor, in his opinion?

Mr. Darling: As I said earlier, I wanted to introduce a system that was simple, that was quick to get on to the statute book, and that, above all, was quick to get the money into the hands of as many taxpayers as possible. The problem with the sort of scheme to which the hon. Lady refers—a rebate scheme, because that is the only way in which one could do individual calculations—is that it would be cumbersome and complicated. I suspect that if we set it up, she and her party would be the first to criticise it.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): The Chancellor will know that in my constituency there are many former miners who took early retirement in the 1990s, mainly because the Tories closed all the pits in south Yorkshire. Many are now above pensionable age and have been adversely affected by the removal of the 10p income tax rate. What are the implications of the Chancellor's statement for constituents of mine who fall into this category?

Mr. Darling: As I said in my statement, the changes that I propose affect people over the age of 60 to 65. That is why I decided that the personal tax increase should apply to them rather than making a payment through the winter fuel payment mechanism. In 2007, when my right hon. Friend the Prime Minister made his original proposal to reduce the basic rate of tax to 20p, he raised the age-related allowances for the over-65s in order to look after them. The answer to my hon. Friend is that his constituents of pensionable age will benefit from this in the way that I described.

Bob Spink (Castle Point) (UKIP): I welcome the Chancellor's statement. For the future, will he consider introducing a fairer, simpler flat tax system removing 4.5 million low-income people from paying tax, which is another sound UKIP policy?

Mr. Darling: I am grateful for the hon. Gentleman's welcome, but I cannot go along the road with him in relation to his flat tax proposal, although it was at one time the stated policy of the shadow Chancellor.

Sir Stuart Bell (Middlesbrough) (Lab): May I recall to the Chancellor's mind the noble Lord Lamont? When Lord Lamont pushed interest rates up to 15 per cent., Britain was required to withdraw from the exchange rate mechanism and it took us years to recover, which

we did only with the onset of a Labour Government. I congratulate the Chancellor on assisting low and middle-income earners and all tax-paying families, as we have done over the past 11 years, in contrast with the record of the Tory Government from '92 to '97.

Mr. Darling: My hon. Friend is quite right. The whole country has benefited from high levels of employment, and from the fact that we have historically low interest rates and—even given today's figures—historically low inflation rates, which are lower than those in America and Europe. During the past 11 years, because we have had such a strong and stable economy, we have been able to do far more to lift children out of poverty, lift pensioners out of poverty and help people on low incomes as well as those on middle incomes. I believe that my announcement today will go a long way in helping people who do not have children, or whose children have grown up—a group of people whom many in my party feel strongly we ought to support, especially at the moment.

Anne Main (St. Albans) (Con): I am somewhat disappointed that we cannot have an accurate profile of those who will still lose out, apart from describing them as having their average losses halved. The Chancellor says that he has used a system that is simple and quick—some might say he has done so for expediency—but that indicates to me that those lowest-paid workers will have a system that will be slow and complicated, in which case they will be hard to target and to recompense, and my constituents will not find that acceptable.

Mr. Darling: My proposal means that through the tax system, assuming the House agrees to the amendments that I have proposed, from September taxpayers will receive a payment of £60, followed by a monthly payment of £10 for the rest of the financial year. I would have thought that that was pretty simple. The hon. Lady would be on stronger ground if she were putting forward an alternative, but as I understand it, the Conservative party does not have a position. It has no idea what it would do.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Credit where credit is due: people often say that politicians do not listen, but the Chancellor has shown that he has listened and he has acted very quickly to help low-paid people in my constituency. I am very grateful for that, but does he agree that it is difficult out there at the moment? People are struggling with the rise in food prices and the price of fuel, which are due to world economic circumstances. Will he give me an assurance that he will continue to look out for the interests of those on modest incomes?

Mr. Darling: I strongly agree with my hon. Friend, which is why this year my proposal will help not just people on low incomes—below £20,000—who were affected following the withdrawal of the 10p rate, but crucially, people on middle incomes of up to £40,000 as well. I agree with her that people, especially those without children, are finding it difficult. They have to meet higher fuel and food bills because of what is happening throughout the world, and it is right that we should help them. That is why my proposal is deliberately designed to help a far wider range of people than was anticipated when we were simply talking about the starting rate of tax. I welcome what my hon. Friend says; I am sorry that the Conservatives cannot do so.

Paul Holmes (Chesterfield) (LD): I welcome the Chancellor's partial attempt to undo the damage caused by the previous Chancellor to the poorest earners. I regret, however, that more than a million, including many in my constituency, will still be losing out. I ask the same question that I asked three weeks ago: why did it take 13 months for the Government to realise what their policies would do? Did they not analyse the figures 13 months ago and realise what the impact would be on the poorest, or did they have a cynical belief that they could do this to the poorest because they would still vote Labour?

Mr. Darling: Last year, my right hon. Friend introduced a number of changes to the tax credit system, raising the age-related allowances, but it is clear that others had lost out and we needed to help them. I am sorry that the hon. Gentleman cannot welcome what I am proposing today, but it is infinitely better than what I am beginning to detect might be the Liberal Democrat policy, at least for today, which is a policy relating to rebates. I do not think that that would be the right way to proceed.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): I welcome the simplicity of the scheme that the Chancellor announced because it will enable a speedy response, which is what my constituents want. They want the money in their pocket as soon as possible. Will he therefore tell me how he intends to let them know about this good news? Sadly, there are many 60 to 64-year-old pensioners and people on the lowest of incomes who do not read newspapers and who do not see television news. Will he write to them directly or work through the voluntary organisations that have links with them to let them know that relief is at hand?

Mr. Darling: There is always a chance that my hon. Friend's constituents will read about the announcement in the newspapers or see it on the television, but I will consider ways in which we might better tell people what is happening. The advantage of my proposal is that the payments will be made through the PAYE scheme, with which most people are familiar and which is simpler and easier to operate.

Mr. Oliver Letwin (West Dorset) (Con): May I ask the Chancellor to check whether the Government's announcement of a one-year tax rebate during a by-election is consistent with electoral law?

Mr. Darling: I think that my proposal is entirely sensible and the right thing to do. I am sorry that the right hon. Gentleman, who I am sure is concerned about people on low and middle incomes, cannot welcome it.

Rob Marris (Wolverhampton, South-West) (Lab): I welcome my right hon. Friend's revised proposals for the 10p tax rate. When might the House expect him to introduce revised proposals for vehicle excise duty rates for next year?

Mr. Darling: My announcement today was entirely about income tax. All other matters will be dealt with in the usual way.

Alistair Burt (North-East Bedfordshire) (Con): Does not the Chancellor admit, even to himself, a twinge of embarrassment that instead of coming here as a great reforming Chancellor, he has produced a shabby deal which is designed to get himself, the Government and his right hon. Friend the Prime Minister out of a fix of his own making? Does he believe for a moment that anyone beyond those on the Benches behind him will not see this announcement for exactly what it is: the most shameless attempt to buy a by-election since the Humber bridge?

Mr. Darling: A few weeks ago, the hon. Gentleman was, I assume, ready to follow the rest of the Conservatives into the Lobby, wanting us to take action to help people on low and middle incomes. We are taking action to help people on low and middle incomes, and it is clear that the Conservatives have no idea how to provide that help or about their position on this issue.

Nigel Griffiths (Edinburgh, South) (Lab): Does my right hon. Friend share my astonishment at the Conservative party's new-found, synthetic concern for poor people? Will he remind the House that, during the last recession, the Conservative crunch left millions of people on the dole, more than 10 million senior citizens without any help with their fuel costs, people with negative equity and record numbers of repossessions?

Mr. Darling: I agree. Many people in this country remember what happened in the 1980s and 1990s, when people lost their jobs and received no help from the Government to help them get back on their feet. They also remember a time when interest rates were in double figures and people found themselves in substantial difficulties. They received no help because the then Government's position was so weak that they could do nothing to help them.

Greg Clark (Tunbridge Wells) (Con): Will the Chancellor make it clear, since he knows the answer to this question, whether it is his understanding that the people who will continue to lose out through the abolition of the 10p rate are those at the bottom of the income scale—in other words, the Government's very own poverty line?

Mr. Darling: No. I said in an earlier reply that we have been able to help 80 per cent. people whose loss will be fully compensated or even more than that. There are about a million people whose losses will be halved. I said that I wanted to revert to that in the pre-Budget report. As a result of the announcement, 600,000 people will be taken out of tax. That shows our intention, which is a little more than the Conservative party would do if it were presented with the opportunity to do anything about helping people on low incomes.

Points of Order

4.19 pm

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): On a point of order, Mr. Speaker. During the Chancellor's statement, the Opposition Chief Whip could be clearly heard shouting from a sedentary position, "Get back to Scotland." Given that this is a UK Parliament, is that kind of language and behaviour acceptable? It is clearly inconsistent with the Conservative party's unholy pact with the nationalists.

Mr. Speaker: It was a sedentary intervention and, take it from me, being invited to go to Scotland is a nice thing.

Mr. Charles Walker (Broxbourne) (Con): On a point of order, Mr. Speaker. I understand that the Labour party was putting literature around in Crewe and Nantwich this morning with the very figures that were announced to the House only a few minutes ago. Would you please investigate this matter to ensure that it does not breach electoral law or the primacy of the House?

Mr. Speaker: Let me say to the hon. Gentleman that my deep concern was about the statement not being given in this Chamber—I know that it was in the Vote Office, but it was not in the Chamber—so allow me to concentrate on that. The matters about Crewe and Nantwich I do not want to be drawn into.

Mr. Graham Stuart (Beverley and Holderness) (Con): Further to that point of order, Mr. Speaker. Do you take on board the concern among Conservative Members that the statement was not presented to those on our Front Bench before it was made, on the grounds of market sensitivity? It would appear that the only market that the Government were concerned about was the electorate market in Crewe and Nantwich.

Mr. Speaker: Let me say to the hon. Gentleman that that is a matter for the Government to judge—*[Interruption.]* Order. What concerned me was that the Press Gallery had the information before the House. No disrespect to the Press Gallery, but my priority is the Members of the House. If the Government had not put the statement out to anyone, that would have been a matter for the Government.

Armed Forces (Federation)

4.21 pm

Mr. Kevan Jones (North Durham) (Lab): I beg to move,

That leave be given to bring in a Bill to make provision for the establishment of a Federation for the Armed Forces; and for connected purposes.

I am pleased to be able to introduce this Bill. Many hon. Members will remember that I tabled a similar Bill in the last Parliament. However, there has been a groundswell of opinion among the public and members of the armed forces on the need for an independent voice to represent their interests.

The controversies surrounding the standard of accommodation, injured personnel and the terrible incidents at Deepcut barracks have increasingly led to ordinary members of the armed forces coming forward to say that they need an organisation to make their voice heard. There is also a growing need for members of the armed forces to have independent legal advice. I served on the Select Committee on the Armed Forces Bill, where I moved an amendment to establish a federation for the armed forces. The Government resisted my amendment, but I strongly believe that there is now an overwhelming case for the armed forces to have an independent federation.

I should point out to those who oppose the move that I propose not a trade union, but a federation similar to the Police Federation. I would also like to build on the excellent work done by the British Armed Forces Federation. That organisation was established in October 2006. I pay tribute to Douglas Young and his team at the federation, who have got that vital initiative off the ground. The Bill does not seek to put in place a federation, but to put the federation that already exists on a formal footing that is recognised by the Ministry of Defence.

The aims of the federation would continue to be those set out in its statement, which are

"to represent, foster and promote the professional welfare, and other legitimate interests of all members of the federation in their capacity as serving or retired personnel of the fighting services of the United Kingdom".

The activities of the federation would be: first, to put forward professional and career development through the provision of education and information to its members; secondly, to liaise and monitor developments within the armed forces and Parliament, and in the provision of public services or in the commercial sector affecting members of Her Majesty's armed forces; and thirdly, to act as an advocate for members of the armed forces in areas such as pay, accommodation, medical services, welfare provision, resettlement and all other areas relating to personnel support. Fourthly, the federation would be seen as a way of supporting personnel who were facing legal action and other issues connected with their service in the armed forces. Lastly, I would also argue that it should be an organisation that could put in place a range of benefits, including insurance, financial benefits, discounts and other affinity deals for members of the armed forces.

The federation would not be beholden to any political party or pressure group, or to any defence industry interests. It is important that it should be seen to be an independent federation representing members of our armed forces. It would not routinely comment on the adequacy, robustness or cost-effectiveness of defence expenditure, although it would obviously have to comment on issues that directly affected its members. It would certainly not be a defence pressure group, however. It would be seen as an organisation that gave a voice to the men and women who serve on our behalf in Her Majesty's armed forces.

There is a contention that the federation would in some way control or interfere with the chain of command. I want to make it quite clear that it would not conduct or condone any form of industrial action or insubordination in our armed forces. Its role in relation to the chain of command should be subject to a code of conduct. That is not new; the chain of command already accepts information from and the involvement of organisations such as Daniel's Trust, which deals with Army training and the interests of new recruits at Catterick. I would therefore argue that the organisation would enhance rather than interfere with the chain of command. The federation would protect individual members in relation to their living conditions and general well-being, as well as reinforcing the point that members of the armed forces are an important part of society and promoting the good work that they do.

It has been suggested that this proposal is somehow radical and new, and that we would be out of step with our major allies if we were to adopt it. I have looked at some of the overseas examples, including the Association of the United States Army, which works in three main areas. It provides a voice for all members of the US army, fosters public support for the army's role in national security and provides professional, educational and information programmes. There are three other such organisations in the United States alone. One is the Non-Commissioned Officers Association, which was set up in 1966. The Military Officers' Association of America does similar work for commissioned officers, and the oldest organisation, the Reserve Officers Association, was set up by General Pershing in 1922 to advocate and lobby for the interests of national guards and reservists. There are also a number of European examples of similar federations, which come together under the umbrella of the European Organisation of Military Organisations—EUROMIL—which was set up in 1972. It now comprises 36 associations from 24 countries across Europe, representing nearly 500,000 individuals. The latest additions are Malta and Romania.

In conclusion, the Bill will not set up an armed forces federation; there is already one in existence. It will, however, allow the British Armed Forces Federation to be recognised by the MOD and to be valued for providing a voice for ordinary members of the armed forces. The BAFF has already stated that, if the legislation were introduced, it would seek to work with the Government and other stakeholders to develop an appropriate structure. The Bill gives the Government an opportunity to recognise that, in an ever-changing world, the members of our armed forces need a voice. I urge the Government to take on board the provisions that I am proposing today.

Question put and agreed to.

Bill ordered to be brought in by Mr. Kevan Jones, Mr. David Crausby, Mr. Mike Hancock, Mr. Dai Havard, Helen Jones, Jim Sheridan, David Wright and Andrew Mackinlay.

ARMED FORCES (FEDERATION)

Mr. Kevan Jones accordingly presented a Bill to make provision for the establishment of a Federation for the Armed Forces; and for connected purposes; and the same was read the First time; and ordered to be read a Second time on Friday 20 June, and to be printed [Bill 108].

Education and Skills Bill (Programme) (No. 2)

4.30 pm

The Minister for Schools and Learners (Jim Knight): I beg to move,

That the Order of 14th January 2008 (Education and Skills Bill (Programme)) be varied as follows:

1. Paragraphs 4 and 5 of the Order shall be omitted.

2. Proceedings on consideration shall be taken in the order shown in the first column of the following Table.

3. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

Proceedings	*Time for conclusion of proceedings*
New Clauses other than those relating to Part 1 or to duties of local education authorities in relation to the provision of education and training	Three hours after the commencement of proceedings on the Motion for this Order
New Clauses, and amendments to Clauses, relating to the application of Part 1 to persons in Wales	Four hours after the commencement of proceedings on the Motion for this Order
Remaining proceedings on consideration	One hour before the moment of interruption

4. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption.

We have limited time for debate, so I hope that we will not have to put this to a vote.

4.30 pm

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): Before it was announced that there was to be a statement today, we were relatively happy with the programme motion. We were, however, uncomfortable with the fact that the Government were shoehorning into the Bill at this late stage 16 new sections on admissions with 27 regulation-making powers that had not been debated in Committee. Some of those sections relate to the School Standards and Framework Act 1998, but some are new and propose significant powers for the Secretary of State. As a constructive Opposition, we nevertheless did our best to accept the timetable despite the 150 amendments and 23 new clauses, but that was on the assumption that that tight timetable would not be squeezed by a statement.

Given that this is meant to be a flagship Bill for the Government, it is surprising that they are content to squeeze time on such important amending provisions, particularly new clause 6, which is designed to provide support for vulnerable young people and has the backing of both Barnado's and Rainer. What is more, it is being squeezed by a statement made today for essentially party reasons, which could easily have been made on another day when the business was much lighter.

Even now, we would support a change to the programme motion to calculate the time from the commencement of proceedings on this motion, which would give us back the full five and a half hours of debate. If the Government will not make that change, I urge hon. Members to vote against the programme motion.

4.32 pm

Mr. David Laws (Yeovil) (LD): I do not want to delay proceedings either, but I want to support the comments of the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb). The time allotted is totally inappropriate for a Bill of such importance, especially when we are unlikely to have time to debate almost 110 amendments and new clauses set down for consideration in a portion of today's proceedings and given that, in our earlier proceedings, we did not have the opportunity to debate certain issues, particularly those relating to new clauses 6 and 9. It is wholly inappropriate to shoehorn the business in this way, thus preventing us from debating issues that were not properly covered in earlier stages. The programme motion makes it impossible for us to do justice to the scrutiny required for this Bill and the amendments and new clauses before us. Unless the Government are willing to make the sort of concessions requested, I am afraid that we will also have to oppose the programme motion.

4.32 pm

Philip Davies (Shipley) (Con): I, too, urge hon. Members to oppose the programme motion. Mr. Speaker has been exceedingly generous in his selection of amendments, but the programme motion will not allow us to reach many of the amendments far down the line that need to be discussed. Because of the statement, a maximum of half an hour or, if there is a vote after the second group of amendments, perhaps only a quarter of an hour would be left available to discuss a raft of amendments.

I have tabled two of the amending provisions: new clause 16 and new clause 23. New clause 16 deals with an issue that the Secretary of State kindly got involved with earlier in our proceedings when a constituent of mine, who was an orphan, was expected to leave school because she could not afford to stay on. My new clause would do something to tackle that. We have amendments that are designed to address the problems that Kirsty Oldfield faces, but we do not have time to vote on them or even to debate them. How must this House look to constituents of mine such as Kirsty? It looks like a complete and utter shambles, and that brings it into disrepute.

Given that the statement has eaten into the time available—I certainly do not want to waste any more time discussing the programme motion—and that there are important matters to be debated, to which hon. Members have tabled amendments which deserve to be given time for consideration, it is beholden on the Government to reflect on what is in them that will not get debated unless we change the motion. If they will not listen, are intent on being dogmatic, and will not change it, I urge hon. Members to oppose the motion.

4.35 pm

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): I am very pleased that some important amendments on admissions have been tabled by the Government, even at a late stage. I remind the House that many of them are based on recommendations of the all-party Select Committee on Education and Skills, to which the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) was party two years ago. Some very good amendments have been tabled. I hope that the House will be a little more positive than it otherwise might be, especially as no one is sitting on the Liberal Democrat Back Benches, and only three people are sitting behind the Conservative Front-Bench spokesmen.

4.36 pm

Jim Knight: There is other business beyond this. I hope that we do not waste 15 minutes on a vote and that we can get on with it.

Question put:—

The House divided: Ayes 268, Noes 166.

Division No. 178] **[4.36 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Beckett, rh Margaret
Bell, Sir Stuart
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Denham, rh Mr. John
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia

Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Wareing, Mr. Robert N.
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Wood, Mike
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Alison Seabeck and Mr. Dave Watts

NOES

Afriyie, Adam
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Goldsworthy, Julia
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hendry, Charles
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howard, rh Mr. Michael
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Knight, rh Mr. Greg
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Mitchell, Mr. Andrew
Moore, Mr. Michael
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Paice, Mr. James
Penning, Mike
Price, Adam
Prisk, Mr. Mark
Pritchard, Mark
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew

Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Spelman, Mrs. Caroline
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Noes:
Mr. Nick Hurd and James Duddridge

Question accordingly agreed to.

Orders of the Day

Education and Skills Bill

[Relevant document: The Nineteenth Report from the Joint Committee on Human Rights, Session 2007-08, Legislative Scrutiny: Education and Skills Bill, HC 553.]

As amended in the Public Bill Committee, considered.

New Clause 14

ADMISSION ARRANGEMENTS

'(1) The School Standards and Framework Act 1998 (c. 31) is amended as follows.

(2) After section 88 insert—

"Admission arrangements: England".

(3) In section 88A (prohibition on interviews), in subsections (1) and (3), after "maintained school" insert "in England".

(4) After section 88A insert—

"88B Admission arrangements relating to children looked after by local authority

(1) Regulations may require the admission authorities for maintained schools in England to include in their admission arrangements such provision relating to the admission of children who are looked after by a local authority in England as may be prescribed.

(2) Regulations under subsection (1) may in particular include provision for securing that, subject to sections 86(3), 86B(2) and (4) and 87, such children are to be offered admission in preference to other children.

88C Procedure for determining admission arrangements

(1) The admission authority for a maintained school in England must, before the beginning of each school year, determine in accordance with this section the admission arrangements which are to apply for that year.

(2) The admission authority must, before determining the admission arrangements that are to apply for a year, carry out such consultation about the proposed arrangements as may be prescribed.

(3) Regulations under subsection (2) may in particular make provision—

(a) specifying persons who must be consulted, or who must be consulted about prescribed provisions of proposed arrangements;

(b) Specifying provisions of proposed arrangements about which any such consultation is to be carried out;

(c) specifying matters to which any such consultation is, or is not, to relate;

(d) as to the manner in which, and the time by which, any such consultation is to be carried out.

(4) When the admission authority have determined the admission arrangements that are to apply for a year, they must notify the appropriate bodies of those admission arrangements.

(5) Regulations may make provision—

(a) as to the manner in which, and the time by which, any such notification is to be given;

(b) specifying cases in which subsection (4) does not apply.

88D Determination of admission numbers

(1) A determination under section 88C by the admission authority for a maintained school in England of the admission arrangements which are to apply for a school year must include a determination of the number of pupils in each relevant age group that it is intended to admit to the school in that year.

(2) Such a determination under section 88C may also, if the school is one at which boarding accommodation is provided for pupils, include—

(a) a determination of the number of pupils in each relevant age group that it is intended to admit to the school in that year as boarders, and

(b) a determination of the number of pupils in each relevant age group that it is intended to admit to the school in that year otherwise than as boarders.

(3) Regulations may make provision about the making of any determination required by subsection (1), and may in particular require the admission authority for a maintained school to have regard, in making any such determination, to—

(a) any prescribed method of calculation, and

(b) any other prescribed matter.

(4) References in this section to the determination of any number include references to the determination of zero as that number.

88E Variation of admission arrangements

(1) Subsection (2) applies where an admission authority—

(a) have in accordance with section 88C determined the admission arrangements which are to apply for a particular school year, but

(b) at any time before the end of that year consider that the arrangements should be varied in view of a major change in circumstances occurring since they were so determined.

(2) The authority must—

(a) refer their proposed variations to the adjudicator, and

(b) notify the appropriate bodies of the proposed variations.

(3) Subsection (2)(a) does not apply in a case where the authority's proposed variations fall within any description of variations prescribed for the purposes of this subsection.

(4) Where the local education authority are the admission authority for a community or voluntary controlled school, they must consult the governing body before making any reference under subsection (2)(a).

(5) On a reference under subsection (2)(a), the adjudicator must consider whether the admission arrangements should have effect with the proposed variations until the end of the school year in question.

(6) If the adjudicator determines—

(a) that the arrangements should so have effect, or

(b) that they should so have effect subject to such modification of those variations as the adjudicator may determine,

the arrangements are to have effect accordingly as from the date of the adjudicator's determination.

(7) Where the adjudicator makes a determination under subsection (6), the admission authority must notify the appropriate bodies of the variations subject to which the arrangements are to have effect.

(8) Regulations may make provision—

(a) as to the manner in which, and the time by which, any such notification is to be given;

(b) specifying cases in which subsection (7) does not apply.

(9) Regulations may make provision—

(a) specifying matters which are, or are not, to constitute major changes in circumstances for the purposes of subsection (1)(b);

(b) authorising an admission authority, where they have in accordance with section 88C determined the admission arrangements which are to apply for a particular school year, to vary those arrangements to such extent or in such circumstances as may be prescribed;

(c) for the application of any of the requirements of, or imposed under, subsections (2) to (8) to variations proposed to be made by virtue of paragraph (b), or to any prescribed description of such variations, as if they were variations proposed to be made under subsection (1).

88F Sections 88C to 88E: supplementary

(1) Regulations may make provision—

(a) requiring an admission authority who have made a determination of a prescribed description under section 88C to publish such information relating to the determination (including information as to the authority's reasons for making the determination) as may be prescribed;

(b) as to such other matters connected with the procedure for determining or varying admission arrangements under sections 88C to 88E as the Secretary of State considers appropriate.

(2) The power under paragraph (a) of subsection (1) to require an admission authority to publish information includes power to require them to publish it—

(a) by giving a notice containing the information to prescribed persons, or

(b) in any other prescribed manner.

(3) In sections 88C and 88E, the "appropriate bodies", in relation to an admission authority, means—

(a) whichever of the governing body and the local education authority are not the admission authority,

(b) the admission authorities for all other maintained schools in the relevant area or for such class of schools as may be prescribed;

(c) the governing bodies for all community and voluntary controlled schools in the relevant area (so far as not falling within paragraph (a) or (b)),

(d) the admission authorities for maintained schools in England of any prescribed description,

(e) in the case of a foundation or voluntary school which has a religious character for the purposes of Part 2, such body or person representing the religion or religious denomination in question as may be prescribed,

(f) the admission forum for the area of the local education authority in which the school is situated, and

(g) such other persons as may be prescribed.

(4) In subsection (3), "the relevant area" means—

(a) the area of the local education authority in which the school in question is situated, or

(b) if regulations so provide, such other area in England (whether more or less extensive than the area of the local education authority) as may be determined by or in accordance with the regulations.

88G Power to restrict alteration of admission arrangements following establishment or expansion

(1) Subsection (2) applies in relation to a maintained school in England where—

(a) proposals for the establishment of, or the making of a prescribed alteration to, the school have been published under Part 2 of the Education and Inspections Act 2006 (c. 40) or under section 113A of, or Schedule 7 to, the Learning and Skills Act 2000 (c. 21),

(b) in the case of proposals for the making of a prescribed alteration to the school, the proposals are for an increase in the number of pupils that may be admitted to the school or for an enlargement of the premises,

(c) the proposals fall to be implemented (with or without modifications), and

(d) prescribed conditions are satisfied.

(2) Regulations may provide that, where this subsection applies in relation to a maintained school—

(a) the admission arrangements for the initial period and each of a prescribed number of school years following that period are to be the arrangements which fall to

be implemented in accordance with the proposals (or in accordance with the proposals as modified), and

(b) those arrangements may not be varied by the admission authority for the school except—

(i) to comply with any duty imposed on them by regulations under section 88B, or

(ii) in accordance with regulations under subsection (5).

(3) Regulations under subsection (2) may exclude or modify any provision of section 88C, 88E or 88F in its application to cases to which the regulations apply.

(4) Regulations under subsection (2) may provide that in cases to which the regulations apply the admission arrangements which fall to be implemented in accordance with the proposals (or in accordance with the proposals as modified) are to be treated for the purposes of section 86(5) to (5B) as having been determined by the admission authority under section 88C.

(5) Regulations may prescribe circumstances in which an admission authority may refer to the adjudicator proposals to vary admission arrangements in cases to which regulations under subsection (2) apply.

(6) Regulations may make provision as to the determination by the adjudicator of any reference made by virtue of subsection (5).

(7) In this section—

"initial period" means—

(a) in relation to a maintained school which is being established, the period beginning with the day on which the school opens and ending with the beginning of the first school term to begin after the following July;

(b) in relation to a maintained school which is increasing the number of pupils that may be admitted to the school or enlarging its premises, the period beginning with the first day on which additional pupils may be admitted or (as the case may be) the enlarged premises are in use and ending with the beginning of the first school term to begin after the following July;

"prescribed alteration" means an alteration prescribed for the purposes of section 18 of the Education and Inspections Act 2006 (c. 40).

88H Reference of objections to adjudicator

(1) This section applies where admission arrangements have been determined by an admission authority for a maintained school in England under section 88C.

(2) Where—

(a) an appropriate person wishes to make an objection about the admission arrangements, and

(b) the objection does not fall within any description of objections prescribed for the purposes of this paragraph,

that person may refer the objection to the adjudicator.

(3) Where—

(a) a parent of a prescribed description wishes to make an objection about the admission arrangements, and

(b) the objection falls within any description of objections prescribed for the purposes of this paragraph,

that person may refer the objection to the adjudicator.

(4) On a reference under subsection (2) or (3) the adjudicator must decide whether, and (if so) to what extent, the objection should be upheld.

(5) Regulations may make provision—

(a) as to any conditions which must be satisfied before—

(i) an objection can be referred to the adjudicator under subsection (2) or (3), or

(ii) the adjudicator is required to determine an objection referred to him under subsection (3);

(b) as to circumstances in which the adjudicator is not required to determine an objection under subsection (4);

(c) prescribing the steps which may be taken by an admission authority where an objection has been referred to the adjudicator under subsection (2) or (3) but has not yet been determined.

(d) prohibiting or restricting the reference under subsection (2) or (3), within such period following a decision by the adjudicator under this section as may be prescribed, of any objection raising the same (or substantially the same) issues in relation to the admission arrangements of the school in question.

(6) In subsection (2), "appropriate person" means—

(a) a body or person within any of paragraphs (a) to (f) of section 88F(3); or

(b) any person prescribed for the purposes of this subsection.

88I Other functions of adjudicator relating to admission arrangements

(1) This section applies where admission arrangements have been determined by an admission authority for a maintained school in England under section 88C.

(2) Where it appears to the Secretary of State that the admission arrangements do not, or may not, conform with the requirements relating to admission arrangements, the Secretary of State may refer the admission arrangements to the adjudicator.

(3) Subsection (4) applies where—

(a) the Secretary of State refers the admission arrangements to the adjudicator under subsection (2), or

(b) the adjudicator receives a report under section 88P which, pursuant to regulations under subsection (5) of that section, states that the admission arrangements do not, or may not, conform with the requirements relating to admission arrangements.

(4) The adjudicator must—

(a) consider the admission arrangements, and

(b) decide whether they conform with those requirements and, if not, in what respect they do not.

(5) Where it appears to the adjudicator that the admission arrangements do not, or may not, conform with the requirements relating to admission arrangements (and subsection (4) does not apply)—

(a) the adjudicator may consider the admission arrangements, and

(b) if the adjudicator considers the arrangements under paragraph (a), the adjudicator must decide whether they conform with those requirements and, if not, in what respect they do not.

(6) Regulations may make provision prescribing the steps which may be taken by an admission authority where the adjudicator—

(a) is considering the authority's admission arrangements under subsection (4)(a) or (5)(a), but

(b) has not yet made a decision in the case under subsection (4)(b) or (5)(b) (as the case may be).

88J Changes to admission arrangements

(1) This section applies where the adjudicator is required to make a decision ("the primary decision")—

(a) under section 88H(4) on whether to uphold an objection to admission arrangements, or

(b) under section 88I(4)(b) or (5)(b) on whether admission arrangements conform with the requirements relating to admission arrangements.

(2) The adjudicator—

(a) must consider whether it would be appropriate for changes to be made to any aspect of the admission arrangements in consequence of the primary decision, and

(b) may consider whether it would be appropriate for any other changes to be made to any aspect of the admission arrangements.

(3) Where the adjudicator decides under subsection (2) that it would be appropriate for changes to be made to the admission arrangements—

(a) that decision may specify the modifications that are to be made to the arrangements, and

(b) the admission authority must forthwith revise those arrangements in such a way as to give effect to that decision.

(4) The adjudicator may—

(a) decide, in the case of any change required by subsection (3)(b), that it is to be a protected change for the purpose of section 88L, and

(b) where the adjudicator does so but considers that the change ought not to be protected for the number of years prescribed under subsection (2) of that section, decide that the change is to be protected only for such lesser number of school years as the adjudicator may specify.

88K Sections 88H to 88J: supplementary

(1) Subsection (2) applies to any decision of the adjudicator—

(a) under section 88H(4) on whether to uphold an objection to admission arrangements,

(b) under section 88I(4)(b) or (5)(b) on whether admission arrangements conform with the requirements relating to admission arrangements, or

(c) under section 88J(2) as to whether or not it would be appropriate for changes to be made to admission arrangements.

(2) Any decision of the adjudicator to which this subsection applies is binding on—

(a) the admission authority in question, and

(b) all persons by whom an objection may be referred to the adjudicator under section 88H(2) or (3) in relation to the admission arrangements.

(3) In the case of a decision mentioned in subsection (1)(a) or (b), the adjudicator must publish a report containing the following—

(a) the adjudicator's decision on the objection or (as the case may be) on whether the admission arrangements conform with the requirements relating to admission arrangements,

(b) the decision of the adjudicator under section 88J(2)(a), and any decision of the adjudicator under section 88J(2)(b), on whether it would be appropriate for changes to be made to the admission arrangements,

(c) any decision of the adjudicator—

(i) under section 88J(4)(a) that a change is to be a protected change for the purposes of section 88L, or

(ii) under section 88J(4)(b) that a change is to be protected only for such lesser number of school years as the adjudicator may specify, and

(d) the adjudicator's reasons for the decisions mentioned in paragraphs (a) to (c).

(4) Regulations may make provision—

(a) requiring an admission authority for a maintained school in England to provide information which—

(i) falls within a prescribed description, and

(ii) is requested by the adjudicator for the purposes of the exercise by the adjudicator of functions under sections 88H to 88J or this section or of enabling the adjudicator to decide whether to exercise the power conferred by section 88I(5);

(b) as to the manner in which a report required to be published under subsection (3) is to be published;

(c) requiring such matters to be notified to such persons, and in such manner, as may be prescribed;

(d) prescribing circumstances in which an admission authority may revise the admission arrangements for their school in the light of any decision by the adjudicator relating to the admission arrangements for another school, and the procedure to be followed in such a case.

(5) In sections 88I and 88J and this section "the requirements relating to admission arrangements" means the requirements imposed by or under this Part as to the content of admission arrangements for maintained schools in England.

88L Restriction on alteration of admission arrangements following adjudicator's decision

(1) This section applies where—

(a) in accordance with section 88J(3)(b) the admissions authority for a maintained school in England have revised any provisions of admission arrangements for a school year, and

(b) the revisions include any protected change.

(2) In this section—

"protected change" means a change which the adjudicator has decided under section 88J(4)(a) is to be a protected change for the purposes of this section;

"the protected provisions", in relation to any admission arrangements, means provisions corresponding to—

(c) provisions so far as implementing a protected change, or

(d) provisions so far as revised in accordance with regulations under subsection (6);

"the required number" means such number as may be prescribed or such lesser number as is specified by the adjudicator under section 88J(4)(b) in relation to a particular protected change.

(3) The admission authority for the school—

(a) must incorporate the protected provisions in determining the admission arrangements for each of the required number of school years following the school year mentioned in subsection (1)(a), and

(b) may not vary those arrangements in such a way as to alter the protected provisions.

(4) Subsection (3) does not apply to the extent that—

(a) the admission authority are required to determine or vary their admission arrangements in a way which alters the protected provisions in order to comply with any duty imposed on them by regulations under section 88B, or

(b) the arrangements may be determined or varied in a way which alters those provisions in accordance with regulations under subsection (6).

(5) Regulations may exclude or modify any provision of section 88C, 88E or 88F in its application to cases to which this section applies.

(6) Regulations may prescribe circumstances in which, in a case where this section applies, an admission authority may refer to the adjudicator proposals to determine or vary their admission arrangements in a way which alters the protected provisions.

(7) Regulations may make provision as to the determination by the adjudicator of any reference made by virtue of subsection (6).

88M Co-ordination of admission arrangements

(1) Regulations may require a local education authority in England—

(a) to formulate, for any academic year in relation to which prescribed conditions are satisfied, a qualifying scheme for co-ordinating the arrangements for the admission of pupils to maintained schools in their area, and

(b) to take prescribed action with a view to securing the adoption of the scheme by themselves and each governing body who are the admission authority for a maintained school in their area.

(2) Subject to subsection (3), the Secretary of State may make, in relation to the area of a local education authority in England and an academic year, a scheme for co-ordinating the arrangements, or assisting in the co-ordination of the arrangements, for the admission of pupils to maintained schools in that area.

(3) A scheme may not be made under subsection (2) in relation to a local education authority and an academic year if, before the prescribed date in the year preceding the year in which that academic year commences—

(a) a scheme formulated by the local education authority in accordance with subsection (1) is adopted in the prescribed manner by the persons mentioned in paragraph (b) of that subsection, and

(b) the authority provide the Secretary of State with a copy of the scheme and inform the Secretary of State that the scheme has been so adopted.

(4) Regulations may provide—

(a) that each local education authority in England must secure that, subject to such exceptions as may be prescribed, no decision made by any admission authority for a maintained school in their area to offer or refuse a child admission to the school is to be communicated to the parent of the child except on a single day, designated by the local education authority, in each year, or

(b) that, subject to such exceptions as may be prescribed, a decision made by the admission authority for a maintained school in England to offer or refuse a child admission to the school is not to be communicated to the parent of the child except on a prescribed day.

(5) In this section

"academic year" means a period commencing with 1st August and ending with the next 31st July;

"qualifying scheme" means a scheme that meets prescribed requirements.

(6) Nothing in this section applies in relation to arrangements for the admission to maintained schools of pupils—

(a) who—

(i) have ceased to be of compulsory school age, or

(ii) will have ceased to be of compulsory school age before education is provided for them at the school, or

(b) for the purpose of receiving sixth form education.

88N Further provision about schemes adopted or made by virtue of section 88M

(1) Regulations may make provision about the contents of schemes under section 88M(2), including provision about the duties that may be imposed by such schemes on—

(a) local education authorities in England, and

(b) the admission authorities for maintained schools in England.

(2) Regulations may provide that where a local education authority in England or the governing body of a maintained school in England have, in such manner as may be prescribed, adopted a scheme formulated by a local education authority for the purpose mentioned in section 88M(1)(a), sections 496 and 497 of the Education Act 1996 (c. 56) are to apply as if any obligations imposed on the local education authority or governing body under the scheme were duties imposed on them by that Act.

(3) Regulations may provide that where any decision as to whether a child is to be granted or refused admission to a maintained school in England falls to be made in prescribed circumstances, the decision must, if a scheme adopted or made by virtue of section 88M so provides, be made by the local education authority regardless of whether they are the admission authority for the school.

(4) Where any decision as to whether a child is to be granted or refused admission to a maintained school is (by virtue of regulations under subsection (3)) made by the local education authority although they are not the admission authority, the governing body of the school must implement the decision.

(5) Before proposing a scheme for adoption under section 88M(1) a local education authority must comply with such requirements as to consultation as may be prescribed.

(6) Regulations under subsection (5) may in particular require consultations to be undertaken with a view to securing that the arrangements for the admission of pupils to maintained schools in the areas of different local education authorities are, so far as is reasonably practicable, compatible with each other.

(7) Before making a scheme under section 88M(2) in relation to the area of any local education authority, the Secretary of State must consult—

(a) the local education authority, and

(b) any governing body who are the admission authority for a school which appears to the Secretary of State to be a school to which the scheme will apply.

(8) A scheme made under section 88M(2) may be varied or revoked by the Secretary of State.

88O Sharing of information by local education authorities

The Secretary of State may by regulations require local education authorities in England to provide other local education authorities with such information as may be required by them in connection with the exercise of any of their functions under this Chapter.

88P Reports by local education authorities to adjudicator

(1) A local education authority in England must make such reports to the adjudicator about such matters connected with relevant school admissions as may be prescribed.

(2) In subsection (1) "relevant school admissions", in relation to a local education authority, means—

(a) the admission of pupils to relevant schools in the authority's area;

(b) the admission of pupils in the authority's area to other relevant schools;

(c) the entry to the sixth form of pupils who have been admitted to relevant schools in the authority's area; and

(d) the entry to the sixth form of pupils in the authority's area who have been admitted to other relevant schools.

(3) In this section, "relevant school" means—

(a) a maintained school,

(b) an Academy,

(c) a city technology college, or

(d) a city college for the technology of the arts.

(4) The matters which may be prescribed under subsection (1) in relation to a report by a local education authority include, in particular, matters relating to—

(a) the determination and operation of admission arrangements for maintained schools in the area of the local education authority;

(b) the determination and operation of arrangements for the admission of pupils to Academies, city technology colleges and city colleges for the technology of the arts in the area of the local education authority;

(c) the adoption and operation of any scheme, whether or not formulated by the local education authority and whether under section 88M or otherwise, for co-ordinating—

(i) the admission of pupils to relevant schools in their area,

(ii) the admission of pupils in their area to other relevant schools.

(5) Regulations under subsection (1) may make provision as to—

(a) the time by which any report under that subsection must be made; and

(b) the form and content of any such report;

and may, in particular, require a report to include a statement as to whether or not admission arrangements for maintained schools in the area of the local education authority conform with the requirements imposed by or under this Part as to the content of admission arrangements for maintained schools in England.

88Q Reports under section 88P: provision of information

(1) A relevant person must, on request, provide a local education authority in England with such information as the authority may reasonably require for the purpose of enabling the authority to fulfil their duties under section 88P.

(2) In subsection (1), "relevant person", in relation to a local education authority, means—

(a) an admission authority (other than the local education authority) for a maintained school in the area of the local education authority;

(b) the admission forum for the area of the local education authority;

(c) any member of an appeal panel constituted under section 94 by—

(i) the local education authority, or

(ii) the governing body of a foundation or voluntary aided school in the area of the local education authority;

(d) the proprietor of—

(i) an Academy,

(ii) a city technology college, or

(iii) a city college for the technology of the arts,

in the area of the local education authority;

(e) any other local education authority in England;

(f) such other person as may be prescribed.'.—*[Ed Balls.]*

Brought up, and read the First time.

4.49 pm

The Secretary of State for Children, Schools and Families (Ed Balls): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments:

(a), in line 10, after 'schools', insert 'and academies'.

(b), in line 17, after 'school', insert 'and academy'.

(c), in line 42, after 'school', insert 'and academy'.

(d), in line 56, after 'school', insert 'and academy'.

(e), in line 244, after 'school', insert 'and academy'.

(f), in line 337, after 'school', insert 'and academy'.

(g), in line 362, after 'school', insert 'and academy'.

(h), in line 405, after 'schools', insert 'and academies'.

(i), in line 408, after 'school', insert 'and academy'.

(j), in line 413, after 'schools', insert 'and academies'.

(k), in line 427, after 'school', insert 'and academy'.

(l), in line 432, after 'school', insert 'and academy'.

(m), in line 494, at end insert 'and admission forum'.

(n), in line 527, at end insert—

'(d) the number and percentages of first, second and third preferences expressed in accordance with arrangements made under section 86(1) of the School Standards and Framework Act (or more if applicable) which were met and the main factors that affected whether such preferences were met;

(e) the number of appeals made to the appeal panel within the area of the authority;

(f) the ethnic and social mix of pupils attending schools in the area of the authority and the factors that affect this;

(g) the extent to which existing and proposed admission arrangements serve the interests of looked after children, children with disabilities and children with special educational needs;

(h) how well the admission forum protocol has worked and how many children have been admitted to each school under the protocol;

(i) whether primary schools are meeting their statutory duties in relation to infant class sizes;

(j) details of other matters that might affect how fairly admission arrangements serve the interests of children and parents within the authority; and

(k) any recommendation or recommendations that the forum wishes to make in order to improve parental choice and access to education in the area of the authority.'.

New clause 18—*Selection by aptitude*

'(1) No new or existing maintained school shall select pupils by aptitude.

(2) For the purposes of this section, "maintained school" includes all Academies, Specialist, Trust or Foundation Schools.'.

New clause 19—*Parental right to secure attendance at nearest school*

'(1) The Secretary of State shall by regulations make such provision as he considers necessary which may include the repeal, amendment or revocation of any legislation enacted prior to the coming into effect of this Act, for the purposes of giving full effect to the principle set out in subsection (2).

(2) The principle referred to in subsection (1) is that the admission authority for each maintained school, following the commencement of a school year on or after 1st August 2011, shall admit all pupils on whose behalf the parent has stated a preference and demonstrated that the school is the nearest to the pupil's home.'.

New clause 20—*Retention of selection by ability or aptitude after parent ballot*

'(1) The Secretary of State shall by regulations make such provision as he considers necessary which may include the repeal, amendment or revocation of any legislation enacted prior to the coming into effect of this Act, for the purposes of giving full effect to the principle set out in subsection (2).

(2) The principle referred to in subsection (1) is that no admission arrangements for any school providing secondary education may, following the commencement of a school year on or after 1st August 2011 continue to make provision for the selection of pupils by ability or aptitude other than under section 101 of the School Standards and Framework Act 1998 (Permitted selection: pupil banding) unless the continuation of such selection has been approved in a ballot of parents of pupils attending primary schools from which such pupils may by choice of their parents transfer.'.

New clause 21—*Abolition of selection by ability before the age of 14*

'(1) The Secretary of State shall by regulations make such provision as he considers necessary which may include the repeal, amendment or revocation of any legislation enacted prior to the coming into effect of this Act, for the purposes of giving full effect to the principle set out in subsection (2).

(2) The principle referred to in subsection (1) is that no admission arrangements for any school providing secondary education shall, following the commencement of a school year on or after 1st August 2011 make provision for the selection of pupils under the age of 14 years by ability or aptitude other than under section 101 of the School Standards and Framework Act 1998 (Permitted selection: pupil banding).'.

New clause 22—*School admissions: cessation of selection*

'After the school year commencing on or after 1st August 2011, the following shall cease to have effect—

(1) sections 99 to 100, and 102 to 109 of the School Standards and Framework Act 1998 (c.31), and

(2) subsection (1)(b) of section 39 of the Education and Inspections Act 2006 (c.40).'.

Government amendments Nos. 119 to 123.

Government amendments Nos. 133 to 140.

Ed Balls: It is a great honour to speak on Report of this historic Bill to raise the education and training leaving age to 18, and also to move new clause 14 to strengthen the schools admissions code, which I believe is a vital part of the reforms to our education system that we must put in place to make this whole Bill a success. I should like to start by commending Committee members and all the outside experts on the high quality of scrutiny and debate that the Bill received in Committee. I very much enjoyed studying the details of those discussions.

This is a landmark piece of legislation; it is the biggest reform in educational participation for more than 50 years and the culmination of this House's century-long ambition to deliver educational opportunity for all young people. In Committee, it was widely recognised by Members from all parts of the House that our wider education reforms—those to qualifications, the curriculum, information and guidance, schools and schools admissions—were all necessary steps to take over the next few years to bring our education system into line with the highest performing education systems in the world and to ensure that all our young people have the skills that they need to succeed in the fast-moving global economy.

Our goal is not simply to preserve opportunity and excellence for some, but to deliver it for all. We recognise that excellence for all demands both that every school is a good school and that every parent should have a fair chance to get their child into a school of their choosing. It is to deliver the goal that every school should be a good one that our national challenge programme will aim to lift all schools above the 30 per cent. threshold in respect of five GCSEs at grades A to C, including English and Maths.

Madam Deputy Speaker: Order. I wonder whether the Minister would confine or relate his remarks to new clause 14.

Ed Balls: Fair admissions are also vital in ensuring universal access to educational opportunity, and excellence for all children and young people. That is why the Education and Inspections Act 2006 introduced the schools admissions code, with cross-party support in Parliament, to ensure a level playing field for all parents and to ban unfair practices, such as interviewing parents or asking them for financial contributions as part of the admissions process. The code has been in operation for just one year. As my hon. Friend the Member for Huddersfield (Mr. Sheerman) said, we have been building on the Select Committee report that preceded it and on the 2006 Act, and I believe that we have made real progress in delivering fair admissions.

In January, the Minister for Schools and Learners wrote to all local authorities to remind them of their new obligations under the code. Also earlier this year, my Department's officials undertook a spot check on admissions arrangements in three local authority areas. The areas were chosen by officials on the basis that they represented a London borough, a metropolitan borough and a shire county, and were areas where the schools adjudicator had received no complaints about admissions in the first year of the code's operation.

As we have discussed before in this House, we were taken aback by the findings reported to us. One in six schools in the areas surveyed were found to have been in breach of the admissions code—18 schools were in breach on more than three counts. A total of 96 schools had adopted admissions arrangements that were unlawful under the code without any objection having been made to the schools adjudicator.

In the light of those findings, which I published to Parliament, and following detailed consultation on reforms to strengthen the admissions arrangements, which we have undertaken in recent weeks, the new clause introduces a package of proposals further to strengthen the admissions system on the basis of the announcements that I made to the House on 2 April. We believe that our proposals will constitute a further transparent and important step towards fair admissions.

The Minister for Schools and Learners wrote to the Chairs of the Public Bill Committee on 8 May to explain the detail of the proposals, and the letter was copied to the members of the Committee and to all Front-Bench spokespeople in the House. A copy of the letter was also placed in the Library. I should like to record that since we started that consultation, and since the proposals were published in draft, the chief schools adjudicator has written to me to welcome them, and I am grateful to him for his support. In addition, we have consulted widely with faith groups and parents groups, which all support the actions that are needed in order to strengthen the code and to ensure fair admissions.

The new clause and the amendments relate to the code in three areas. First, we need to do more to ensure that the admissions arrangements for all maintained schools are fully consulted on and scrutinised at a local level to ensure that, school by school, they comply with the code, and that therefore they deliver fair admissions for all parents.

The requirement for admissions arrangements to be consulted on annually, irrespective of whether they have changed since the previous year, is, in our view, an unnecessary burden. Also, parents and their communities are required to play no role in the consultation process. The amendments will therefore allow us to set out in secondary legislation a more flexible and adaptable consultation process, which will enable us more effectively to engage parents and communities.

It is our intention to consult in the summer on proposals that would require admission authorities to consult on their arrangements not every year, but every

[Ed Balls]

three years, to lighten the burden on schools. Where changes are proposed within the three-year period, then, and only then, would a full consultation have to take place. It is our intention at that stage to ensure that parents and communities would be consulted. It is my intention separately but in parallel with that work also to ensure that in local areas elected local councillors can represent their constituents at appeals under the admissions code.

The second thing that we are doing in relation to the new clause is placing a clear duty on local authorities to report to the schools adjudicator on admission arrangements in their area. That is as part of their responsibility to monitor actively the compliance of admissions arrangements in their areas with the code and with admissions legislation. It is our intention to consult in the summer on regulations that prescribe the exact form, content and timing of those reports.

Thirdly, I am extending the role of the schools adjudicator so that, rather than being reactive as he is now, he will have a power to consider any admissions arrangements that come to his attention by any means, rather than waiting for complaints or reports to come to him. The schools adjudicator has no power to consider whether a school's admission arrangements are unlawful unless he receives an objection from a local authority, a school, a faith body, a parent or an admissions forum. It is clear to me, on the basis of the evidence I have seen, that the adjudicator's powers do not go far enough. He agrees with that.

Also, when particular admissions arrangements are referred to the adjudicator by my Department or are highlighted in a local authority report on admissions, the schools adjudicator will be obliged to consider them and to act accordingly. By extending the adjudicator's role in that way, together with the other measures we are introducing through the Bill, we believe that we will be able to ensure greater compliance with the code and achieve fair admissions.

In fact, we believe that the steps we have taken in recent months will themselves constitute a decisive step towards fair admissions in our country. It is the only way to ensure that not some parents, but all parents, and not some children, but all children, have a fair and equal chance of gaining a place for the child at the school of their choice.

I should point out, as the letter to the Committee explained, that although those are the three main changes, there are other changes in relation to the new clause, which are consequential amendments Nos. 133 to 140, in particular to reorganise this chapter of the School Standards and Framework Act 1998 so it is easier to understand and to draw the distinction between those amendments that relate to England and those that relate to the devolved Administrations.

I should also briefly mention the amendments to clauses 134 and 135, which we tabled and which were inserted during consideration of the Bill in Committee in the Commons. They support young people in fulfilling their duty to participate in education or training to the age of 18 by giving young people of whatever age the right to express a preference as to which school they want to attend to receive sixth form education, and give young people aged 16 to 18 the right to appeal to an independent panel against decisions made.

Amendment No. 119 will remove the regulation-making power from clause 134, as the law already provides for children on a roll at a school and transferring to the sixth form to be kept on the roll unless there are lawful grounds for them to be removed. Amendments Nos. 120 to 123 are consequential to clause 135 as a result of amendment No. 119.

The admissions code demonstrates a substantial step towards fair admissions in our country. As I said, it was passed with cross-party support in the House, and I pay tribute to the Chairman of the Select Committee, my hon. Friend the Member for Huddersfield, for the work he did and the leadership he gave in delivering that code.

Rob Marris (Wolverhampton, South-West) (Lab): May I take the Secretary of State back to line 553 of new clause 14, which is on page 2057 of the amendment paper and concerns local education authorities requesting information from certain bodies? Line 553 refers to

"the proprietor of...an Academy...a city technology college, or...a city college for the technology of the arts...in the area of the local education authority".

Will my right hon. Friend say what is meant by the term "the proprietor"?

5 pm

Ed Balls: In that case, I think that it is a technical term. It would refer to the governing body of those schools in those three cases. I shall confirm that when I make my concluding remarks after the debate, but I am sure that that is the case.

In conclusion, the admissions code was a decisive step forward, but we need to ensure that it is implemented properly and consistently across the country. We have had the support of schools, parents and all the faith groups in taking forward our drive for fair admissions in recent weeks. I hope that we will achieve consensus in the House on new clause 14 and the importance of fair admissions.

I know that consensus on the Bill has at times proved elusive. We have the support of the CBI, the Institute of Directors and the British Chambers of Commerce on the wider debates, but there were differences in Committee that we will hear about later, in particular about the core of the Bill, which is the subject of compulsion. I hope that there will be an opportunity for Opposition Members to change their minds and to join the consensus in the country about the importance of education to 18 being for all young people, not just for some. On admissions, I urge Opposition Members to put politics aside and to support our reforms to deliver a level playing field and fairness for all parents. That is what our new clause will achieve. I hope that we will have the support of all parties today.

Michael Gove (Surrey Heath) (Con): I am sure that I am not alone in the House in being moved by the Secretary of State's plea for consensus and for us all to put aside petty politics in the interests of the nation. It is a great pity that the right hon. Members for Norwich, South (Mr. Clarke) and for Birkenhead (Mr. Field) are not in the Chamber to hear that plea.

I am also conscious of the way the Secretary of State framed the debate, and the way he talked about the importance of ensuring that everyone has the right to participate in education and training until the age of 18. As the Secretary of State will recall from Second Reading, and from the points that were made so well by my hon. Friends the Members for South Holland and The Deepings (Mr. Hayes) and for Bognor Regis and Littlehampton (Mr. Gibb) in Committee, the Opposition are committed to education not only until the age of 18 but beyond. We are committed to lifelong learning, to expanding university participation and to ensuring that every child who wishes to has the opportunity to allow their talent—

Madam Deputy Speaker: Order. I remind the hon. Gentleman that we are not on Third Reading. We are addressing the contents of new clause 14.

Michael Gove: I am sure that if the Secretary of State wishes to refresh his memory on our views, he can do so by reading *Hansard*. I would recommend that exercise to all.

We all want admissions to be fair. We all want equity and transparency in admissions. As the Secretary of State, typically generous and consensual, pointed out, we played a part in ensuring that the admissions code formed part of the Education and Inspections Bill. I remember that the Secretary of State was less keen on that Bill as a Back Bencher than some, but, nevertheless, with the help of Conservative votes and after considerable soothing of the fevered brows of Labour Back Benchers, that legislation made its way on to the statute book.

When it comes to discussing admissions, the Government do not come to the debate with entirely clean hands. We saw the approach that the Secretary of State and his team take to admissions—he alluded to this case—just a few weeks ago. It was not an edifying spectacle. I shall turn in a second to what that episode reveals and how it inevitably affects the discussion of these amendments. First, however, I shall deal with the broader philosophical question behind admissions and the Government's approach to them, as well as our approach and that of the other Opposition parties.

Unfortunately, there is still an old Labour, socialist approach to the question of admissions. It is not restricted merely to the Back Benches graced by the hon. Member for Wolverhampton, South-West (Rob Marris), but is evident in Sanctuary buildings, too. It is the Secretary of State's belief that what really matters is manipulating access to a limited number of good school places, instead of expanding their number overall. If only he would commit as much intellectual energy to generating more good school places as he does to the micro-management of their allocation, this country would be in a better place and his political reputation would rank higher today.

Rob Marris: Not possible!

Michael Gove: I am grateful to the hon. Member for Wolverhampton, South-West for displaying a spirit of loyalty that is sadly lacking at the moment on the Labour Bank Benches. No doubt it will stand him in good stead in whatever reshuffle we inevitably see after 22 May.

The Government's approach to admissions has been described by some as bleeding heart Stalinism. In the Soviet Union, the production and enjoyment of a few worthwhile goods such as Zil limousines were restricted—

Madam Deputy Speaker: Order. I remind the hon. Gentleman that we are discussing the contents of new clause 14 and the amendments grouped with it. Perhaps he will address his remarks accordingly.

Michael Gove: Thank you very much, Madam Deputy Speaker. My contention is that those who criticise the Government for their approach to admissions are on to something. Instead of ensuring a genuine expansion in the number of good school places, the Government want to ration the limited number of such places.

In Soviet Russia, there were a few goods that were worth while, such as Zil limousines, and they were reserved for the nomenklatura, the bureaucratic elite. As far as this Government are concerned, there are a few good school places and they will be allocated at random or through the admissions code. They believe that that is enough to justify their approach to education. Instead of concentrating and devoting their intellectual energy to generating more good school places, for the Government it is a matter of dividing up what already exists—a classic left-wing approach.

Dr. Stephen Ladyman (South Thanet) (Lab): I cannot help but point out to the hon. Gentleman that he seems to be describing in great detail what happens in Kent. There, access to good school places is limited by the Conservative council to those pupils who can pass the 11-plus examination. The admissions process is geared to making sure that they get two first choices in the admissions procedure, rather than the one to which everyone else is restricted. How does the hon. Gentleman think we should address that problem?

Michael Gove: I am interested in the question of selection, and note that the hon. Member for Bury, North (Mr. Chaytor) has tabled an amendment that deals with the broader issue of selection at 11 and grammar schools. My party shares what I think was the view of the former Prime Minister: we believe that in counties where selection still occurs—Kent and Buckinghamshire, for example—it is a matter for local people to decide. The arrangements in place should remain as long as they command popular support. If the hon. Gentleman agrees with that view, I am delighted; but if he takes issue with it, that is a matter for him and his constituents.

Dr. Ladyman: I certainly support the Government's position that it should be a matter for local choice but, as I shall set out later, the problem is that in Kent the rules currently require us to get up a petition of more than 40,000 names—together with a whole raft of information to verify that they are the correct people—before we can have a referendum. If, at some point in the future, I can convince my Front-Bench colleagues that they should simplify the process so that we can have a referendum on selection in Kent once and for all, will the hon. Gentleman support me in that?

Michael Gove: No, but I look forward to the discussions that the hon. Gentleman is going to have with his Front-Bench colleagues.

The Minister for Schools and Learners (Jim Knight): Will the hon. Gentleman give way?

Michael Gove: I am delighted to give way to the Minister.

Jim Knight: I am grateful to the hon. Gentleman for giving way. While we are on the subject of grammar schools, I should say that there has been some uncertainty about his position. If an authority such as Tory Buckinghamshire wanted to build new grammar schools, would he support that?

Michael Gove: My position is that where, for reasons of demographic change, there is any need to expand the provision of grammar school places, we should allow the existing legislative framework to govern the process.

Mr. David Laws (Yeovil) (LD): Surely the hon. Gentleman knows that under the existing legislative process he would have to table an amendment to allow for a new grammar school?

Michael Gove *rose—*

Madam Deputy Speaker: Order. I really must stop this discussion on grammar schools. I remind all hon. Members that we are discussing new clause 14 and admissions policy.

Michael Gove: It is always a pleasure to receive your rulings, Madam Deputy Speaker.

In the debate on grammar schools, some people sometimes take the view that intake determines how good a school is, and that if we manipulate that, we fix everything. The view is taken by some on the extreme left and by others who are stuck in the past. My view is that it is not the social engineering of the intake that makes a good school, but getting the basics right. If a school has the right ethos and good behaviour and discipline, if its leadership team inculcates appropriate values in all those associated with the school, and if high standards are the school's watchword, any school, no matter how challenging its intake, can be good. I—and, I am sure, the Secretary of State—have seen schools with uniquely challenging intakes produce superb results. I have also seen schools in relatively privileged areas where high standards have not been the norm, and where expectations have not been as high as they should be. Those schools have been underperforming.

It is my contention that deprivation is not destiny. It is the quality of the school, not the background of the intake, that is the decisive factor. It should be the mission of hon. Members from across the House to drive up standards, whatever a school's intake, and to concentrate on the changes that will generate improvements.

Dr. Ladyman: The hon. Gentleman has said something with which I can agree wholeheartedly, so may I recommend to him the research done by Professor Jesson at York university? He has clearly demonstrated that in areas where selection is the norm, standards of teaching in grammar schools, measured on an "added value" basis, are far worse than in schools that have a comprehensive ethos, or where pupils are not selectively chosen. If the hon. Gentleman is interested in genuinely driving up standards, will he study that research, and if he agrees with its conclusions, will he join me in my campaign against selection?

Michael Gove: I am always grateful to the hon. Gentleman for his commitment to evidence-based policy making. I will look with interest at the research that he mentions, but my assessment, from all the educational research that I have read, is that the debate is a red herring. Ultimately, it is what happens in schools, and not how they select their intake, that determines how successful they are. However, he makes his point courteously, so I shall take the trouble to get hold of the research that he mentions.

There has been a measure of agreement among Front Benchers and Back Benchers about the importance of recognising and celebrating good schools and the ethos that makes them distinctive and successful. The worrying thing about the Government's approach to admissions and the admissions code is that they have alienated good heads and have undermined good schools. In March, as the Secretary of State pointed out, the Government rushed out an announcement in which they drew attention to what they perceived to be numerous infractions of the admissions code. The timing of the announcement was curious: it was made on the same day that we discovered that one in five parents found their children had been denied their choice of school. Headlines would have underlined the extent of Government failure to generate enough good school places. Curiously, instead of explaining why that had taken place, the Government attacked successful schools. Why? Well, I can only quote the words of Joshua Rowe, one of the governors of King David high school in Manchester, who said:

"this is a political stunt and smokescreen; a diversion from the real issues of failing schools".

I can only quote the Church of England's chief education officer, Jan Ainsworth, who said:

"The Secretary of State must have known his decision to go public in this way would result in hostile coverage. There is a real feeling of betrayal by the minister, and some anxiety about the direction of future relationships with his department."

It was not only Jan Ainsworth who spoke up on behalf of the Church of England. Colin Hopkins, secretary to the Dearing review commissioned under the previous Prime Minister, stated that as a result of what Ministers had said the public had been given an

"outrageously false impression of our schools".

Listening to the Secretary of State, one would have got the impression that faith leaders welcomed his intervention the other month, but all those directly involved in the provision of faith education pointed out that the style, manner and content of the ministerial intervention was directly hostile to the ethos of those good schools.

5.15 pm

It was not just faith leaders who made that point. Conor Ryan, who was not just special adviser to the right hon. Member for Sheffield, Brightside (Mr. Blunkett) when he was Secretary of State, but adviser on public

service reform to the former Prime Minister, also pointed out that the problem with turning the issue that the present Secretary of State deliberately chose to raise into a cause célèbre is that it

"alienates many of the good school leaders whom the Government need if they are to tackle failing schools."

Denounced by governors, criticised by the Church of England, held to account by those in the front line and damned by the man who was responsible for the education reforms that genuinely marked out the first few years of the Government as distinctive—not a happy position for the Secretary of State.

Rob Marris: The hon. Gentleman has used the noun three times, but what does "ethos" mean in the present context?

Michael Gove: A good question. "Ethos" refers, inevitably, to the qualities that a school has that make it distinctive and special, the qualities that parents admire and pupils appreciate—a commitment to discipline, to high standards, to making sure that an academic curriculum is available to all, a belief that every child, properly taught and appropriately nurtured, can achieve more than the parents may ever have envisaged.

One of the distinctive features of faith schools is that, whether actuated by the individual tenets of the beliefs that motivated the founders or by the commitment of those within them to good education, they consistently outperform the mean level of other schools. They are something to be cherished, something that the previous Prime Minister made it clear that he cherished, and they are schools that, unfortunately, feel demoralised and under attack as a result of the Secretary of State's intervention—not a happy moment in his career.

What was the consequence of the Secretary of State's intervention? We had lurid headlines about cash for places. Any suggestion that cash was determining access would have been worth objecting to, but there was no evidence that cash was determining access. As I pointed out on the Floor of the House, the money that was required and requested by those schools was required and requested for good reasons and entirely consistent with established practice, not affected by the clauses and amendments that we are discussing today.

It was the case that the money that was asked for specifically by Jewish faith schools was to provide the physical security of those children, who face a renewed and increased threat of anti-Semitic attack, and it was also required to pay for the explicitly religious Jewish studies, which are not covered by the amount of money that the DCSF remits for education in those schools. So it is entirely understandable that there should be a request for purely voluntary contributions.

Within the community concerned, people knew that the contributions were entirely voluntary. It is the case, as was pointed out by the Board of Deputies of British Jews, that in some of those schools a third of parents or less are paying the voluntary contributions requested. If it was the case that those voluntary contributions constituted a barrier, if it was the case that they determined entry, why in those schools would so few be making that contribution? When the Secretary of State launched that attack, he was not aware of the precise figures, how many people had paid or their circumstances. If he had been, I doubt very much whether he would have launched his ill considered attack.

Mr. Laws: I understand the hon. Gentleman's concerns about the timing of the Government announcement, but is he saying that he is comfortable with maintained schools asking for voluntary donations in that way? Does he not see the obvious risk?

Michael Gove: I appreciate that when it comes to asking for any contribution sensitivity must be applied, but that sensitivity cuts both ways. It is important to ensure that schools ask for a contribution after admissions have been granted and in a way that ensures that members of the community are fully aware of how that money will be deployed. But it is also incumbent on the Secretary of State to show sensitivity to minority faith groups. If he believes, and I believe, that the situation could have been improved, he had a choice. His choice was publicly to name and shame schools in a way that led them to believe that their position was under threat, to see those schools criticised, and to see their names appear in the press under the allegation that there was somehow a cash for access scam operating. The Secretary of State will have an opportunity later in this debate to disavow that implication, apologise for the coverage that his intervention generated and put on the record his admiration for those schools and his regret at his and his Department's clumsiness. I look forward to that; it would be a gracious acknowledgement that would do him great credit.

Ed Balls: Will the hon. Gentleman give way?

Michael Gove: I am delighted to.

Ed Balls: As the hon. Gentleman knows, since I became Secretary of State I have said many times that I fully support faith schools, including Jewish faith schools. Is he really saying that, if he had been in my position, with the clear information that a number of schools were making contributions part of the admission process in direct contradiction of the law, he would have chosen not to make that information available—not just to the schools themselves, but to parents in the area? Is he really saying that he would have decided to deny the public that information?

Michael Gove: I would have verified my facts before calling a press conference at a politically convenient time to cover my embarrassment and make schools the victims of a witch hunt. The Secretary of State owes it to those schools to offer not vanilla words of support, but proper words of regret and an acknowledgement of the hurt that they and their governing bodies felt and of the difficulties that they faced in the national press as a result. If the Secretary of State did that, I would be grateful and we could move on to discuss other aspects of what he proposes. It is interesting that, even at this stage, the Secretary of State, in a hole, insists on digging.

Ed Balls: Will the hon. Gentleman give way?

Michael Gove: I shall be delighted to.

Ed Balls: The only person who has used the words "witch hunt" about this matter is the hon. Gentleman. He should apologise to me and my Department for using such language when he knows full well that we entirely support Jewish schools and voluntary contributions for security and ethos, although we also want fair admissions for parents.

We did verify with individual schools before we went public. The hon. Gentleman should apologise to me; his use of intemperate and divisive language has brought politics into fair admissions, something that previously had cross-party support. I make no apologies to parents in this country for driving forward fair admissions. The hon. Gentleman should apologise to me.

Michael Gove: I certainly will not be responding to that intemperate and ill judged contribution from the Secretary of State.

Madam Deputy Speaker: Order. I remind all hon. Members of the words of "Erskine May": it is important that temperate language be used in debates in the House.

Michael Gove: Thank you very much, Madam Deputy Speaker.

Tom Peryer, the director of education at the London Diocesan Board for Schools, wrote to the Secretary of State after the various statements. Mr. Peryer said that he wished to express on behalf of faith schools his disappointment and consternation at how the exercise was conducted—the clear inaccuracies and subsequent naming and shaming of schools when some schools were not guilty as charged. He objected to the highly questionable interpretations by officials of certain aspects of the code, to the inadequate communication and to how the exercise was publicised. Speaking on behalf of faith organisations, I have consistently cited individuals who were disappointed and experienced consternation at the way the Secretary of State and his Ministers acted. I am delighted to be able to act as their advocate in this place.

Ed Balls: May I ask the hon. Gentleman to comment on the statement from the Church of England? On 11 March, the day we made the statement, it said:

"We fully support the challenge issued by the Secretary of State where schools have not heeded the Admissions Code. There is no excuse for not complying with the law in this area."

The fact is that the Board of Deputies, the Catholic Education Service and the Church of England all supported our measures and drive for fair admissions. The hon. Gentleman should be supporting us and the faith groups, rather than trying to sow division. He should be on the side of parents, which is where I am.

Michael Gove: The Secretary of State was responsible for making the statement that generated the responses; I did not ask Tom Peryer, Joshua Rowe or any of the headmasters or governors who contacted me to make their statements. It was the Secretary of State who deliberately sought to politicise the issue with his statement and to publicise things in a way that caused the disappointment and consternation that I have referred to.

Mr. David Chaytor (Bury, North) (Lab): The shadow Secretary of State has been speaking for nearly 25 minutes about an incident that occurred four or five months ago. I am waiting to hear what he has to say about new clause 14.

Michael Gove: I have tried to allow every intervention to be made and to allow this debate to be as full as possible. We made it clear in our opposition to the programme motion that we felt there was inadequate time to debate the very serious issues surrounding admissions and to debate the other issues surrounding the raising of the participation age. Let us be clear that it is the Government who tabled the new clause and consequent amendments. I sympathise with the hon. Gentleman's anxiety about the lack of time to debate—*[Interruption.]* The Government Whip, the hon. Member for Motherwell and Wishaw (Mr. Roy), intervenes from a sedentary position; if he would like to make a proper intervention, I would be delighted to take it.

Ed Balls: Does the hon. Gentleman support new clause 14?

Michael Gove: I am outlining our approach, and the Secretary of State will have to wait for a Division to be called when we will give him our position on that. Following all the interventions that hon. Gentlemen have been kind and wise enough to make, I am attempting to answer their points and to ensure that we have adequate debate. That is always my aim. The hon. Gentleman from the Government Whips Office just said that we had agreed to the programme motion. As my hon. Friend the Member for Bognor Regis and Littlehampton made clear, that was before the Government made a number of changes to today's business. *[Interruption.]*

Madam Deputy Speaker: Order. There is a considerable amount for discussion in the new clauses and amendments before the House. May I suggest that we now proceed down that route?

Michael Gove: Delighted, Madam Deputy Speaker.

One of the central aspects of the admissions code covered by the new clause and amendments is the priority given to children who are in care—looked-after children. We agree that it is important that those children receive absolute priority in the admissions process. *[Interruption.]* The Secretary of State says that they were not getting that. Let me refer him to evidence—something that was absent in much of his speech—from the London Diocesan Board for Schools. In his letter to the Secretary of State, Tom Peryer referred to the

"public naming and shaming of schools"

covered by the new clause in a

"'score-sheet' handed out to journalists".

He points out that that

"would have been regrettable even if all the allegations"

made by the Secretary of State and his Department

"were true, but in a number of instances they were not."

He goes on to give examples. Four schools in the London diocese were explicitly named by the Department as schools that failed to prioritise children in care correctly. Tom Peryer says that

"therefore the impression given is that those C of E schools are heartless in turning away the most vulnerable. However, those four schools did prioritise children in care correctly. The officials checking the letter interpreted the fact that those schools included a statement seeking corroborating information from a local authority that a child was indeed in public care as a request for justification as to why the school was the most suitable. This is not the case and the charge of non-compliance rests on an erroneous interpretation of what the school statement said. If indeed their statements are against the code then local authorities should also be found guilty because the common application form for Barnet and for other local authorities in London also requires evidence from the relevant social worker/authority. A few of our schools have had requests or applications from relatives of children who"

believe themselves to be

"'looking after' a child for the child's parents"

and believe that they would therefore be able to go to the top of the priority list. All that those schools were seeking to do was to be true to the spirit of the admissions code and to give proper priority to looked-after children. Yet those schools, in being true to their Christian mission, were named and shamed by the Secretary of State.

I am afraid that the whole episode has been a deeply regrettable exercise on the part of the Secretary of State in seeking to put politics before policy. One of the welcome aspects of the amendments is their bolstering and strengthening of the role of the school adjudicator, given that the way in which the Secretary of State has used his powers causes Conservative Members great concern about whether he has the genuine best interests of the vulnerable most at heart.

When we have an admissions code agreed by all parties, it is absolutely vital that its implementation should be as consensual and considerate as possible. The Secretary of State's approach to the existing admissions code earlier this year showed that it was an instrument that could not be trusted in his hands.

5.30 pm

We welcome some of the signs of contrition that the Government have shown in the way they have approached the matter. The article that the Secretary of State wrote in the *Jewish Chronicle* and the visit that the Minister for Schools and Learners made to the Board of Deputies are acknowledgments that the issue was mishandled and required better handling. When the Secretary of State returns to the issue, it is important that he give us a fuller and better explanation of the way in which the admissions code will be framed in the future. In the new clauses we are debating and some of the subsequent amendments, the Secretary of State and his Ministers acknowledge that it is appropriate to consult on precise implementation of aspects of that code.

One of the questions that concerns Jewish schools is that many of them have requested a ketubah, or marriage certificate, in order to ensure that those who are applying to that school are properly married in accordance with Jewish religious law. I understand why the admissions code is chary about asking for proof of marriage, for all sorts of entirely understandable reasons, which I shall not detain the House by going into now. It is important, however, that the Secretary of State makes it clear that he will be appropriately sensitive and recognise that it is legitimate for Jewish and other faith schools to ask for proof of religious commitment and membership of the appropriate religious community. I look forward to hearing that assurance on the Floor of the House.

One of the other questions that has been raised by certain headmasters in connection with the admissions code and the new clauses is the way in which behaviour cannot be a determining factor when it comes to guaranteeing access to the sixth form of a particular school. One of the questions we would like elucidation on—I am not making the matter party political; we are curious because we are accurately reflecting, as we have done throughout the debate, the concerns of those who run good schools—is the Government's view on the concerns raised by headmasters, such as the headmaster of Hasmonean, and teachers about the way in which they might be compelled to accept children into sixth form whose behaviour has been less than it should be, particularly when the ethos of those schools matters so much to them. I know that the head teacher of Hasmonean has written to the Secretary of State and the Minister for Schools and Learners, so if he cannot give us detail now, perhaps it would be appropriate for him to provide elucidation at another point.

There is another question relating to ethos. In response to the intervention by the hon. Member for Wolverhampton, South-West, I defined "ethos" in my own way, but there was a specific objection from Ministers, in the context of the admissions code, to the use of the word "ethos" because they feared it could create a barrier in certain circumstances. Schools that believe that their distinctive religious ethos is central to their education mission need elucidation as to how it can be protected in the context of the schools adjudicator's new powers. All that would be helpful.

Those are detailed questions that go to the heart of the admissions code, but I make those points now because they are points I have been asked to raise by people who felt hurt and bruised by the process that the Secretary of State and his Department indulged in earlier. We have not had an opportunity to hold the Secretary of State to account for his behaviour during that period. Many in the communities affected have formed a judgment of his approach to their faith and their schools as a result of his actions. This debate provides the Secretary of State with an opportunity to apologise; I hope that he will have the grace to do so.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): It was as long ago as July 2004 that the previous Select Committee on Education and Skills published its report on admissions in secondary education. It has taken some time for the recommendations to work their way through to a Bill that I hope will soon become the law of the land. It has been refreshing to see just how far the Government have accepted the recommendations that we made on an all-party, non-partisan basis.

I was a little saddened by the speech of the hon. Member for Surrey Heath (Michael Gove) because it was about not whether we want to reform the admissions system to make it fair but a specific episode. He said that the Opposition were trying to reflect the views of those who run schools. We were concerned about exactly that when we took the evidence on which our admissions report was based.

[Mr. Barry Sheerman]

Time and again, when head teachers and others were pressed about whether they honoured the admissions code, it was obvious from their answers that they did not. They pointed out that it was an advisory code and that the advice to a head teacher or board of governors was that they should take note of it, but did not have to do anything about it. Several head teachers told me—nicely, politely and modestly—that they had no looked-after children in their school and hardly any special educational needs children. When I or my colleagues intervened to ask the reason and point out that the admissions code should be prioritised, we got a sweet smile and the reply, "We take note of the code."

I have sometimes been accused of being anti-faith school. I am not—indeed, some hon. Members might know that I was parliamentary church warden at St. Margaret's for seven years. I am still a Christian, however bad. The contribution of faith schools over hundreds of years to our education system is magnificent. Although many of us, if starting anew, might change some aspects of their role, they are part of a rich history, and we are where we are.

We did not take evidence from Jewish schools, but we took much from Anglican and Catholic schools, which appeared to have an unerring ability to exclude poor children—I put it as bluntly as that. By some method in their admissions code—I do not know whether it was planned or plotted; I doubt it—Christian foundations, whether Catholic or Anglican, reached a comfortable arrangement whereby desirable schools could exclude children in need. There is a rich tradition of Christians setting up some of the greatest public schools, which were originally established to look after and educate poor Christian souls. Many of those public schools do not do that much any longer. However, I was astonished, as Chairman of the Select Committee, to witness the ability to stop poor children, disadvantaged children, children with special educational needs and looked-after children from getting into Anglican and Catholic schools. I suspect that those schools slipped into that, through custom and practice, over a long time.

The Select Committee report stated that we should have an obligatory code that schools and governing bodies must obey, and that calling in a schools adjudicator should be made easy. Until now, a schools adjudicator could come in only in special circumstances, which would often embarrass a few people in the community. It would be clear that one school had complained about another, and the camaraderie among head teachers meant that one did not do that. It appeared to the Committee that the rules were stacked against fair access. Surely the new clause tackles that, and we should accept it. I have never listened only to the views of those running such schools. Indeed, many of the people who gave evidence to the Committee did not seem to be too concerned about fair access. The current, mandatory code will put that right and new clause 14 is essential in delivering that.

I do not want to make a long speech. I do not want to be too partisan, but we had reached the stage at which somebody had to make an example of some of those schools. Not only was the code and the schools adjudicator made obligatory, but when research was conducted in three local authorities we found that some schools were still not conforming to the new rules of the game. There comes a point at which any Secretary of State who wants to take a firm view on fair admissions has to say, "Okay, we don't want to, but we're going to make an example of someone. There will be bad publicity if people don't get out of their rather comfortable habit of excluding children who have a right to be in a school."

To conclude, new clause 14 is right. I have spent a few hours today and yesterday in various studios and elsewhere, giving the Government quite a hard time on testing and assessment. However, I am switching modes in this short speech to say that I hope that it will not take as long—nearly four years—to reform our testing and assessment practices. In this case, however, do not let the House be ungrateful for what I think has been the perfect working of educational reform. The Education and Skills Committee did not make things up; it listened to the oral evidence and read the written evidence. We picked up on the feeling that something was deeply wrong with admissions policy and that it was not fair. We made a recommendation on an all-party basis and the Government have eventually taken note. That is good parliamentary practice and now good legislation.

Mr. Laws: I shall not speculate on the timing of the announcement of Government new clause 14 or the motives that informed it. I simply say that we are happy to support it and believe it necessary to address some of the unfair practices used in admissions over the years, which have been identified in many reports, including the Education and Skills Committee report three years ago.

We have two concerns about admissions, which informed our attitude to not only new clause 14 but new clause 18, which stands in my name and that of my hon. Friends. First, we want to ensure that pupils and parents can choose schools, so that schools are not choosing parents and pupils to select their way to better performance. We want to ensure that the consumer rather than the producer is in the driving seat, if I may put the matter that way without provoking any comment from those on the Benches behind me.

We also seek to challenge the extraordinarily high levels of social segregation that remain in the school system, which the Secretary of State mentioned and the hon. Member for Surrey Heath (Michael Gove) would acknowledge. Some of those elements of social segregation exist because of schools' catchment areas and are difficult to address without using more complex admissions procedures and selective devices. However, where there are elements of unfair admissions that we can address, we surely should address them. Although I agree with the hon. Gentleman that it is quite possible for schools in deprived catchment areas to perform well, even with the challenging youngsters they often have, he will know that the results in our school system are, generally speaking, driven by a school's social composition and its admissions practices.

The hon. Member for Surrey Heath recently received a very interesting parliamentary answer, which I managed to steal from under his nose to use in some of the press coverage, so good was it. He asked the Secretary of State to break down the 600 or so schools that were failing to hit the Government's target of

30 per cent. five A* to C GCSEs, including English and maths, and to identify how many schools in each decile, according to deprivation, were failing to hit that target. The results were pretty astonishing, and they demonstrated what I assume the hon. Gentleman wanted them to demonstrate. They showed that 54 per cent. of schools in the most deprived decile failed to achieve the Government's target. I believe that the comparable figure in the top decile was 3 per cent., so we know that there are extraordinarily high levels of social deprivation in schools in this country, and we also know that they have a powerful impact on driving opportunities for young people.

5.45 pm

Dr. Ladyman: The hon. Gentleman has just made some very good points about social deprivation, but I want to bring him back to the issue of pupils choosing schools, rather than schools choosing pupils. Can he assure me that that Liberal Democrat policy will apply to the party's candidates in Kent, because I have now been opposed at three general elections by a Liberal Democrat candidate who was fully committed to grammar schools and to selection at the age of 11?

Mr. Laws: The hon. Gentleman pre-empts my comments on new clauses 18, 19, 20, 21 and 22, and I shall come to that point in a few minutes.

Regardless of the report that informed the Secretary of State's announcement a couple of months ago, this element of unfair admission practices should not have come as a surprise to his Department, not only because of the report that the Select Committee produced a couple of years ago but because of the research commissioned by the Department over the past six months. I refer in particular to the DCSF paper on secondary school admissions, which was commissioned by his Department and bears the departmental imprint. It was released in January 2008 and contained work undertaken by Sheffield Hallam university and by the National Centre for Social Research on behalf of the Department.

That research identified some of the unfair practices that new clause 14 seeks to address. It also highlighted other concerns about the way in which the admissions system concentrates educational need in certain establishments but not in others. The findings in the report tally with other parts of the Select Committee's report, to which I will refer in a minute. It stated:

> "Procedural non-compliance and covert selection on the part of schools is only a part of the reason for segregated intakes."

It went on to look at some of the other driving forces behind segregated intakes, including the present aspects of selection in the education system. Some of those aspects have been grandfathered in our system for some time now through grammar schools, but there are other aspects of selection in the system, including selection that has been brought in by this Government since 1997 under the guise of the ability to select by aptitude. That is the issue that new clause 18 seeks to address.

Rob Marris: I confess that I am not an education expert, and I have never understood the difference between selection by aptitude and selection by ability. New clause 18 refers to selection by aptitude. Does the hon. Gentleman encompass in the word "aptitude" the concept of ability, or does he distinguish between aptitude and ability? If so, will he explain how he does that?

Mr. Laws: The hon. Gentleman makes an excellent point, and I will tell him in a minute what the Government's response to that question is. He will probably know, as an assiduous Back Bencher, that the Select Committee investigated this precise point in its report of 2004. It said that it could find

> "neither evidence of a meaningful distinction between aptitude and ability nor evidence relating to the purpose or justification for selection by aptitude".

I know that the hon. Member for Huddersfield (Mr. Sheerman), the Select Committee Chairman, was in constructive mode in his earlier comments. I pay tribute to the report that he and others, including my hon. Friend the Member for Chesterfield (Paul Holmes), drew up a number of years ago, which was clearly ahead of its time in respect of Government policy. The hon. Gentleman was perhaps a little generous, however, in overlooking some of the other parts of that Select Committee report on admissions, which the Government have yet to address. Some of the issues are dealt with in new clause 18 on selection by aptitude.

Mr. Sheerman: May I remind the hon. Gentleman that I was speaking to new clause 14? Others have drifted into areas beyond it, but I tried to stick to that new clause.

Mr. Laws: I appreciate how disciplined our Select Committee Chairman is, but we are dealing with a group of amending provisions, which allows me to talk more widely and to tempt the hon. Gentleman into doing the same. Paragraphs 200 and 201 were not at all generous about the Government's policy of selection by aptitude. Let me remind Members who may not have a copy of the report precisely what they said:

> "Given the well established links between social class and attainment and the Government's stated commitment to social inclusion and equity, the integrity of the Government's commitment to aptitude testing is hard to defend without clear evidence of its educational benefit. We have not been made aware of any such educational benefits. Nor have we been made aware of any means by which aptitude can be assessed without reference to ability."

The conclusion was:

> "Aptitude tests are an additional and unnecessary complication in the schools admissions process. Moreover, the resources invested by schools in running these tests are significant both financially and in terms of staff time."

It is particularly interesting to look at the evidence recently commissioned by the Department for Children, Schools and Families, which I commend particularly for its paper on secondary school admissions.

Mr. Sheerman: Let me assure the hon. Gentleman, in case he thinks that I have just rolled over and let the Government step over me, that I still believe in every word in that report. I am sure that that is true of the hon. Member for Chesterfield (Paul Holmes) and, indeed, of my hon. Friend the Member for Bury, North (Mr. Chaytor). We all believe what was said about the 10 per cent. and we still stand by it.

Mr. Laws: I am grateful to the Select Committee Chairman for assuring us that he is not going to roll over on any of these issues and that he will continue to adopt the robust position that he has on this and other issues. I would say to him that the Department's own research also seems to be catching up on this issue raised in the Select Committee report compiled by him and his colleagues back in 2004. As well as identifying that some existing unfair practices needed to be done away with, the report noted the quite significant increase in percentage terms in the use of the power to select by aptitude.

Some hon. Members may be surprised to know that it is not only the schools defined as specialist schools that have the power to select by aptitude, as any maintained school that considers itself to have a specialism is able to select in that way. It is interesting to note the extent to which that power for secondary schools to select by aptitude has grown over the past few years. In 2000, only 1.3 per cent. of schools used that power, which had grown to 3 per cent. by 2001 and was up to 4 per cent. in 2006. As the number of specialist schools grows, of course, the power to select by aptitude grows with it.

The Government say that they do not know how many schools exercise their freedom to select by aptitude, but it looks from the data as if the proportion of children within our schools system who are selected by aptitude is now larger than the number selected by ability through the grammar school system. The latest data for grammar schools show that about 4.7 per cent. of the school cohort are selected by ability. If selection by aptitude has continued to grow since 2006, we will be very close to that figure.

Dr. Ladyman: I must point out the logical flaw in the hon. Gentleman's argument. Grammar schools' selection by ability is concentrated in a couple of areas where the level of selection is very high, but the hon. Gentleman is comparing that figure with selection by aptitude, which is averaged over the whole country. The two figures cannot be compared.

Mr. Laws: I am pointing out that the Government and most of their Back Benchers who committed to halt an expansion in admission by ability or aptitude are now involved in a quite large experiment in which those forms of selection are increasingly used. I refer the hon. Gentleman to the report that his Government Department and the Secretary of State commissioned on this issue. I hope that the Secretary of State has had a chance to see its conclusions, because the Government's own research shows that

> "there are strong arguments to suggest that selection by aptitude is likely to be socially selective by default. A high relative attainment in any of the subjects... will involve expense of resources of time and money for travelling, equipment and training. More affluent families have more of these resources as well as more social and cultural capital. In addition, parents from higher socio-economic groups tend to be more active in choosing a school and to be more willing for their children to travel away from their nearest school... so they may be more likely to apply for the aptitude places".

That brings us back to the issues in the Select Committee's path-breaking report of 2004. The Government are proposing measures to get rid of unfairness in admissions as set out in new clause 14 and Government-commissioned research suggests that they should be considering removing the ability to select a proportion of pupils by aptitude. There is now a growing consensus that this is a big issue in the schools system and that it can lead to social segregation, as shown in the Government's own research as well as that by the Select Committee.

Even policy groups associated with the right in British politics have begun to criticise this aspect of selection. I draw hon. Members' attention to the paper by the Policy Exchange, which I believe is a think-tank quite closely associated with the Conservative party. It published a paper entitled "Helping Schools to Succeed" at the beginning of this year. Its recommendation 21 is to end the practice of selection by aptitude at all state-funded schools. I know that we shall come on to debate some of the wider issues of selection by ability in a few moments.

Michael Gove: Purely for the benefit of the House, I would like to say that I used to be chairman of Policy Exchange, but before it enjoyed its current level of success, which post-dated my departure. I did not write that report. Although it has many good things in it, it contains one or two recommendations that we do not endorse—and what the hon. Gentleman mentioned is one of them.

Mr. Laws: There are also one or two Conservative policies that are not endorsed in this paper, but I may be steering rather wide of the new clauses before us. I was not attempting to draw the hon. Gentleman, as Conservative spokesman, into responsibility for this paper; I was merely pointing out that issues about selection, admissions and social segregation within the schools system are shared across the political divide.

Mr. Nick Gibb (Bognor Regis and Littlehampton) (Con): If the hon. Gentleman's thesis about social segregation is right, how does he account for Mossbourne community academy, where 50 per cent. of the intake qualify for free school meals? It is in the most deprived part of Hackney, yet it is on target to achieve 80 per cent. of children getting five or more GCSEs, including English and maths, and has a truly comprehensive intake. How does it achieve that with all its social problems?

6 pm

Mr. Laws: In fairness, I said that it is right—I very much agree with the hon. Member for Surrey Heath—that individual schools are capable of performing outside their social intake with strong leadership and good education. However, anyone who denies that there is a strong correlation between the social intake of a school and its results has only to look at the parliamentary answers that the hon. Member for Surrey Heath is getting back from the Government, which show in the starkest terms the link between social class and educational performance. Although it may be true that some of those schools suffer from the inability to attract high-quality school leadership, given the tough conditions that they face, it is difficult to argue that the big gaps in performance are simply due to the effectiveness of the teaching rather than the social composition of the schools, which has a powerful influence even though individual schools can clearly perform far better, or in some cases far worse, than their social catchment would indicate.

Paul Holmes (Chesterfield) (LD): Perhaps I can throw some light on the previous intervention. I will not comment on the academy mentioned, because I have never been there or studied it, but what is important—I have seen this in the selection process of some academies—is which children with free school meals the school takes in. If, for example, it takes in children with free school meals who have supportive parents who come to several evening meetings and a Saturday meeting before they apply to enter the academy, it will get a certain type of child with free school meals. The parents of children with free school meals who come from dysfunctional families will not come to three evening meetings and a Saturday meeting before filling in the application form for the academy.

Mr. Laws: My hon. Friend makes an interesting point, although not one, as he knows from our earlier conversations, that I entirely agree with, because most of the evidence for most of the academies shows that they are selecting a deprived intake, often more deprived even than their local catchment area.

Paul Holmes: As my hon. Friend says, we disagree on this. Academies that take over from failing schools will inherit those deprived catchment areas. The question is what academies will be like two, five or 10 years down the line. Most have been in existence for too short a time to tell, but city technology colleges, which were academies under another name and set up by a previous Government, have been around for a long time. The evidence is that they select enormously.

Mr. Laws: I think that my hon. Friend is strongly supporting my point about getting rid of covert—or overt—mechanisms to select by aptitude and ability. In the case of the city technology colleges set up by the Conservatives, I suspect that the evidence indicates that many of them were not set up in deprived catchment zones from the very beginning. The free school meal percentage for many of them is extraordinarily low. However, I share his view that we must ensure, both through this mechanism and the way in which banding is used, that we do not allow any school simply to improve its performance by changing its intake. That is important if the academy programme is to prove itself.

If I cannot persuade the Government to accept new clause 18, I hope that we will divide on the issue later. It is important. It clearly has not been dealt with by new clause 14, and the recommendation was in the Select Committee report. Although it is welcome that the Government have caught up with its recommendations of four years ago on unfair admissions, they have not caught up on the issue of selection by aptitude. That is why we have tabled new clause 18.

Dr. Ladyman: I shall not detain the House for long because it has heard my views on the subject on numerous occasions, but I shall continue to bang away at it until something is done.

I fully support what the Government are attempting to do. The rules on admissions procedures are difficult to understand and lead to many anomalies and controversies in local areas. Schools are obviously trying to get around the existing set of rules in some cases and suffering as a consequence in others. The Government have acted correctly in trying to set out rules that will govern admissions procedures around the country. I have no problem if, in doing that, they followed recommendations of the Select Committee, as my hon. Friend the Member for Huddersfield (Mr. Sheerman) said. All I ask is that that same fairness—the same set of criteria—be applied to the children of my constituency in South Thanet.

South Thanet is in Kent, and in Kent the educational reforms of the past 50 years have effectively not happened. We still have exactly the same education system as we had in the 1960s when the then Labour Government started to legislate to create comprehensives. We have grammar schools on the one hand and secondary moderns on the other. The county council can call the secondary moderns high schools and non-selective schools to its heart's content, but they are, in effect, secondary modern schools.

The situation has improved slightly in recent years as the result of the creation of academies that are genuinely determined to create a comprehensive ethos. One or two schools have tried to do that, but we cannot create a genuine comprehensive school in a selective area. The two do not work together. The simple fact of the matter is that most parents in my constituency believe that the grammar schools are better than the secondary moderns. I take a different view. The grammar schools in my constituency—there are four of them—are very good. I have no criticism of them as schools; I just do not believe that the children who attend them do as well as they would if they were to attend genuine comprehensive schools in a setting that can support their individual strengths and weaknesses and give them access to a wider curriculum. That is my personal view. I do not want to impose it on all the parents in my constituency. I genuinely believe that the Government are right to say that we should get rid of selection in a selective area only by holding a referendum; I just want to have the referendum.

My hon. Friend the Member for Bury, North (Mr. Chaytor), who has tabled new clause 20, would I think argue—he will speak for himself in a moment if he manages to catch your eye, Mr. Deputy Speaker—that the simple fact of the matter is that we are not going to get referendums to abolish selection, so it should be abolished, full stop. He does not want to put me, for the first time in my political career, into the Lobby to vote against my Government. I certainly do not want to have to do that, and I hope not to have to support his new clause. The thing that my right hon. Friend the Secretary of State can say to me that will stop me doing that is that he recognises the problems of selective areas, will look at the rules that govern whether an area such as Kent can have a referendum, and will ensure that they are fair and that it is practical to have them.

The rules as they stand would require me and people like me who share my views to get together a petition of more than 44,000 people, because the rules say that it is necessary to get a proportion of the entire county, covering all the feeder schools and the secondary schools. That is not based on a catchment area around a single school, as it is in some parts of the country. We would need to get 44,000 signatures on a petition. Each entry would have to include the name of the person signing the petition, the name of the child, the school

[Dr. Stephen Ladyman]

that the child attends, the relationship of the person signing the petition to that child, that person's name and address, and the name and address of the child. All of that information has to be obtained for every one of the 44,000 people and all of it has to be provided in a vacuum, because the Freedom of Information Act 2000 and the Data Protection Act 1998 prevent people from getting access to the names of all the people who are entitled to sign the petition.

Rob Marris: I entirely understand my hon. Friend's concerns, but does he share mine? My understanding of the rules is that, apart from parents of pupils and prospective pupils, the taxpayers in the area who are funding the schools will not even be given a say. I consider that outrageous.

Dr. Ladyman: My hon. Friend is right: that is exactly the position. Constituents of mine may be sitting at home now planning to start families and, for that reason, worrying about the state of their local schools, but they will have no vote. Others with young children who are not yet old enough to attend one of the feeder schools, but who will certainly attend one in the next few years, will not be able to sign the petition. It is impossible to know which of the 2 million people who live in Kent will be entitled to sign it.

I agree with my right hon. Friend the Secretary of State that we need referendums to avoid selection, but he must give me a fair chance to go out and convince my constituents that they should sign a petition—and even after 44,000 signatures have been obtained, the referendum will still have to be organised. All I ask is for my right hon. Friend, if he does not want me to support new clause 18, to assure me that he will look at the rules and make it at least conceivable that referendums can be held in areas such as Kent, so that their schools can be brought within the family that will be created by new clause 14 and benefit from the excellent work that he has done in trying to improve admissions procedures.

One issue that will remain in Kent if the 11-plus continues, either with or without a referendum, is the expression of preference. The county council and those who support grammar schools want pupils to make their choices when they know whether they have passed the 11-plus. That means that those who pass are given first choice of grammar school, while those who fail are given first choice of another school. It prevents the other schools—academies such as the wonderful Marlowe academy in Ramsgate, in which the Government have invested such huge amounts—from creating a genuinely comprehensive ethos, because there is no way of ensuring that the parents and children who are given first choice of that school are genuinely committed to comprehensive education.

Some of us do believe in comprehensive education. I did not put my children through the selective system because I do not believe in it, and there are other parents like me out there. I should have thought that we should be given preference when it comes to selecting schools that genuinely want to adopt a comprehensive structure, but we are given no such preference, because the county council wants to fiddle the selection procedure so that those who want to attend grammar schools are effectively given two first choices. New clause 14 will give the adjudicator power to stop that, and to make clear rules giving people an opportunity to build genuine comprehensive schools in my area.

I fully support what the Government are doing. I merely ask them to show some sympathy in the framing of the rules for the ballot on selection, and to offer my constituents a reasonable prospect that they will be free to choose how they want education to develop in Kent at some point in the future.

Paul Holmes: I welcome the thrust of what the Government are trying to achieve in new clause 14. I have been a member of what was the Education and Skills Committee and is now the Select Committee on Children, Families and Schools for nearly all the past seven years, and I played a small part in the writing of the 2004 report on admissions, which has been mentioned a number of times. The report helped to prompt the Government to improve admission procedures, which they now intend to improve further to prevent them from being exploited for purposes of covert selection.

6.15 pm

Over the years, partly as a result of our current inquiry into diversity in schools, the Select Committee has received copious academic research evidence on the effects of overt and covert selection and the way in which it boosts some schools at the expense of the majority. I disagree with the hon. Member for Surrey Heath (Michael Gove), who seemed to suggest that we should ignore all evidence of the negative effects of selection of various kinds and pretend that it makes no real difference, because what matters above all else is the ethos of the school. There is, of course, the ethos of the sink school. The most famous, of which everyone has heard, is the Ridings school.

Someone who knows Halifax extremely well is Alice Mahon, who was Member of Parliament for Halifax until she retired at the 2005 election. Writing in the *Yorkshire Post* in March, she pointed out that Halifax had eight secondary schools: two grammars that cream off the top 20, 30, or 40 per cent. of the ability range, two faith schools that select in a different way, and four "ordinary schools" to take the rest of the pupils. For whatever reason, over the years the Ridings fell to the bottom of the pecking order. Its ethos was that of the sink school. I know that that is not a term that we are encouraged to use nowadays, although it was in common usage when I started teaching in 1979, but the fact that it is frowned on does not alter the fact that such schools exist. There are schools that lose out badly because of the effects of both covert and overt selection. We see that on a county-wide basis in places such as Kent and Lincolnshire, where the grammar school system still reigns.

Although new clause 14 is a step in the right direction, it does not go far enough, for two reasons. First, it leaves academies out of the equation. That is why I support new clause 18, which was tabled by my hon. Friend the Member for Yeovil (Mr. Laws), and why I tabled amendments (a) to (n) thereto, along with the hon. Member for Bury, North (Mr. Chaytor). I simply cannot understand why academies should be free to use covert methods of selection, some of which

the Secretary of State described a few weeks ago when he talked about the abuse of admissions procedures, while other schools in the state system are not.

Ed Balls: The reports from local authorities to the schools adjudicator will apply to all maintained schools, including academies, and all academies are required to comply fully with the admissions code. It is true that that is done through the foundation agreement rather than through statute—a point that I am sure will be raised later—but no academy is free from scrutiny or an obligation to comply. That will be part of the reporting process under new clause 14.

Paul Holmes: None the less, many people see a need to tighten up the system to make clear its absolute application to academies. I gave some examples earlier of the way in which they can play the system. I saw something similar in a free school in Stockholm, which is currently a favoured topic of conversation in some quarters. Although there is a ban on selective admission procedures in Sweden, those wishing to get into the school had to attend seven meetings with their parents—five in the evenings and two lasting throughout two Saturdays—before they could even put their names down. Pregnant mothers already had their unborn children's names on the waiting list for a school with "non-selective" intake policies. Some academies in this country have similar admissions procedures.

I have never been able to understand why academies should be outside the system, just as I have never understood why they should enjoy freedom from Government diktat on curriculums. Why cannot state schools and their heads have the same freedom? I should like to give all state schools the same freedoms as academies, while also imposing on all schools the restrictions on abuse of admissions procedures proposed in new clause 14.

The other reason why new clause 14 does not go far enough is that it leaves out schools that select, directly and openly, on the basis of ability. That is why the hon. Member for Bury, North and I tabled new clauses 20, 21 and 22. Before anyone intervenes to ask, let me say that I am not speaking for the Liberal Democrats; my hon. Friend the Member for Yeovil does that from the Front Bench, and those who have questions should address them to him. I am a mere Back Bencher, elected by my constituents to represent them, and I base my views on 22 years of working in three non-selective schools in the state system. I am also basing my views on having sent all three of my children to non-selective state schools in my neighbourhood in Chesterfield, as well as on having spent seven years on the Select Committee in both its incarnations, studying extensively the evidence in both this country and other countries.

I thought—I say this with my tongue slightly in my cheek—that there was cross-party agreement on the insidious effects of selection by ability. The current admission arrangements in which the 11-plus operates, to which the new clause applies, determine a child's future at age 11 on the basis of a couple of short, simple tests that are no longer relevant to today's needs. They distort the primary school curriculum. Those who can afford to do so pay for extra coaching. They constitute a high-stakes process that puts unacceptable pressure and anxiety on pupils, parents and teachers. The result is a system that leaves the majority of pupils being perceived, and perceiving themselves, as failures at the age of 11. Also, rather than providing a ladder out of disadvantage, there is significant bias against the less well-off in the test results, which is compounded later in public examinations.

> "It is simply not right that a child's future should be determined at age 11, nor is it right to segregate children into two discrete groups at that age." —[*Official Report, House of Lords*, 10 July 2006; Vol. 684, c. 544.]

Before anyone asks, let me say that that is not me speaking; it is a direct quote from a Minister, Lord Rooker, on July 10 2006, when he introduced the Education (Northern Ireland) Order 2006.

Kelvin Hopkins (Luton, North) (Lab): I agree entirely with what the hon. Gentleman has been saying. I am old enough to have been part of the 11-plus generation, and I saw what happened to families when one sibling passed and one sibling failed. That changed their lives for the whole of their lives. Their relationship became one of success and relative failure, and it should not be like that.

Paul Holmes: I agree absolutely. When Lord Rooker made that statement in the other place in introducing legislation to end grammar schools and the 11-plus in Northern Ireland, he went on to say:

> "The Government are committed to ending academic selection in Northern Ireland and to a new system that involves parents choosing schools rather than schools selecting pupils."—[*Official Report, House of Lords*, 10 July 2006; Vol. 684, c. 544.]

I am at a loss to understand why that same principle should not apply in England, if it is good enough to apply in Northern Ireland, and that is the Government's view.

A former Secretary of State for Northern Ireland, the right hon. Member for Neath (Mr. Hain), told the Labour party's Manchester conference on 28 September 2006:

> "We are reforming Northern Ireland's antiquated, unfair schools system which forced every child aged 11 to sit a test to determine their future; a test which opened a door to opportunities for a few, but closed those life chances off from too many. I've just taken through legislation to not only scrap the 11-plus but to abolish academic selection completely across Northern Ireland."

I ask again, if that is good enough for Northern Ireland—or any other party of the UK—why is it not good enough for England? After all, that was a member of the same Government speaking. Another Labour Member said in a Commons debate on the same order that the Government were committed to ending selection, because they believe it disadvantages those individuals who are not selected. If the Government believe that in Northern Ireland, why do they not believe it in England—in Kent, Lincolnshire and elsewhere?

The Conservative party had a far-sighted shadow Education Secretary, who believed in an evidence-based research policy. He researched deeply into the subject and made an excellent speech last year based on that research. The speech was delivered to the CBI, and in it, the hon. Member for Havant (Mr. Willetts) said:

[Paul Holmes]

"We must break free from the belief that academic selection is any longer the way to transform the life chances of bright, poor kids."

Not that I believe that it ever was. One of the seminal works on the topic, published in the 1950s, "Education and the Working Class" by Brian Jackson and Dennis Marsden, studied every child in Huddersfield in one year who was going to grammar school. They pinpointed on the map exactly which streets the children came from, and found that whole swathes of the poor areas of town sent almost nobody to grammar school. That belief was therefore revealed as a myth 50 years ago, and it was a central part of teaching when I was at university. I do not know why there is still this myth that selection is the ladder up for the poor.

The hon. Member for Havant went on to say that the idea that selection transforms the life chances of bright, poor kids

"is a widespread belief but we just have to recognise that there is overwhelming evidence that such academic selection entrenches advantage, it does not spread it."

He was so far-sighted, so visionary, so much based in the realities of research and policy-based evidence, that he got sacked and replaced.

Dr. Ladyman: I just want to refer the hon. Gentleman to the research to which I earlier referred a Conservative Front Bencher. Professor Jesson has compared the performance of cohorts going through the two distinct educational systems of selection and non-selection. He has clearly demonstrated that the brightest 2 or 3 per cent. do equally well in both systems—equally well, not better in the grammar school system—but that all the remaining children do on average one GCSE grade better in a comprehensive system than they do in a selective system, and that includes many of the very brightest.

Paul Holmes: I agree with the hon. Gentleman. That point can also be seen on an international scale. The PISA—programme for international student assessment—studies look at the OECD countries, which have comparable western-style economies. I think three studies in that sequence have been conducted now. All of them show that the more comprehensive the school system is—as in Finland, which tops the league tables every time—the better the whole cohort of the school population does, whereas the more selective systems tend to sink down to the middle of the performance table, although the amount of money that is spent has to be allowed for, too. The PISA studies have specifically cited countries such as Germany, the UK and the USA, where there are wide variations of selection in the system, because while selection is undoubtedly good for the 10, 20 or 30 per cent. who are selected and taken into the elite schools, it has a very negative, downward effect on the vast majority of our pupils who are left out. I entered into politics to try to improve the life chances of everybody, not of a selected elite minority.

Kelvin Hopkins: I was one of those—the chosen few—who was selected in 1952. One of the things we noticed at the time was that class sizes in grammar schools were much smaller than in secondary modern schools, so we had even better chances.

Paul Holmes: That is a valid point, and one could make it again with reference to other areas. The Select Committee recently heard evidence from a former rear-admiral who now heads a group for public schools. He told us that what mattered is ethos. I said that Lord Adonis had said we should get the DNA of grammar schools and public schools and transfer it to the rest of the sector, and asked what was the DNA that was so good for this ethos. Was it the fact that those schools spent twice as much per pupil, that their class sizes were half that in the state system, that the teachers were paid more and had longer holidays, and that they selected only bright kids and they could get rid of any problem kid, or was it something else to do with the ethos? I think that question answers itself.

As I have mentioned, I thought that the Government were absolutely committed to addressing selection as a result of what they said about it, and the action they have taken on it in Northern Ireland. The Conservatives certainly were committed to that, until their research-based and visionary spokesman was sacked for stating the obvious based on that research.

I have to address my own party, too. My party leader, my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), said on January 29 that

"if education is to deliver liberal social justice we must ensure that a minority of schools don't skim off the brightest pupils at will, leaving other schools to suffer the consequences of poorer attainment and weaker reputations. That's why we must end selection in academies, trust schools and foundation schools."

I have to ask the same question, however: why does that sentence not conclude with the additional statement, "and grammar schools", because they are clearly the biggest problem in terms of overt selection in this country? They are the elephant in the room that the Government and the Conservatives ignore—as do others.

I thought there was cross-party agreement on this issue, but the key is how we push towards the final goal. Perhaps we should be happy. We know that politics is the art of the possible, and that we get incremental improvements. Under the previous Prime Minister, it was difficult to get this Government to admit that there was any problem on admissions. Things have been moving forward much more rapidly since the change of Prime Minister last year, so we can hope, and new clause 14 goes some way in the right direction. With amendments such as new clause 18 and the amendments standing in the name of the hon. Member for Bury, North and myself, things would move a bit further, but the elephant in the room is the issue that new clauses 20, 21 and 22 address—the outright, open, overt selection by ability that privileges a small elite in the grammar schools and penalises the large majority in the secondary moderns, which, whether they are called comprehensives, community schools or academies, are indeed secondary moderns in that situation.

Mr. Chaytor: The hon. Member for Chesterfield (Paul Holmes) and my hon. Friend the Member for South Thanet (Dr. Ladyman) spoke powerfully on the issue of selective admissions policies, which is at the heart of some of the amendments that I have tabled in this group.

I wish to speak specifically in support of new clause 14, the other Government proposals and my amendments to new clause 14—amendments (a) to (n)—which would strengthen it. Since he started in his post, the Secretary of State's record on tackling the difficult issue of school admission policies is exemplary. It was necessary to take a tough line with some schools that may have been abusing the system to ensure that the issue remained at the forefront of public concern. Every parent and head teacher in the country knows that for many years most schools have done their utmost to manipulate the existing admissions system to their advantage. I do not believe that most head teachers want to do that, and I certainly do not think that most parents want to have to lie, cheat and deceive to get their children into the school of their choice, but those are responses to the situation in which they find themselves. The House owes a debt of gratitude to the Secretary of State for taking the line that he did on this issue.

6.30 pm

The Secretary of State will also recall that the code of practice on school admissions was central to the debate on the Education and Inspections Bill in 2006. The House eventually agreed that if there was to be a freeing-up of the supply of schools and of the power of individual schools to run their own affairs, that had to be balanced by a tougher school admissions code of practice. One of the key issues was the legal responsibility of schools to comply with the code of practice. Under the old code, schools merely had to have regard to the code's requirements, but we were able to change that arrangement in the 2006 Bill and make it clear that schools had to comply with the code's requirements.

However, there was always a question mark over the freedom of academies. I am completely in favour of schools having the capacity to innovate, and I support, and am enthusiastic about, the academy programme. If that programme is to continue to thrive, flourish and maintain public support, it must be based on a level playing field. Any hint or suggestion that academies receive special treatment on admissions policies must be dealt with; such is the purpose of my amendments (a) to (m), which would amend new clause 14. They would ensure that the provisions that apply to all maintained schools should also apply to academies, so that there is a level playing field on admissions.

Amendment (n) is slightly different from those provisions, because it seeks to deal with the welcome new requirement in new clause 14 for local education authorities to report to the adjudicator. That requirement returns the role of LEAs to the position in which they should always have been, because they will have this important co-ordinating function on school admissions. The amendment picks up on the other important development in the 2006 Bill, which gave admissions forums the power to prepare a report to the schools commissioner. Interestingly, the Department's website contains guidance to admissions forums as to how they should prepare their annual report to the schools commissioner. The wording of the amendment would require the report to include

"the number and percentages of first, second and third preferences...the number of appeals...the ethnic and social mix...the extent to which existing and proposed admission arrangements serve the interests of looked after children".

All those requirements are now on the admissions forum. The purpose of my amendment is to ensure that those criteria are also included in the report that must be made by the LEA to the schools adjudicator.

I apologise if that is complex, but it is complex because two bodies are being required to make two separate reports. The admissions forum is required to make a report to the schools commissioner and the local authority must make one to the adjudicator. Perhaps, in time, those two separate reports should be merged into one, but if that is done, it is important that the criteria listed in the amendment relating to the ethnic and social mix of pupils attending schools, the number of appeals made and the number of first, second and third preferences are included in that report.

I turn specifically to new clauses 19, 20, 21 and 22, because they deal with the issue of selection by ability. I do not want to go over the ground and the arguments that have been well covered by the hon. Member for Chesterfield and my hon. Friend the Member for South Thanet. I simply wish to say that the evidence on the effect of selection by ability at too early a stage in an education system has been well documented, not just this past year, the previous one or during the past decade, but for 50 years. The evidence from the United Kingdom and across the world shows that systems that select at too early a stage have the lower level of achievement overall and the biggest gap between higher achieving students and lower achieving students.

There is no shortage of evidence on the matter, and last year, we almost reached the position of having all-party agreement in this House. Significantly, today's debate takes place almost 12 months to the day that the hon. Member for Havant (Mr. Willetts) made his speech to the CBI, and I was delighted that the hon. Member for Chesterfield quoted that speech. I was intending to cite it again, despite the fact that I have read it into the record on at least one previous occasion in this House, because it was a most important speech.

On 16 May 2007, we were on the edge of having all-party consensus and recognition of what the evidence from half a century's educational research in this country and in countries across the world said: that academic selection at too early a stage destroys the opportunities of large numbers of young people and holds back overall levels of achievement.

Kelvin Hopkins: I know that my hon. Friend will be aware of OECD statistics that suggest that the gap between the highest achievers and the lowest achievers in Britain is very large. That reinforces the social divisions that so bedevil our country and if we do not deal with that gap, we will continue to have the kind of frictions from which we have always suffered.

Mr. Chaytor: That is right, and that point was finally recognised last year in the then shadow Secretary of State's speech. It was reiterated earlier this year in the Department's own research on the admissions system for 2006, which was conducted by Sheffield Hallam university. Reference has been made to that.

The difficulty is that if we almost have consensus, how can we move forward? We have to work just a little bit harder on the current shadow Secretary of State, the hon. Member for Surrey Heath (Michael Gove), his colleagues and the Conservative party, and we must

[Mr. Chaytor]

test out some of their arguments and assumptions. Although he spent 25 minutes discussing an argument that took place four months ago and not addressing new clause 14, the hon. Gentleman did say something about the context in which he was approaching the Bill and the issue of fair school admissions. The difficulty is that in trying to extricate themselves from the policy that they almost had 12 months ago, the Conservatives are now posing a false antithesis. They are saying that the Government's desire to ensure fairer admissions within the available school places is somehow at odds with the desire to get more good school places. To get a thriving education system, we need both. We absolutely need fair admissions policies, but we need to continue the process of ensuring that every school is a good school.

It is not good enough to say, "The solution to the problem is nothing to do with fair admissions; it is all about getting more good school places." That raises the question, "What is a good school place?" Far too often, the official Opposition define a good school as one with a high proportion of highly able and motivated children. That is a completely distorted approach. The Opposition are locked into a circle of misconception that a good school is a school with a high proportion of such pupils. Therefore, not all schools can be good schools.

It seems to me that one or two basic principles should underline the Government's approach—any Government's approach.

Mr. Charles Walker (Broxbourne) (Con): Will the hon. Gentleman define, in his own words, what he regards as a good school? What qualifies a school as a good school?

Mr. Chaytor: I would be inclined to repeat some of the criteria that the hon. Member for Surrey Heath referred to earlier, but, to give the briefest possible definition, I would say a school that maximised the potential of the greatest number of its children and did most for their well-being and long-term future. However, that is not central to the issue.

We could all play around with our individual definitions, and I think we would all probably be in the same area in what defined a good school, but we must challenge the notion that a good school is one that happens to have a high proportion of able and motivated children. Conversely, we must challenge the notion that any school with a low percentage pass rate for those gaining five A to C grades at GCSE is necessarily failing. Too often—previous speakers emphasised this point—the good school and the failing school are, in our most selective areas, located next door to one another.

Paul Holmes: I risk prolonging the debate on what is a good school—the hon. Gentleman's definition is admirable—but is not the Conservative party, since sacking the previous shadow Secretary of State, getting locked back into this loop of privilege: a good school is only a school with lots of high achieving, very able pupils? That is rather like the rear admiral representing the private sector who, in response to the hon. Gentleman during questioning at the Select Committee recently, said, "Well, there are only so many excellent teachers and excellent pupils." The corollary was, "And they are all in the private schools where people pay £28,000 a year to send their kids."

Mr. Chaytor: I think that is right. Paradoxically, it is in the interests of the Opposition to drop this archaic prejudice about the structure of secondary education. If they are genuinely trying to reinvent themselves as a party that represents the majority of the population of the United Kingdom, they cannot afford to hang on to their hang ups.

I have to admit that I struggle to work out the difference between shiny new compassionate conservatism and the old, nasty reactionary conservatism. Frankly, in the education policy that Conservative Members have espoused today, there is no difference.

Mr. John Hayes (South Holland and The Deepings) (Con): I hesitate to interrupt the hon. Gentleman's lecture on modernity, but given what he has said so far, does he think that the Government have been wrong to concentrate on standards rather than structures over the last 10 years? That has certainly been their mission. Have they been wrong in that mission, because he seems rather preoccupied with structures?

Mr. Chaytor: The Government, in 2006, explicitly accepted that they were turning their attention to structures. The issue is that anybody with any experience of the state education system would appreciate that standards and structures are closely related. We might argue about the extent and depth of the relationship, and its exact nature, but they are closely related.

Mr. Nigel Evans (Ribble Valley) (Con): I am extremely lucky. In Ribble Valley, I have one grammar school, which is excellent, and several non-grammar schools, which are excellent. They are all excellent schools. I am following the hon. Gentleman's arguments and I assume from the passion with which he is speaking that he has spoken about this with his Front Benchers. I also assume that we will enjoy a Division at the end of the debate.

6.45 pm

Mr. Chaytor: I thank the hon. Gentleman for his contribution, but I would rather continue with my argument for the moment.

The issue this, what should be the underlying principle of a state secondary school system? Two points, above all, should be at the heart of that matter. There is now a consensus that we want parents to be able to choose schools, not schools to be able to choose parents. Unfortunately, the official Opposition have not worked through the logic of that statement, because they still support schools—wholly selective, partly selective, quasi-selective—choosing pupils.

My argument is, first, let us agree that we really want parents to be able to choose schools and, secondly, let us accept that the fact that children are intellectually differentiated does not mean that they have to be socially segregated. It is in the interests of all those children and in the national interest that we do not build barriers at too early an age between children who come from different social backgrounds and who have different intellectual capacities.

If we can accept that we want to base the system on real, not phoney, parental choice and that it is in the national interest that children of all backgrounds are brought up together, we can move forward. That leads us inexorably to the point of view that selection by ability in secondary schools is not serving the national interest or the interests of the overwhelming majority of children.

Moving quickly and specifically to the amendments, I shall not spend long on new clause 18. Although I am sympathetic to the argument on selection by aptitude, and although in 2004 and afterwards I spent time trying to get the Government to define "aptitude", in one sense it is almost a distraction to focus entirely on aptitude. The new clause is also a contradiction in a way, but if the argument is that selection by aptitude should be abolished because "aptitude" is a proxy for "ability", why does the Liberal Democrat spokesperson, the hon. Member for Yeovil (Mr. Laws), not deal with the question of selection by ability? I see little point in dealing with the proxy rather than the substance. My proposal deals with both together.

My second point on new clause 18 is that it does not do the job in that it will not amend legislation suitably and appropriately. It is a bit of gesture politics and it has served to raise the issue for debate, but it is not a serious proposal.

My new clauses 19 to 22 offer a spectrum of ways to deal with the question of selection by ability. That spectrum goes from the easiest way—it would start the process of change—in new clause 19 to the big bang solution in new clause 22. New clause 19 would turn on its head the assumption that has underpinned all school admission policies since the Education Act 1980—since the days of Keith Joseph. For the last quarter of a century and more, the assumption that has driven all Government policy is that most parents want to avoid their local school. All Governments' admissions policies, all the incentives in the system and all the regulations have encouraged and made it easier for parents to send their children to other schools and move further away from their local school. We all know the background and context to that and we all know that a number of parents—not a majority, but a significant minority—do not wish, for whatever reason, their child to attend the local school.

My argument is that there is an equally significant minority of parents who want their child to attend the nearest school, but they are not allowed in because that school is selective—either wholly or partially by ability, partially by aptitude, by faith or by a variety of quasi-selective devices. One of the easiest changes to the code of practice on school admissions and to primary legislation would be to guarantee that parents had an absolute right to send their child to the nearest school, whatever the designation of that school. We would be putting parental choice at the heart of the system and not allowing the specific admissions policies of an individual school to keep out children who live on its doorstep. That would have implications for wholly selective schools and for some of the partially selective schools, as well as for some faith schools. However—this is again a response to the shadow Secretary of State's opening remarks—all the major religious groups, as I understand it, are taking part in a lively debate about the balance between inclusive and exclusive admissions policies. In the Church of England and the Roman Catholic Church, many people at the most senior levels feel passionately that their faith schools should operate inclusive admissions policies rather than seek to keep children out. The debate will continue, and I hope that the Government will maintain a close dialogue with the major faith groups to encourage the adoption of more inclusive policies.

New clause 19 is the ultimate inclusive policy and would allow a parent who lived near a selective school, which was their nearest school, to have the automatic right to send their child to that school.

Dr. Ladyman: My hon. Friend is making a powerful case, and he has been a doughty campaigner on the issue for many years, for which I pay tribute to him. I am concerned that if new clause 19 was accepted and new clause 20 was not, we would find that, in constituencies such as mine, all the middle-class parents who live close to the middle-class schools could send their kids there while the working-class parents on the working class estates would essentially find themselves with no choice other than to send their child to the closest school, which was what used to be called a sink school.

Mr. Chaytor: It is true that this system could have different effects in different parts of the country. However, the fact remains that in many of the selective local authorities in this country—quite apart from many of our leading quasi-selective schools and faith schools—such schools are located in areas of great deprivation. It is a national scandal that some of the poorest children living in the poorest neighbourhoods have to be bused out of those neighbourhoods because of the admissions policies of some of our most privileged schools. I fully understand the difficulties, and the system would operate differently in different parts of the country.

New clause 20 takes on board the Government policy on selection, but gives it a slight twist. It maintains the ballot system and says nothing about the fairness of the ballot regulations, which we would condemn from the rooftops had they been invented by Robert Mugabe. The new clause accepts that the ballot should stay but requires the Government to change the default position of the ballot. Selection by ability and aptitude would be abolished, but the ballot procedure would stay so that parents could opt to reverse it if they chose to do so. In Thanet, for example, Government policy would abolish selection but if the good citizens of Thanet wanted to reverse that, they would have the opportunity to do so through a ballot.

Dr. Ladyman: That would presumably mean that they would have to collect 44,000 signatures in the arcane way that has been defined. My hon. Friend is on to something here.

Mr. Chaytor: I will leave the exact number of signatures required and the exact rules of the ballot to the imagination, as there is no reference to them in new clause 20.

New clause 21, moving along the spectrum, deals with the issue in a different way. Whereas in new clause 19 I tried to reverse the assumption that all parents want to avoid their local school by building in

[Mr. Chaytor]

an assumption that many parents want their children to attend their nearest school, in new clause 21 I try to shift the focus of debate from the choice between selection and non-selection to the age at which selection takes place and the interface between selection and choice. New clause 21 reiterates the case that selection by ability is completely unacceptable, for the reasons outlined earlier, but says that there comes a point in the education system at which children have to choose which curriculum they will follow.

Few people in the House would challenge the notion that selection takes place when people enter a university—there clearly has to be a selective process for a degree course. Many people would accept that there needs to be a form of selection at the age of 16, as people move on to level 3 education. An absolutely fascinating question concerns the implication of the emergence of the 14 to 19 curriculum and the development of diplomas for selection by ability. Another fascinating question concerns the role of an institution in choosing which pupils should be admitted to a diploma programme and the role of an individual pupil, with the support and advice of their teacher and their parent, in deciding which programme they want to progress to.

New clause 21 reiterates the inappropriateness of selection by ability at the age of 11, but accepts that at a certain stage of a young person's progress through the system some selection takes place. It emphasises that it is far better if children and young people can choose the curriculum that they want to follow, on the advice of their teachers and parents, rather than having an arbitrary institutional decision made to keep them out of an educational establishment.

Finally, new clause 22 is the big bang solution. It asks why on earth the Government do not just get on with it and legislate against selection by ability at the age of 11, as Harold Wilson did 42 years ago.

Ed Balls: We have had a wide-ranging debate on a number of issues to do with admissions. A great deal of passion, as well as experience and knowledge, was displayed by Members from all parties. I want to try to address a number of points that were made by going through the individual amendments and cl... I shall try to do so as fast as possible to see whether we can progress to the next group of amendments before we have to move on.

I shall turn to the issue of principle about new clause 14 at the end, but I started by saying that we wanted consensus on the importance of fair admissions, and on the importance of providing opportunity and excellence for all through such fair admissions. It seemed that there was consensus in favour of taking forward the recommendations in the Select Committee's report and of ensuring that the admissions code was properly implemented and strengthened. That consensus stretched across both sides of the House, but seemed to exclude the Opposition Front Benchers.

I shall come back to the issue of faith schools when I talk about the individual amendments, but my impression was that the hon. Member for Surrey Heath (Michael Gove) was saying that he was in favour of an admissions code in principle, but not a code that is implemented, that has any substance and that backs parents who want a fair chance to get their children into schools—or at least not if the code ends up being contrary to the views of what my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) called the "proprietor" and the hon. Member for Surrey Heath referred to as the "individual governors". It was most revealing that at no point did the hon. Gentleman refer to parents or to the parents and children who do not get into a school because they choose not to apply, having been deterred by the way admissions policies were set. That was very revealing.

I shall come back to new clause 14, but first I shall talk about some of the amendments. My hon. Friend the Member for Bury, North (Mr. Chaytor) and the hon. Member for Chesterfield (Paul Holmes) referred to amendments (a) to (n) to new clause 14. They both argued in different ways that we should not have a special set of arrangements on admissions for academies that exclude them or let them off the hook when it comes to fair admissions. My answer to that is that we have different legal arrangements for academies, but not special arrangements. We do not intend to allow any form of selection for academies, by either the front or back door, that goes outside the admissions code.

It is true that we do not legislate for academies in the same way that we legislate for maintained schools. The obligations placed on academies are contained in their funding agreements, rather than directly in primary legislation. However, I assure hon. Members again that the funding agreements for all academies require their admissions arrangements to be in accordance with admissions law. The provisions of the school admissions code apply to academies just as they do to maintained schools.

The study that we conducted in three local authority areas was both revealing and interesting, in that it showed that all admissions to the academies in those areas were fully compliant with the admissions code. The academies know clearly what their admissions policies need to be. After discussions with the Department, they have made sure that they have fair admissions, in compliance with the code.

7 pm

Paul Holmes: The evidence that the Select Committee has looked at—for example that from PricewaterhouseCoopers, which did research for the Government, and from Professor Stephen Gorard—showed that the longer academies are open, the fewer children with free school meals or special educational needs they take; moreover, the prior educational attainment of ESN pupils rises, and four times as many kids are expelled. Does the Secretary of State agree that the picture is not quite as rosy as the one he is painting?

Ed Balls: The hon. Gentleman is pointing to the fact that with academies, we are trying to achieve truly comprehensive admissions. We talked about the Mossbourne academy earlier, and it is true that many try to do that through a banded admissions system. However, whatever method is used, the aim is truly comprehensive admissions in academies. One would expect there to be some change over time, but academies

are still disproportionately to be found in areas where family incomes are below average, and more children in the intake get free school meals than the catchment area would suggest.

The evidence shows that the academies represent a progressive policy that is delivering educational opportunity for children in disadvantaged areas and from disadvantaged backgrounds. It is a good example of fair admissions in practice. That is why the amendments, which would change the legal basis of the Government's relationship with academies but nothing at all in respect of their admissions policy, are neither necessary nor desirable.

Mr. Chaytor *rose—*

Paul Holmes *rose—*

Ed Balls: I give way to the hon. Member for Chesterfield.

Paul Holmes: I said earlier that it was too early to make a judgment about academies, as they are still fairly new. However, city technology colleges are academies under another name; they have been around a long time and they certainly support the evidence about increasing selection. Professor Gorard told the Select Committee about one academy that was founded in 2002—one of the first. More than 50 per cent. of students were on free school meals, and that was clearly way over the level from the area that it should have had, but that proportion has fallen to 12 per cent., which is way under.

Ed Balls: I and my Department are determined to keep the evidence on academies under review, to make sure that they are delivering the purpose for which they have been set up—that is, as I said earlier, educational excellence in areas that previously had too often been denied it. However, CTCs were the policy of the previous Conservative Government, not this one. They were not driven by the aim of extending opportunity into disadvantaged communities, and the evidence about them is as the hon. Gentleman suggests. I feel no need to defend CTCs, but I am happy to defend academies.

I turn now to amendments (m) and (n). New clause 14 makes it clear that we want to require local authorities to make public reports on each school to the schools adjudicator. We believe that having that information in public, for people to see, is the right way to ensure compliance with the admissions code.

As my hon. Friend the Member for Bury, North noted, school admissions forums can choose to have an annual report, and in our consultation on the regulations that follow from the new clause we will look very carefully at the content, form and timing of those reports and at their relationship to school admissions forums. We will consult on that in the summer, and we will also consult in detail on what the content of the reports should be. I do not think that it is right, as amendment (n) proposes, to specify that in primary legislation, but I can assure my hon. Friend that there will be a full and detailed consultation on what should be in the reports to the schools adjudicator. By the time those reports are complied, we will have had experience with local authorities around the country that have been asked to provide reports to the schools adjudicator for this year, in advance of the regulations. On the basis of that evidence, we will be able to see what we need to do in the regulations for next year. I therefore ask my hon. Friend to withdraw amendments (m) and (n).

I deal now with new clauses 18, 20, 21 and 22. Earlier we had an important and lengthy debate about grammar schools. I understand that there are strong views on both sides of the argument about grammar schools among MPs who represent Kent and the other parts of the country where selection still operates. I know that my hon. Friend the Member for South Thanet (Dr. Ladyman) has a long-standing commitment to his argument, and a very great deal of knowledge, so I listened very carefully to what he, and the hon. Member for Chesterfield, had to say.

Just a couple of weeks ago, I and my hon. Friend the Member for Chatham and Aylesford (Jonathan Shaw), who is Minister for the South East, visited three secondary modern or non-grammar schools in Kent. We saw how they were using the Building Schools for the Future programme to deliver a culture of rising standards of aspiration and excellence.

Dr. Ladyman: I entirely agree that many of the schools that I refer to as secondary moderns in Kent are absolutely excellent, and I said as much in my contribution. My right hon. Friend is making available to Kent £3 billion through the Building Schools for the Future programme—the most magnificent opportunity to rebuild the county's secondary education that we will see in our lifetimes. However, Kent county council is being allowed to spend the money on locking selection into the structure. Does he not think that that is a bit odd?

Ed Balls: My hon. Friend is right to point to the great educational opportunity that arises from the huge Building Schools for the Future investment. I am sure that he is aware of Opposition proposals to cut £4.5 billion in provision for constituencies across the country, although we do not yet know which of the six new schools in Crewe and Nantwich would be lost if those proposals were allowed to be taken forward. However, I agree it is important that we ensure that we get the best educational value from that money and investment.

We on this side of the House are clear that we oppose selection by ability. The Government have put in place provisions to ensure that banding or selection for school sixth forms are the only conditions under which selection by ability should ever occur. That is clearly consistent with the schools admissions code, and we are committed to ensuring that all maintained schools comply with that code.

We are clear that there will be no new academic selection. We reaffirmed that ban in the Education and Inspections Act 2006, but we have said consistently that, where grammar schools exist, it is right for parents to decide whether selection should continue in a particular grammar school, and we have put in place mechanisms for assessment.

I know that some people around the country believe that, where selection applies across a whole county, the hurdles that have to be surmounted before a ballot can be held are substantial. However, parents still have the ability in law to vote to end grammar schools, if they

[Ed Balls]

choose to, on the basis of a petition. Last year, my hon. Friend the Minister for Schools and Learners investigated these issues carefully and concluded that this was not the right time to change the ballot process. He put the file back into the bottom drawer of his filing cabinet, but he is committed to keeping the system under review. He will remove the file from the cabinet on a regular basis to make sure that it is still there.

Paul Holmes: I wonder whether the Secretary of State will answer the question that I posed earlier. If Ministers such as Lord Rooker and the right hon. Member for Neath (Mr. Hain) can speak so eloquently and passionately about the need to remove the pernicious evils of selection and the grammar school system in Northern Ireland, why is the same not true of England?

Ed Balls: The Government's position is clear: we do not support selection in schools, but where such selection exists it should be for local areas to decide whether to remove it. We do not support new grammar schools, and in fact that is prescribed in law. We have clear procedures. My hon. Friend the Minister for Schools and Learners considered the issues, but there was not consensus and he did not think that there was a need to change the arrangements. I understand that some Members are unhappy about that, but that is the position that he reached, and that is our position.

Paul Holmes *rose—*

Ed Balls: I have taken a number of interventions; I had better make a bit more progress. We cannot support the new clauses that would change the balloting process, and we do not think that it is the right time to put them to a vote.

On new clause 19, we ensure fair admissions in a range of ways—by taking into account proximity, banding or a combination of the two. It would not be right to put into legislation a guarantee that admissions will always be based on proximity. That would not be the way to allow parents to express a preference. A school will not always have the capacity to accept all those who apply to it because it is the nearest school, and in rural areas in particular, the proposals in the new clause may not be the right way to go. We do not think that the clause is the right way for my hon. Friend the Member for Bury, North to achieve his objectives.

New clause 18 raises an interesting set of issues. I do not think it is right to equate selection by aptitude with selection by ability. As I have made clear, we do not want to extend selection by ability at all. Children may have an aptitude for a particular subject; that is, they may be able to demonstrate a particular capacity to succeed in a subject, or demonstrate that they will benefit from being taught it. That is something that many schools with a specialism value, and that approach is supported by many parents and schools. As hon. Members know, we made changes in recent years because there were a couple of areas where we were concerned that there might be selection by ability through the specialism route. We took action with regard to information and communications technology and design technology.

Mr. Laws *rose—*

Ed Balls: I will finish my point first, and then I will take the intervention.

I have seen the research that we commissioned from Sheffield Hallam university. I understand very well the view of the researchers, who believe that selection on the grounds of aptitude is likely to be socially selective by default. I take that issue very seriously, and we in government have looked at that issue. I remind hon. Members that the Sheffield Hallam research was conducted before the Education and Inspections Act 2006 and the subsequent introduction of the admissions code. The code banned interviewing as part of the admissions process. That step occurred after the Sheffield Hallam research was done.

We should agree that in the light of the Sheffield Hallam research, and in the light of experience with the admissions code, we will keep the issue under review. If it was our view that the researchers were right, and selection by ability was creeping in through the back door, we would take that very seriously, as would the schools adjudicators. However, we think that the admissions code is the right way to take the issue forward for now, although we are happy to keep the position under review.

Mr. Laws: I am grateful to the Secretary of State for those comments, and I can understand why the issue of selection by ability is in the Schools Minister's bottom drawer, but we are talking about a different question; we are talking about new selection coming into the system. Selection by aptitude is still in place for foreign languages, for example. Will the Secretary of State keep that under review in an active way and commission new research on it, rather than keep it under review in the same way that the other issue, which has been buried in the bottom drawer, is being kept under review?

Ed Balls: As I said earlier, the hon. Gentleman has commended us on our evidence-based research. We will ensure that we have evidence, and we will keep looking at the evidence to see whether, as a result of the admissions code, a problem that some people feared would arise has developed. That is a better way forward than legislating now to drop something that has not been proven to be a problem, and which is popular with schools and parents alike.

Mr. Chaytor: Before we leave that point, will the Secretary of State define the distinction between aptitude and ability? To put it another way, does he think that Ronaldo has an ability to score goals, or merely an aptitude?

7.15 pm

Ed Balls: If a sports college has the power to choose only 10 per cent. of its pupils on the basis of whether they have a particular reason to benefit from its sports offer and its facilities, that is fine. If it turns out that the college is using sports aptitude as a way of finding out whether people can get a certain grade in GCSE maths, or in modern languages, or were using aptitude as a proxy for income, that would be wrong. We are very clear that if a school has a specialism in something other than ICT or design technology—as we have said,

it could be in maths, sports or modern languages—choosing 10 per cent. of pupils on the basis of aptitude for that subject is fine, so long as aptitude does not become a proxy for wider academic ability or social selection. If the evidence shows that it is indeed being used as a proxy, we will act, but we would need to see the evidence.

Mr. Laws *rose—*

Ed Balls: I will take one more intervention, and then I will conclude.

Mr. Laws: What is the difference between modern languages, for which the Secretary of State does allow selection by aptitude, and ICT, in respect of which new selection has been banned, although where there is existing selection in schools the practice has been grandfathered?

Ed Balls: It is generally agreed that we need to do more to expand the teaching of, and the number of pupils taking exams in, modern languages in secondary and primary schools. In my constituency, there is a school that has a new modern languages speciality. It is doing well, but to establish a base of expertise and to bring teachers in, it is looking to bring in pupils who have an aptitude for modern languages. That seems to be a perfectly appropriate way for the school to strengthen its experience in that area, and to share that experience with other schools.

Michael Gove: Will the Secretary of State explain for the benefit of the House what the difference is between an intellectual facility with French, which he classifies as an aptitude, and an intellectual ability with, say, the English language or mathematics, which he describes as ability? What is the philosophical or pedagogical difference? I am sure that we would all benefit from hearing that.

Ed Balls: Not having read the Policy Exchange report that advocated the abolition of selecting 10 per cent. of pupils by aptitude, I am not sure that I can answer that question in a way that the hon. Gentleman would find acceptable. It is clear that when it comes to supporting the specialist schools movement and giving parents what they want, selecting 10 per cent. of pupils by aptitude is a powerful way of encouraging the ethos—he may like that word—of those schools. However, that must not happen in a way that allows widespread selection for a range of academic subjects through the back door, or selection by ability.

Mr. Walker: Will the Secretary of State give way?

Ed Balls: I will give way one more time, and then I will conclude.

Mr. Walker: Why was the figure of 10 per cent. alighted on? Why is it not 5, 15 or 20 per cent.?

Ed Balls: The 10 per cent. figure has been there since the beginning of the specialist schools movement, which preceded the Government coming to power in 1997, so the hon. Gentleman may have to ask Conservative Members why 10 per cent. was originally chosen. We think that 10 per cent. allows a school to choose a minority—a tenth—of their pupils on the basis of aptitude, without aptitude becoming a proxy for academic ability. As I say, we will keep the Sheffield Hallam research under review. If Policy Exchange is right to say that the policy is a covert, back-door means of allowing selection, it would be right to take action.

Let me turn to new clause 14, admissions and the work that our Department has done in recent months. At the beginning of the debate, I said that we should move forward by consensus and should try not to allow the issue to become a political football. I said that because Government Members and people in my Department have not played politics with the issue. In my view, the hon. Member for Surrey Heath has consistently played politics with it from the very beginning. He made that clear in his rather lengthy speech.

I want to explain where I stand on these issues. When I became Secretary of State, I inherited a document called "Faith in the System", which we published in September. It sets out clearly my support and the Government's support for faith schools and the role that they play in our education system. Many of them were playing that role before the state provided free education, and many of those had a mission to tackle disadvantage in our education system.

At that time I said—I have been consistent on this—that it is important that our faith schools demonstrate that they are promoting community cohesion and fair admissions through the admissions code. In the conversations that I have had with faith organisations and faith leaders, they are clear in their support for that.

Of course, in the first year there were some issues to sort out, and I am happy to confirm to the hon. Gentleman that in the discussions we have been having with the Board of Deputies, we have been able to clarify under the code that the faith organisations' use of marriage certificates as a way of confirming religious activity is fine. The important thing is that it should be done not by the individual school but by the faith organisations. On that issue, I think we can make progress.

Consistently through this period we have been in discussion with the faith organisations. Let me provide a couple of quotes from the different faith organisations that we have worked with—the hon. Gentleman read out a number of quotes earlier. Mr. Henry Grunwald QC, of the Board of Deputies, said on 10 April:

> "Throughout, the Board of Deputies has worked closely with the DCSF to ensure that the concerns of the community are understood by the Department, and that Jewish schools understand the requirements of the Admissions Code. It is clear from my conversations with Ed Balls, and our exchange of correspondence, that he is supportive of our schools"—

as I am, and as I set out in the *Jewish Chronicle.*

The Board of Deputies agrees with me that it is important that Jewish schools comply with the admissions code, and they will do so in future. We are working with them to do so. This is not a witch hunt. The Board of Deputies is working with us to ensure that those schools, which have every right to voluntary contributions, are compliant.

I shall also quote the Bishop of Dover, Stephen Venner, who told BBC Radio 4's "World at One":

[Ed Balls]

"Ed Balls used the word 'horrified' in his statement, and I think I would repeat that. We are entirely behind the Government in what they have discovered and in the actions they are taking to try to deal with it. We have said all along we will work with Government and local authorities to ensure that appropriate admissions criteria are in place and that they are followed."

Similar statements were made by the Catholic Education Service.

We will work with the faith organisations to deliver community cohesion. We will work with the religious authorities and individual schools to ensure community cohesion, fair admissions and compliance with the code. That is the best way to ensure that parents and those schools have wider support. We continue to support the role of faith schools in our system. I therefore make no apology at all for the fact that when we discovered substantial non-compliance, we published the information so that schools, governors and parents could see that we needed to act to improve the situation. That is what we shall do.

Michael Gove: If the Secretary of State was working so closely with faith organisations, why did the diocesan officer for education for the London diocese express such profound disappointment and consternation at the way in which the Secretary of State handled the matter, and why were four schools slandered inappropriately for their treatment of looked-after children?

Ed Balls: I absolutely reject the idea that I have slandered any school. We published in a factual way details of schools that were not compliant with the law and the admissions code. When I had that information, it would have been quite wrong for me to conceal it from governors or parents. I published the information with the support of faith leaders so that we could ensure compliance with the code in the future.

It is revealing that the hon. Gentleman is not supporting our action to ensure compliance with the code. He is not supporting our proposals to strengthen the admissions code. The conclusion that I reach is that he does not support fair admissions. The inevitable conclusion is that while our party drives forward excellence for all in our education system, he and his colleagues continue to support excellence for the few—the preservation of excellence for some, not the promotion of excellence for all. That is why he is opposed to the admissions code, to diplomas, to the Bill and to education to 18 for all. The hon. Gentleman supports a two-tier education policy and excellence for some. With us, it is excellence for all. That is the dividing line.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 1

ABOLITION OF APPEALS AGAINST PERMANENT EXCLUSION OF PUPILS

'(1) The Education (Pupil Exclusions and Appeals) (Maintained Schools) (England) Regulations 2002 are amended as follows.

(2) Omit regulation 6 and the Schedule to the Regulations.'.— *[Mr. Gibb.]*

Brought up, and read the First time.

Mr. Gibb: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss new clause 2—*Home-school contracts*

'(1) An admission authority may make it a condition of a child's admission to a school that the parent of a child agrees to secure compliance with any school rules made by the head teacher and governors of that school.

(2) In this section "admission authority" has the same meaning as in section 88 of the School Standards and Framework Act 1998.'.

Mr. Gibb: New clauses 1 and 2 deal with behaviour. Poor behaviour, disruptive behaviour and even violent behaviour in our schools has become one of the main problems facing our education system. Tackling poor behaviour lies at the centre of the Conservatives' education policy and our determination to raise standards and the quality of our schools.

According to Home Office figures, a quarter of young people aged 10 to 25 said that they had committed a crime in the previous year. In 2006, 94,000 custodial sentences were handed down to 10 to 17-year-olds, and there were more than 250,000 persistent truants. Two thirds of teachers had been verbally or physically assaulted in the previous year of the survey, and nearly one in 10 had been threatened with a weapon. In March this year the Association of Teachers and Lecturers published a survey showing that 29 per cent. of all teachers had been punched, kicked or bitten by their pupils. No one should therefore be in any doubt about the extent of the problem or its seriousness.

When I visit schools I am continually told by head teachers that one of the main hurdles that they face is the difficulty in expelling persistently disruptive pupils. No head whom I have met wants to expel pupils from their school, but when every avenue has been explored to try to change the behaviour of a disruptive child, heads need to be able to apply the ultimate deterrent of expulsion. However, when children know that expulsion is rarely an option, the credibility of the head in his attempts to instil good behaviour is severely undermined.

The particular difficulty that heads mention is the nightmare that they have to go through if a parent appeals to the independent appeals panel administered by the local authority against their child's expulsion. Those appeals are stressful and distracting for the head and they can be time consuming and expensive for the school.

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): Will the hon. Gentleman, in the course of his remarks, respond to the statement issued by the special education consortium, which said in its briefing in response to his new clause that

"independent exclusion appeal panels remain an important safeguard to allow further consideration of whether exclusion is an appropriate response in each individual case"?

Mr. Gibb: I understand that concern, but there will be a safeguard under our new clause. The safeguard will be the appeal to the governing body. A section of the governing body that is not involved in the original expulsion will hear the appeal. That should deal with the concern.

The effect of appeal panels on schools is clear. Since 1997 permanent exclusions have fallen from 12,700 to 9,300. In that period suspensions have risen from 290,000 to 340,000. That is a matter of concern to Chris Keates, the general secretary of the National Association of Schoolmasters Union of Women Teachers, who points out that when a child is expelled for hitting a teacher or for verbal abuse and goes through the appeals panel, they come back. A quarter of all appeals are won by parents. In half of the appeals that are won, the pupil returns to the school.

I urge the Government to consider carefully new clause 1 and new clause 2, which makes home-school contracts a condition of admission to a school, which is currently forbidden.

Kevin Brennan: I shall be very brief, given the time available. I ask my hon. Friends to resist the new clauses. There are two reasons to reject them in respect of school appeals panels on exclusions. I mentioned one in my intervention: the panels are an important safeguard for pupils with special educational needs. Conservative Front Benchers often ask us to do as much as we can to protect such pupils' interests.

Secondly, abolishing the panels would result in more and more cases in court. That would only line the pockets of the lawyers and take more time. The proposal is opposed by the Association of School and College Leaders. Head teachers are not in agreement with the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) and the other Conservative Front Benchers.

Home-school contracts would be yet another way—

It being three hours after the commencement of proceedings on the programme motion, MR. DEPUTY SPEAKER *proceeded to put forthwith the Question already proposed from the Chair, pursuant to Order [this day.]*

The House divided: Ayes 103, Noes 300.

Division No. 179] **[7.30 pm**

AYES

Afriyie, Adam
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Barker, Gregory
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Brady, Mr. Graham
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, Philip
Davis, rh David *(Haltemprice and Howden)*
Dodds, Mr. Nigel
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fallon, Mr. Michael
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Hendry, Charles
Hogg, rh Mr. Douglas
Horam, Mr. John
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Knight, rh Mr. Greg
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Ruffley, Mr. David
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Whittingdale, Mr. John
Wiggin, Bill
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, Danny
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Battle, rh John
Beckett, rh Margaret
Beith, rh Mr. Alan
Bell, Sir Stuart
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff

Etherington, Bill
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hancock, Mr. Mike
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Howarth, rh Mr. George
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, David
Teather, Sarah
Thomas, Mr. Gareth
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Hywel
Williams, Mark
Williams, Stephen
Wills, Mr. Michael
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Noes:
Tony Cunningham and Ms Diana R. Johnson

Question accordingly negatived.

MR. DEPUTY SPEAKER *then proceeded to put the Questions necessary to dispose of the business to be concluded at that hour, pursuant to Order [this day.]*

New Clause 18

SELECTION BY APTITUDE

'(1) No new or existing maintained school shall select pupils by aptitude.

(2) For the purposes of this section, "maintained school" includes all Academies, Specialist, Trust or Foundation Schools.'.—*[Mr. Laws.]*

Brought up, and read the First time.

Question put, That the clause be read a Second time:—

The House divided: Ayes 37, Noes 359.

Division No. 180] **[7.44 pm**

AYES

Barrett, John
Beith, rh Mr. Alan
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burt, Lorely
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Davey, Mr. Edward
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don

Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Moore, Mr. Michael
Pugh, Dr. John
Reid, Mr. Alan
Sanders, Mr. Adrian
Stunell, Andrew
Teather, Sarah
Webb, Steve
Williams, Hywel
Williams, Stephen
Younger-Ross, Richard

Tellers for the Ayes:
Paul Rowen and
Willie Rennie

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, rh Mr. Bob
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Battle, rh John
Beckett, rh Margaret
Bell, Sir Stuart
Benton, Mr. Joe
Benyon, Mr. Richard
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Borrow, Mr. David S.
Boswell, Mr. Tim
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crabb, Mr. Stephen
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Philip
Davies, Mr. Quentin
Davis, rh David *(Haltemprice and Howden)*
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Duddridge, James
Duncan Smith, rh Mr. Iain
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Ennis, Jeff
Etherington, Bill
Fallon, Mr. Michael
Farrelly, Paul
Field, Mr. Mark
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Gove, Michael
Green, Damian
Greening, Justine
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hammond, Stephen
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, John
Hemming, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Hendry, Charles
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Howarth, rh Mr. George
Humble, Mrs. Joan
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Mr. Greg
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Lancaster, Mr. Mark
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Linton, Martin
Lloyd, Tony
Loughton, Tim
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Mackinlay, Andrew
Maclean, rh David
Mactaggart, Fiona
Mahmood, Mr. Khalid
Main, Anne
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marris, Rob
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Mr. George
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick

Penning, Mike
Penrose, John
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prisk, Mr. Mark
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Ruffley, Mr. David
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Shepherd, Mr. Richard
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Spring, Mr. Richard
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Stuart, Mr. Graham
Swayne, Mr. Desmond
Tami, Mark
Taylor, Ms Dari
Taylor, David
Taylor, Mr. Ian
Thomas, Mr. Gareth
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Twigg, Derek
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Vis, Dr. Rudi
Walker, Mr. Charles
Walley, Joan
Walter, Mr. Robert
Walther, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Wills, Mr. Michael
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Tony Cunningham and Ms Diana R. Johnson

Question accordingly negatived.

Clause 1

PERSONS TO WHOM PART 1 APPLIES

Nia Griffith (Llanelli) (Lab): I beg to move amendment No. 149, in page 1, line 7, after 'England', insert 'and Wales'.

Mr. Deputy Speaker: With this it will be convenient to discuss Government amendments Nos. 113 to 118.

Nia Griffith: In proposing the amendment, I very much applaud the excellent work of Jane Hutt, the Assembly Minister for Education, Culture and Young People, and her colleagues in innovatively and imaginatively developing the 14 to 19 curriculum in Wales.

I fully respect the power and responsibility that the Assembly has with regard to education, but my reason for proposing the amendment is quite simply to ensure that if the Welsh Assembly Government see the need to make the entitlement to education or training up until the age of 18 compulsory in future, they have the facility to do so without the need for primary legislation from the UK Government.

Many excellent programmes in Wales to encourage young people to continue their education or training up until the age of 18 are being delivered largely through schools and colleges. The response of the National Training Federation for Wales to "Skills That Work for Wales" states that the Welsh Assembly should include 16 to 19-year-olds at work in the learning entitlement measure and should seriously consider taking reserve powers to introduce, if necessary, an obligation to learn along the lines of the English Bill. It says that such a reserve power could be useful in underpinning entitlement by prompting employers and young employees alike to engage voluntarily in and complete an appropriate qualification process. In the view of the NTFW, that would also encourage the completion of apprenticeships because non-completions have long been identified as a problem within the apprenticeship process.

We all appreciate that, as far as we possibly can, we need to motivate young people to take up education and training opportunities up to the age of 18 of their own volition, but without repeating the many good reasons why the Bill will make that entitlement compulsory, I should like to highlight a couple of issues. First, one of the reasons for making entitlement up to the age of 18 compulsory is that authorities, particularly in difficult times, have to concentrate their resources on statutory provision. If a service is not statutory, it can be in danger of being starved of funding and under-resourced. Secondly, once the measures in the Bill come into force, making entitlement up to the age of 18 compulsory in England, there may be cross-border issues and unintended consequences that make compulsion desirable in Wales. I propose the amendment in order to ensure that that option will be open to the Welsh Assembly Government.

The Parliamentary Under-Secretary of State for Wales (Huw Irranca-Davies): I rise to address amendment No. 149 and the Government amendments. My hon. Friend the Member for Llanelli (Nia Griffith) raised some important points about education in Wales that will have been heard, and which will be heard after the debate as well. If I may address the crux of the matter in amendment No. 149, I absolutely agree with my hon. Friend that the Welsh Assembly Government should be able to decide to raise the participation age in Wales at some point in the future.

The intention behind the amendment is laudable. It seeks to ensure that young people in England and Wales, who are above compulsory school age, under 18 and without a level 3 qualification, receive the undoubted benefits of education and training. That is a virtuous circle: as the young people receive the benefits of additional

education and training, their communities, families and wider society also benefit. It is a classic "win-win" scenario. We want those benefits to accrue in England and Wales, to our constituents in Llanelli, Ogmore and elsewhere. Yet I hope that I can explain to my hon. Friend and the House that the amendment, while rightly probing the intentions of the Welsh Assembly Government and Westminster, is unnecessary.

8 pm

It may help if I put the amendment in context. The Welsh Assembly Government are fully committed to ensuring that as many young people as possible stay on in education or training until the age of 18. We have a shared aim of equipping more and more young people in the 14 to 19 range with the skills and abilities that they need to shape a successful future.

The Welsh Assembly Government are putting in place their strategies to achieve that, focused on two key objectives to encourage participation. The first is extending the entitlement of young people to education and training generally, and the second is expanding the range of options available to them, through programmes such as 14 to 19 learning pathways and the Welsh baccalaureate—the Welsh bac.

The Assembly Government have a long-standing endorsement of an approach that increases the obligation on providers of services to expand and improve the offers made to young people, and to make staying in education and training more attractive and worth while. They recently concluded a consultation exercise on a draft learning and skills measure, through which they intend to legislate to provide young people with a statutory entitlement to education and training during that period in their lives.

I know that the Assembly Government are keen to work with us, sharing and learning from our different experiences as they plan their policies for the future. As my hon. Friend the Minister for Schools and Learners set out in Committee, we do not believe that those matters should be reduced to "either/or". Improving the range and quality of the offer to young people is essential, and raising the participation age can galvanise the system to do that.

The Government of Wales Act 2006 allows the Assembly to acquire enhanced legislative powers through legislative competence orders—LCOs. If, based on the English experience, the Welsh Assembly Government decide to pursue the approach taken in England, they have the option of proposing a legislative competence order to seek powers to enable them to raise the participation age.

In the meantime, we are working with the Assembly Government to ensure that the Bill is drafted in such a way that it enables all aspects of the policy to be capable of application in Wales in future, should they decide to pursue such an approach. However, if the amendment were accepted, it would apply the duty to participate and the rest of the provisions of part 1 in exactly the same form to Wales as to England. It would not allow flexibility to reflect different structures, provisions or qualifications in Wales. I therefore ask my hon. Friend to withdraw it, with the clear commitment of the Government and my right hon. Friend the Secretary of State for Wales to continue to work with the Welsh Assembly Government to ensure that the approach in England could be adopted if required and requested, and in the light of our shared aim of equipping young people with the skills and abilities for a successful future.

I hope that I will not detain us long on Government amendments Nos. 113 to 118. The Bill contains framework powers for the National Assembly for Wales to legislate on regulation and inspection. The amendments would alter those powers so that they more comprehensively cover the regulation of the independent sector. That would avoid the position whereby Westminster regulates some parts of the sector and the Government in Wales regulate others.

Clause 133 enables the National Assembly for Wales to legislate on the arrangements for the registration and regulation of independent schools in the context of educational provision and, more generally, of pupil welfare. The framework provision also confers power on the Assembly to introduce measures on the inspection of maintained schools for children of or below compulsory school age, and other education and training for those aged 16 and under, as well as the inspection of independent schools and education and training provided other than in a school to those of compulsory school age.

The amendments would extend the framework power to enable the National Assembly to regulate independent nursery schools and part-time educational training provided at independent educational institutions, which provide education for one or more pupils of compulsory school age. That will ensure that the power is comprehensive in giving the Assembly the ability to legislate on regulation in the independent sector.

I ask hon. Members to support the Government amendments.

Mr. Hayes: It is indicative of my support for the Union that, although I represent an east of England constituency, I spend a disproportionate amount of time debating Welsh matters. I do so again with great pleasure.

The amendment would extend part 1—the duty to participate until the age of 18—to Wales, as the hon. Member for Llanelli (Nia Griffith) argued. I take it from the tone of her contribution and the Under-Secretary's response that it is a probing amendment, which is designed to tease out the Welsh Assembly's perspective on the subject. Hon. Members will know that some provisions apply to Wales, although the Bill's main purpose—to raise the age of compulsory participation—does not.

According to a written statement by Jane Hutt, the Assembly Minister for Children, Education, Lifelong Learning and Skills, to the Assembly, the provisions for inspection of education and training for those aged 16 and under; regulation, registration and inspection of independent schools in Wales; school forums; data sharing; and changes to the remit of the Qualifications and Curriculum Authority apply in Wales.

Conservative Members believe that the Assembly should decide whether the age of compulsory participation should be raised in Wales. However, the current legislation, with some provisions applying in Wales and others not, could give rise to a lack of clarity. I guess that is why the hon. Lady tabled the amendment.

[Mr. John Hayes]

I do not want to embarrass the Government unduly or unnecessarily. As you know, Madam Deputy Speaker, that is not my habit. However, as we found when we debated the Bill that became the Further Education and Training Act 2007 in the previous Session, such lack of clarity can have constitutional implications. As the Under-Secretary will remember, the Act enables the Privy Council to grant powers to award foundation degrees to further education colleges in England, but the measure did not extend to Wales. The Government's position was that the Welsh Assembly should decide whether the powers should apply in Wales. However, it became clear as the measure was scrutinised in Committee that such powers would not be devolved to the Assembly and that no proper discussion about that had taken place.

I am pleased that the Government appear to have moved on and got it right in the Bill that we are considering. I appreciate that the balance of power between the Assembly and the House is a developing understanding on the part of the Government and the Opposition, but the useful tabling of the amendment gives us a chance to reconsider those matters. It is worth repeating that, for the Welsh Affairs Committee, Conservative Members and, I guess, some Labour Members, the preferred method of dealing with those matters is through Orders in Council rather than through encouraging the inclusion of provisions in primary legislation. After all, that principle lies behind devolution. It would be useful if the Under-Secretary could say something specific about that. He responded to the hon. Lady in the terms that I expected, but it would be useful to have absolute clarity about the different ways in which to legislate for Wales on education and other matters and perhaps an assurance—now is as good a time as any to offer it—that the Government will proceed by the preferred method in future with regard to the Bill and other measures.

Huw Irranca-Davies: Perhaps I can help the hon. Gentleman by clarifying that, within the Wales Office and the Welsh Assembly Government, we do not see the need to preclude either option. However, as he is aware, for the first time ever, Orders in Council give the ability to bring forward National Assembly for Wales and Welsh Assembly Government-inspired legislation, which is a good way to bring things forward. However, framework powers will still be brought forward on occasion. They will be debated in the House, as they are now. We would not want to rule out either option, but the hon. Gentleman is right that there is a good new method, under the Government of Wales Act 2006, which we fully support.

Mr. Hayes: I am grateful to the Minister for that intervention. I presume that the reasoning behind the unwillingness to take an "either/or" route is that on some occasions the Government would deem it appropriate and desirable to have a broader debate about a subject. That was the argument used last time around. However, I am mindful that the Select Committee on Welsh Affairs said:

> "We are concerned that continuing to use primary legislation to extend the powers of the National Assembly (in a parallel procedure to adding Matters by way of Legislative Competence Orders) will mean that Matters introduced in this way will escape the detailed arrangements for pre-legislative scrutiny".

The other point that the Minister might want to intervene to clarify is that pre-legislative scrutiny will form a key part of future legislation and has formed a key part of this legislation.

Huw Irranca-Davies *rose—*

Mr. Hayes: The Minister is gagging to intervene once again. I am delighted to give way accordingly.

Huw Irranca-Davies: Again, it is convenient to clarify the position. We indeed see Welsh aspects being subject to pre-legislative scrutiny when framework powers are brought forward under the new Public Bill Committee format, which is to be welcomed.

Mr. Hayes: I am again grateful to the Minister. Mindful that we have many other matters to debate in the short time available and not wishing to test the House's patience beyond reasonable limits—or, indeed, yours, Madam Deputy Speaker—I draw my remarks to a close by saying merely that the Government have learnt their lesson and are improving, in respect of the application of their measures in the Principality of Wales.

Hywel Williams (Caernarfon) (PC): Further to the point that the hon. Member for South Holland and The Deepings (Mr. Hayes) made, I, too, will keep my remarks brief. However, there is good reason to consider education and amendment No. 149 in detail.

Education is a devolved matter and has been so for a long time, if to varying degrees. Wales has a long educational tradition that is both radical and different from that in England. I am glad to have this opportunity to mention Griffith Jones Llanddowror and Robert Jones Rhoslan, who in the 18th century ensured that 158,000 Welsh people were literate, long before such a position obtained in England. Then we had the Welsh Intermediate Education Act 1889, which provided that public money should be spent on Welsh intermediate education—that education should be paid for from the rates, again long before that was the case in England.

In recent decades we have seen other specifically Welsh developments, including the continuing success of Welsh medium education, the provisions on language of the Education Reform Act 1988, which the Conservatives introduced, the deletion of burdensome SATs, the Welsh baccalaureate and now the foundation stage for early education. Furthermore, as has been mentioned, field 5 of schedule 5 to the Government of Wales Act 2006, on "education and training", sets out 17 separate matters—more matters than any other field. They range from matter 1, the categories of schools to be maintained, to matter 17, education and training for those with learning and other difficulties. Clearly the Assembly has been judged to be competent in education—all the more reason, therefore, not to pursue the amendment. Whether a further legislative competence order will be required is another matter.

There is, however, more to the situation. Historically, there has been a long series of clashes between the champions of distinct Welsh education provision and London Departments. There was a time when such clashes were between the popular representatives of the

people—that is, the politicians—and the Administration here in London, with their murkier motives and strategies. The amendment might—or might not—be one further example of that historic clash. Since the advent of formal democratic devolution, however, there is the potential for a further clash, as has been mentioned. That clash is not between the people of Wales and the machine of Government, but between democratically elected representatives of the people of Wales here in London and democratically elected representatives in Wales. I do not know whether this debate is a clash of that sort, but as a Plaid Cymru MP, I know precisely where I stand on the matter, following the legislation to which the hon. Member for South Holland and The Deepings referred. To cut to the argument, I would ask one question: is the amendment really needed? If not, it should be rejected.

8.15 pm

Education is the main plank of the One Wales agreement for government between the Labour party and Plaid Cymru. That agreement sets out principles that the hon. Member for Llanelli (Nia Griffith) would scarcely argue against. For example, section 6, on "Learning for Life", says:

"Our vision is of a society in which learning throughout life is the norm".

The agreement continues by saying that

"our unwavering commitment is to give the children of Wales the best start in life, through providing a first-class education for all children, whatever their social origins or wherever they live."

In the section on establishing a right to learn, the One Wales agreement says:

"We will provide a government-guaranteed right, backed up with new money, to education and accredited training until the age of eighteen, including a broader-based baccalaureate, incorporating vocational and academic learning opportunities, with a legislative framework."

The intention behind the One Wales document of the Government in Cardiff could scarcely be clearer.

The real question is whether the Welsh Assembly Government are to be trusted to implement their own policy. If they want to pursue a policy of compulsion, are they to be trusted to apply for a legislative competence order, should one be needed? Speaking for Plaid Cymru, I am glad to give that assurance. I would not presume to speak for the Labour party or the Government in Cardiff as a whole. However, as I have argued, the weight of our educational history suggests that we will take the radical course in Wales, not least because the provision of education and training up to the age of 18 is part of the binding agreement between the two great radical parties that now form the Government in Wales.

Nia Griffith: I listened carefully to the Minister and was particularly impressed by his assurance that it is possible for the Welsh Assembly Government to bring forth a LCO, should they so desire. I was also impressed by his emphasis on the need to leave them some flexibility as an option. If my amendment was accepted into the main measure that we are debating tonight, it could impinge upon that flexibility. Therefore, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

New Clause 6

LEARNING AND SUPPORT CONTRACTS

'(1) This section applies where a person to whom this Part applies ("the young person") is failing to fulfil the duty imposed by section 2.

(2) A local education authority in England may enter into a learning and support contract with the young person if—

(a) the young person is resident in England, and

(b) the authority considers that entering into the learning and support contract would be desirable in the interests of the young person's fulfilment of that duty.

(3) A learning and support contract is a document which contains—

(a) a statement by the young person that the young person agrees to comply with such requirements as may be specified in the document for such period as so may be specified, and

(b) a statement by the local education authority that it agrees to provide support to the young person for the purpose of complying with those requirements.

(4) A learning and support contract must be signed by the young person, and signed on behalf of the local education authority.

(5) A learning and support contract does not create any obligations in respect of whose breach any liability arises in contract or tort.'.—*[Mr. Hayes.]*

Brought up, and read the First time.

Mr. Hayes: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following:

New clause 9—*Learning and support contracts (No. 2)*

'(1) This section applies where a person to whom this Part applies ("the young person") is failing to fulfil the duty imposed by section 2.

(2) A local education authority in England may enter into a learning and support contract with a young person—

(a) if the young person is resident in that authority's area; and

(b) the authority considers that entering into the learning and support contract would be desirable in the interests of the young person's fulfilment of that duty.

(3) A learning and support contract is a document which contains—

(a) a statement by the young person that the young person agrees to comply with such requirements as may be specified in the document for such period as so may be specified; and

(b) a statement by the local education authority that it agrees to provide support to the young person for the purpose of complying with those requirements.

(4) A learning and support contract must be signed by the young person, and signed on behalf of the local education authority.

(5) A learning and support contract does not create any obligations in respect of whose breach any liability arises in contract or tort.'.

New clause 13—*Annual consultation with employers' organisations*

'On each anniversary of the coming into force of Chapter 3 of Part 1 of this Act, the Secretary of State shall consult—

[Madam Deputy Speaker]

(a) the Confederation of British Industry,

(b) the Institute of Directors,

(c) the British Chambers of Commerce, and

(d) the Federation of Small Businesses,

to assess the effect the provisions in this Chapter have had in the previous twelve months, on the employment market for 16 and 17 year old people.'.

New clause 23—*Participation in vocational education*

'(1) A pupil who has completed three years of secondary education may leave school in order to pursue full-time vocational education elsewhere if the conditions in subsection (2) are satisfied.

(2) Those conditions are that the pupil—

(a) has the written permission of their parent or guardian not to continue in full-time education at school;

(b) has the written permission of the head teacher of the school at which they are registered as a pupil not to continue in full-time education at school; and

(c) has achieved level 5 at key stage 3 in English, mathematics and science.'.

Amendment No. 45, in clause 1, page 1, line 7, at beginning insert—

'(1) This Part does not apply to any person who—

(a) has full time learning responsibilities for a parent, sibling or other relation,

(b) is a parent of a child under the age of 5,

(c) is engaged in full time voluntary work,

(d) has an illness requiring significant medical attention, or

(e) has a terminal illness.'.

Amendment No. 43, page 1, line 7, leave out 'is resident' and insert 'lives'.

Amendment No. 44, page 1, line 7, leave out 'is resident' and insert 'currently resides'.

Amendment No. 42, page 1, line 7, leave out 'resident'.

Amendment No. 1, page 1, line 10, at end insert ', and

(d) is not engaged in full-time sport or on a sporting apprenticeship.'.

Amendment No. 2, page 1, line 10, at end insert ', and

(d) has not written to the relevant local authority to request that their education and training entitlement under section 2 should be delayed until a specified future date.'.

Amendment No. 3, page 1, line 10, at end insert ', and

(d) is not engaged in voluntary activity for more than 20 hours per week.'.

Amendment No. 4, page 1, line 10, at end insert ', and

(d) is not a parent of a child who is aged 1 year or less.'.

Amendment No. 8, in clause 2, page 1, line 12, leave out from 'applies' to end of line 3 on page 2 and insert 'shall be entitled to 2 years of free education or training up to level 3, to be taken at any time after leaving education at the present compulsory school leaving age.'.

Amendment No. 7, page 1, line 17, leave out paragraph (c) and insert—

'(c) be in full-time occupation (see section 5).'.

Amendment No. 5, page 2, line 3, at end insert ', or

(d) have signed and be participating in a learning and support contract entered into with a local education authority to provide personalised support leading to future participation in accredited education or training.'.

Amendment No. 6, page 2, line 3, at end insert ', or

(d) be in receipt of full-time non-educational support.'.

Amendment No. 9, page 2, line 11, at end insert—

'(3) This section may not come into force until the Secretary of State has published an assessment of the availability of suitable education and training opportunities in each local authority area.'.

Amendment No. 46, page 2, line 11, at end insert—

'(3) This section may not come into force until 90 per cent. of 16 and 17 year olds are, as certified by the Statistics Commission, participating in education or training.'.

Amendment No. 47, page 2, line 11, at end insert—

'(3) This section may not come into force until the Learning and Skills Council has certified that in its opinion there are sufficient contracts of apprenticeship of suitable quality available to meet the level of demand by persons to whom this Part applies.'.

Amendment No. 48, in clause 3, page 2, line 18, after 'two', insert 'knowledge-based'.

Amendment No. 11, in clause 4, page 2, line 32, after 'ability', insert ', interests'.

Amendment No. 10, page 2, leave out lines 34 and 35.

Amendment No. 49, page 2, line 35, after 'sector', insert ', at home'.

Amendment No. 50, page 2, line 35, after 'sector', insert ', in the workplace'.

Amendment No. 12, page 2, line 41, at end insert—

'(4) Regulations must provide for "appropriate full-time education or training" which—

(a) is not in formal educational institutions,

(b) is not accredited,

(c) includes personalised support for non-educational needs.'.

Amendment No. 13, in clause 6, page 4, line 6, leave out from 'Part' to end of line 7 and insert

'training or education in relation to any person to whom this Part applies shall be regarded as "relevant" if and only if it is—

(a) training or education towards an accredited qualification provided by a course or courses, or

(b) in-house training provided by an employer, or

(c) training or education which, if the person concerned were participating in full time education or training, would be considered appropriate having regard to the person's age, ability, interests and aptitude, and any learning difficulties which the person may have.'.

Amendment No. 51, page 4, line 7, at end insert

'or in-house training provided by an employer in the course of full-time employment.'.

Amendment No. 41, in clause 8, page 4, line 28, leave out from 'it' to end of line 39 and insert—

'(a) amounts in aggregate to at least 280 hours of guided learning, in the case of a relevant period which is one year;

(b) amounts in aggregate to such number of hours of guided learning as is determined in accordance with regulations, in the case of any other relevant period; or

(c) is designed to lead within a year to credits with a value equivalent to the credit value normally attached to qualifications estimated to require 280 hours of guided learning by the QCA or other accrediting bodies whose functions and qualifications are recognised by the European Credit Framework.'.

Amendment No. 30, page 4, line 29, leave out 'guided learning' and insert 'learning time'.

Amendment No. 31, page 4, line 31, leave out 'guided learning' and insert 'learning time'.

Amendment No. 32, page 4, line 34, leave out 'guided learning' and insert 'learning time'.

Amendment No. 33, page 4, line 35, leave out 'actual guided'.

Amendment No. 34, page 4, line 39, leave out 'guided learning' and insert 'learning time'.

Amendment No. 35, page 4, line 42, leave out 'actual guided learning' and insert 'learning time'.

Amendment No. 36, page 5, leave out lines 5 and 6 and insert 'or

(c) in any unsupervised preparation or study, whether at home or otherwise, which a person is expected by the lecturer, tutor, teacher or other appropriate provider to take to complete the learning outcomes of a qualification or part of a qualification.'.

Amendment No. 37, in clause 9, page 5, line 15, leave out 'guided learning' and insert 'learning time'.

Amendment No. 38, page 5, line 21, leave out 'guided learning' and insert 'learning time'.

Amendment No. 39, page 5, line 26, leave out 'guided learning' and insert 'learning time'.

Amendment No. 40, page 5, leave out lines 34 and 35 and insert 'or

(c) on unsupervised preparation or study, whether at home or otherwise, where this work is allocated by a lecturer, tutor, supervisor or other appropriate provider of training or education.'.

Amendment No. 29, in clause 10, page 6, line 2, at end insert—

'(2) This duty applies to all such persons under the supervision of the local authority youth offending team, including those in custody.'.

Amendment No. 54, in clause 14, page 8, line 8, leave out from 'to' to end of line 9 and insert

'provide advice in relation to careers, education or training.'.

Amendment No. 59, page 8, line 9, leave out 'Part' and insert 'Chapter'.

Amendment No. 16, page 8, line 13, at end insert

'which relates directly to the pupil or student's educational record, and educational and support needs.'.

Amendment No. 57, page 8, line 15, leave out 'if' and insert 'unless'.

Amendment No. 58, page 8, line 20, leave out 'not'.

Amendment No. 55, page 8, line 21, at end insert—

'(4A) An educational institution shall, at the beginning of each academic year, write to every student attending its institution informing them of their rights under subsection (4).'.

Amendment No. 56, page 8, line 21, at end insert—

'(4A) Information supplied under this section may not be used by a local education authority for the purpose of enforcing the duty to participate in education or training under the provision of Chapter 5 of this Part.'.

Amendment No. 60, in clause 15, page 8, line 27, leave out 'exercise its functions under this Part' and insert

'provide advice in relation to careers, education or training'.

Amendment No. 62, page 8, line 27, leave out 'Part' and insert 'Chapter'.

Amendment No. 61, page 9, line 18, at end insert—

'(8) Information supplied under this section may not be used by a local education authority for the purposes of enforcing the duty to participate in education or training under the provisions of Chapter 5 of this Part.'.

Amendment No. 18, in clause 16, page 9, line 21, after 'person', insert

'whose written consent for this supply of information has been sought and given.'.

Amendment No. 63, page 9, line 22, leave out 'exercise its functions under this Part' and insert

'provide advice in relation to careers, education or training'.

Amendment No. 17, page 9, line 22, after 'functions', insert 'solely in relation to providing support.'.

Amendment No. 65, page 9, line 23, leave out 'Part' and insert 'Chapter'.

Amendment No. 66, page 9, line 31, at end insert—

'(2A) Within seven days of supplying information the persons and bodies listed in subsection (2) must be inform the person about whom they are supplying information that such information has been supplied to a local education authority.'.

Amendment No. 64, page 9, line 36, at end insert—

'(4) Information supplied under this section may not be used by a local education authority for the purposes of enforcing the duty to participate in education or training under the provisions of Chapter 5 of this Part.'.

Amendment No. 67, in clause 17, in page 10, line 5, leave out 'for any relevant purpose' and insert

'only to provide advice in relation to careers education or training'.

Amendment No. 68, page 10, line 12, at end insert—

'(6A) Information supplied under this section may not be used by a local education authority for the purpose of enforcing the duty to participate in education or training under the provisions of Chapter 5 of this Part.'.

Amendment No. 69, page 10, line 22, leave out 'Part' and insert 'Chapter'.

Amendment No. 19, in clause 21, page 11, line 37, leave out from 'applies' to end of line 11 on page 12 and insert

'who has not either attained a level 3 qualification or who is not in certified or in-house education or training.'.

Amendment No. 70, page 12, line 13, at end insert—

'(4) For the purposes of this section, the steps that an employer is expected to take to fulfil its obligations in subsection (1) shall not include contacting a college of further education to verify—

(a) that the young person is enrolled,

(b) that the young person is attending courses, or

(c) the number of hours of attendance the young person's course requires.'.

Amendment No. 71, in clause 34, page 19, line 16, at end insert—

'(7) The provisions of this section shall not come into force until the recommendations of the review of the national strategy for carers have been implemented.'.

Amendment No. 72, in clause 39, page 22, line 8, at end insert—

'(7A) In this section, "reasonable excuse" includes circumstances in which a young person—

(a) is homeless,

(b) has health problems, including temporary illness, long term disability or ongoing mental health issues,

(c) has addiction problems,

(d) has secured a place on a course which does not start until the following month or the following term,

(e) is recovering from giving birth,

(f) has caring responsibilities, or

(g) has particular learning difficulties for which support has not been put in place.'.

Amendment No. 73, in clause 40, page 22, line 17, leave out 'and'.

Amendment No. 74, page 22, line 20, at end insert 'and

(d) all other measures have been undertaken by the local authority to encourage the young person to fulfil the duty imposed by section 2.'.

Government amendment No. 100

Amendment No. 22, in clause 41, page 23, line 23, at end insert

', having regard to a person's age, ability, interests, aptitudes and needs (if any) for personalised support and personalised learning opportunities.'.

Amendment No. 75, page 23, line 23, at end insert—

', having regard to a person's ability, prior educational attainment and special educational needs.'.

Amendment No. 76, page 23, line 23, at end insert—

', having regard to a person's needs and circumstances.'.

Amendment No. 78, in clause 42, page 23, line 37, leave out second 'a' and insert 'an independent'.

Amendment No. 77, page 23, line 37, after 'panel' insert 'of three people'.

Amendment No. 23, page 23, line 38, at end insert—

'(1A) The regulations shall provide for a duty on local authorities to make available independent advocacy services for those young people who would benefit from such services.'.

Amendment No. 79, page 24, line 7, leave out 'chairs' and insert 'is a member of'.

Amendment No. 80, page 24, line 7, after 'member' insert 'or employee'.

Amendment No. 20, in clause 43, page 24, line 29, at end insert—

'(4) In considering an appeal the attendance panel must invite the young person who is appealing against the attendance notice, or the young person's nominated representative, to make representations to it.'.

Amendment No. 81, page 24, line 29, at end insert—

'(4) Regulations made under subsection (3) shall provide that a young person making an appeal may attend the attendance panel appeal hearing and, if they wish, may be accompanied by an advocate or friend.'.

Amendment No. 24, in clause 45, page 25, line 19, at end insert—

'(2A) It is a defence for a person charged with an offence under subsection (1) to show that he or she is—

(a) in treatment for a serious medical condition,

(b) terminally ill,

(c) caring for a family member who is seriously ill, or

(d) unlikely to benefit from the education, training or service offered.'.

Amendment No. 25, in page 25, line 21, at end insert—

'(4) No offence under this section will have to be disclosed by a person who is convicted of the offence of failing to comply with an attendance notice.'.

Amendment No. 82, in page 25, line 21, at end insert—

'(4) A conviction under this section shall be regarded as spent on the date the young person convicted of such an offence reaches the age of 18.'.

Amendment No. 83, in page 25, line 21, at end insert—

'(4) A conviction under this section shall not be—

'(a) a recordable offence under the National Police Records (Recordable Offences) Regulations 2000 (S.I 2000/1139), and

(b) disclosed in Criminal Records Bureau checks.'.

Amendment No. 84, in page 25, line 21, at end insert—

'(4) A conviction under this section shall be regarded as spent after 12 months.'.

Government amendment No. 105

Amendment No. 85, in clause 46, page 26, line 3, after '45', insert 'and an advocate or friend'.

Amendment No. 86, in clause 47, page 26, line 15, after 'notice' insert 'for the payment of £50'.

Amendment No. 26, page 26, line 28, at end insert

', provided that such penalty does not exceed £50 or the weekly amount of maximum educational maintenance allowance.'.

Amendment No. 21, in clause 48, page 27, line 19, at end insert—

'(4) In considering an appeal the attendance panel must invite the young person who is appealing against the penalty notice, or the young person's nominated representative, to make representations to it.'.

Amendment No. 87, in page 27, line 19, at end insert—

'(4) Regulations made under subsection (3) shall provide that a young person making an appeal may attend the attendance panel appeal hearing and, if they wish, may be accompanied by an advocate or friend.'.

Amendment No. 88, in clause 54, page 30, line 7, leave out 'services' and insert 'information, advice and guidance about education and career opportunities'.

Amendment No. 89, page 30, line 9, at end insert—

'(1A) Services made available under subsection (1) shall be appropriate to the needs of the young person, including those young people with special educational needs.'.

Amendment No. 152, in clause 59, page 33, line 16, at end insert—

'(c) the provision, in response to requests by young persons and relevant young adults with visual impairment, of text books and educational course materials, capable of enlargement and enhancement by electronic means.'.

Amendment No. 150, in clause 67, page 39, line 26, after 'includes', insert 'workplace based'.

Amendment No. 151, page 39, line 30, after 'includes', insert 'workplace based'.

Amendment No. 91, in clause 68, page 40, line 8, at end insert—

'(2) The Secretary of State shall commission an independent review into the effectiveness of the transport arrangements of local authorities, schools and colleges resulting from the entitlement to study each of the diploma lines.'.

Amendment No. 92, page 40, line 8, at end insert—

'(2) This section may not come into force before the Secretary of State has published the research conducted by York Consulting into the transport needs arising from the introduction of diplomas.'.

Mr. Hayes: I rise to speak to this enormous group of amendments, mindful of the fact that the time in which to do so is very short indeed. I therefore hope that the House will forgive me if I focus on just some of the amendments, rather than try to deal with them all in detail.

New clause 6 would introduce learning support contracts, where the young person concerned is failing to fulfil the duty imposed by clause 2. Learning support contracts are modelled on the parenting contracts in clause 34. A learning support contract would contain a statement by the young person that they agreed to comply with such requirements as may be specified in the document and a statement by the local education authority that it agreed to provide support to the young person for the purposes of complying with those requirements. Parents and carers would also be involved unless the young person was living independently.

As my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) and I made clear during the earlier stages of the Bill, Conservatives believe that a learning support contract should always be considered before an attendance notice is issued. By amending clause 39(5)(b), and providing a mechanism for intervening earlier, before—and, ideally, instead of—the enforcement process, our desire is to minimise the chance of enforcement proceedings taking place, because of the damaging effect that they can have on a young person's prospects. I accept that there is a desire shared across the Chamber to encourage participation by as many post-16-year-olds as possible, but I do not think that anyone wants to see young people being prosecuted. The new clause would help to avoid that possibility.

Time and again, we heard in evidence sessions that young people could be criminalised by the Bill. That is a great concern not only to the young people but to many of the organisations that work with the most disadvantaged members of our society. As compassionate Conservatives, we make no apology for allocating a disproportionate degree of concern, energy and intellectual capital to the defence of the most vulnerable people in our land. The experience of those who deal with young people—particularly with disengaged and troubled young people—was made clear by their evidence. They believe that, if those young people were stigmatised or criminalised, they could become entirely disengaged and impossible to re-engage.

For example, we heard from Martina Milburn, the chief executive of the Prince's Trust, who told us that

> "the bulk of the 40,000 people who we worked with last year had issues with drugs and alcohol. What do you do with a young person who is already going down the path of taking too many drugs and drinking too much...The question is how you deal with that. Do you increasingly criminalise young people and just say, 'Right, we're going to lock you all up,' or do you find some way of trying to reach them and sort out some of their issues?"—[*Official Report, Education and Skills Public Bill Committee*, 22 January 2008; c. 16, Q36.]

That evidence graphically illustrates that the young people in the greatest need are the least likely to benefit from a Bill that coerces them and, ultimately, if they do not abide by their duties, criminalises them. Hence our attempt at this juncture to soften the impact of the part of the Bill that might do just that, by building in an additional protection for those vulnerable young people. The Association of School and College Leaders said in its briefing on the Bill that its preferred approach to achieving full participation was by persuasion rather than by coercion.

There is no lack of commitment among those on the Conservative Benches to the principle of increasing the participation of post-16-year-olds in education. Indeed, we regard ourselves as being at the forefront of that campaign. However, we believe that we are most likely to achieve that by inspiring, by encouraging, by moving the hearts and minds of young people, rather than by coercion.

Early intervention has long been an aspiration in the delivery of services for children and young people—

Jim Knight *rose—*

Mr. Hayes: I will happily give way when I have finished this sentence.

Early intervention has long been an aspiration in the delivery of services for children and young people, but, in reality, over-stretched budgets make it hard to achieve that in practice. I hope that the Minister will take the opportunity of this intervention to acknowledge those difficulties, to pay tribute to the people who deal with them on a day-to-day basis and to recognise the strength of the evidence that we were given when he and I listened to the people who are dealing with these problems at the sharp end.

Jim Knight: There are certainly some excellent people doing excellent work at the sharp end. The hon. Gentleman has made it clear that he supports the principle of people carrying on learning until they are 18. How does he think that we are going to bring that about in practice? If he says that the answer is simply good schools, will he also tell us when he thinks we will achieve 100 per cent. participation solely on the basis of encouragement and good schools?

Mr. Hayes: The Minister is encouraging me to be rather more critical of him than I would instinctively choose to be. However, because he has encouraged me, let me say that, when we debated the Bill in Committee, he made it clear that he believed that the vast majority of young people—including many who are disengaged—could be re-engaged not by compulsion but by the quality of the offer that the Government would seductively put before them. Furthermore, when I scrutinised his remarks closely, he acknowledged that there would always be a certain number of young people who would truant. We know that because, of the people who are currently obliged to attend school or college up to the age of 16, a proportion do not do so. We do not succeed in getting a 100 per cent. of those who are legally obliged to go to school or college to do so.

The question that I put to the Minister then—I put it to him again now; perhaps he will intervene on me to answer it—was as follows: given that he thinks that about 90 per cent. of young people might be encouraged to participate post-16, and that about 5 or 6 per cent. of young people do not attend school, is he suggesting that coercion will affect only about 4 or 5 per cent. of young people? I am simply more ambitious and more positive, and less sceptical and cynical, than he is about our capacity to engage people without coercion.

Jim Knight: I shall be happy to answer the hon. Gentleman's question as soon as he has given me a clear answer as to when Conservative policy would deliver 100 per cent. participation in education and training. When would that be?

Mr. Hayes: I want to press on with our proper scrutiny of this very broad group of amendments, but I will just say that my estimation is that that is most likely to happen when a Conservative Government are returned to power, and when Ministers are prepared to stand up for the interests of young people in a way that engages them, encourages them and stimulates their imagination—

Ed Balls *rose—*

Mr. Hayes: I am not going to give way to the Secretary of State, Madam Deputy Speaker, because I think that he is trying to encourage me to deviate in a way that you would not be happy with. I would not want to do that.

Ed Balls *rose—*

Mr. Hayes: Let me move on, but I will give way later. I do not want to be ungenerous—

Madam Deputy Speaker: Order. Perhaps the hon. Gentleman might like to concentrate on the amendments to which he is speaking.

Mr. Hayes: I knew that you were going to say that, Madam Deputy Speaker, and I am not going to be encouraged by the Secretary of State. I am going to abide by your ruling, because that is the right thing to do.

The Bill, as currently drafted, would not allow for the learning support contracts that we recommend in our new clause. We believe that they are an important mechanism for intervening earlier in young people's lives, and that they would have a particularly valuable impact on the young people who are the hardest to get at, in terms of engagement. They would provide a framework for a local authority to agree with a young person, and their parents or carer, how that young person was to fulfil their duty to participate, and how that arrangement was to be supported. I am sure that the Government will embrace the new clause, because it would improve the Bill. It in no way contradicts the Bill's proper intent; it simply seeks to make it more palatable, more workable and more effective.

Philip Davies (Shipley) (Con): Following that theme, I know that my hon. Friend is cantering through a large number of amendments, but will he comment briefly on my new clause 23, which encourages a more "horses for courses" approach to education whereby people can leave the academic field and opt for a vocational education from the age of 14, provided that they have parental permission, a head teacher's approval and that they have reached level 5 at key stage 3 in English, maths and science? Does my hon. Friend agree that allowing children to go down a vocational—

Madam Deputy Speaker: Order. Interventions should be brief. The hon. Member maybe lucky enough to catch my eye later in the debate.

Mr. Hayes: I would be delighted to comment on that over a lovely lunch, perhaps at Wiltons, which I know my hon. Friend would be only too happy to buy me.

Amendment No. 70—

Ed Balls *rose—*

Mr. Hayes: Perhaps there is another lunch in the offing.

Amendment No. 70 and new clause 13 deal with duties on employers. As you know, Madam Deputy Speaker, clause 21 places a duty on employers not to employ a person unless they have taken reasonable steps to check that the person has made "appropriate arrangements" to participate in relevant training or education. The explanatory notes state that if an employer does not fulfil his duty under clause 21, clause 22

"provides for a local education authority to serve a penalty notice on the employer and sets out the circumstances in which the notice can be given."

We had an interesting debate in Committee about the burden these duties will place on employers. Particularly pertinent to that debate was the evidence offered by Professor Alison Wolf of King's college, London. She told the Committee during an early evidence session that in her estimation,

"the negative impact that the Bill will have, by effectively destroying the labour market of 16 and 17-year-olds, is enormously underestimated. That might be justified if one were confident that they were going to be doing something that was extremely valuable. Since one is not, and since we know that on-the-job experience is demonstrably extremely valuable to people, I think we have to take the impact on the job market extremely seriously. I think the effect will be very serious and almost totally negative."—[*Official Report, Education and Skills Public Bill Committee*, 22 January 2008; c16, Q34]

8.30 pm

The cost of employer checking is much higher in the Institute of Directors' estimation than the Government assume. The IOD says:

"Government figures estimate that the process of employer checking is a single exchange of paper between an employee and employer which will take ten minutes"

and therefore cost approximately £16.8 million nationally. It continues:

"In reality this process will actually require a mixture of discussion, checking, altering of work rotas and/or addressing employees' needs."

The IOD projects that it will cost more than double the figure suggested by the Government. The top estimate is that it could cost up to £68 million a year. The administrative burden also accounts for what it calculates to be a 32 per cent. hike in the Department's imposition on business. That is entirely contrary to the Government's policy, articulated by the Minister, of reducing the administrative burden on businesses by 25 per cent. The consequential unintended impact of the clause could be that employers employ only people who are older than the proposed compulsory age—precisely the argument of Professor Wolf and others.

That problem may be especially profound in small and medium-sized businesses. I suspect that the very large organisations, as so often with bureaucratic and administrative burdens, have the capacity to absorb the extra costs in a way that small businesses simply do not.

For example, a small training business that employs a 17-year-old to work in numerous different jobs will spend less time on tasks such as marketing and business and more on burdensome administration. It is therefore important to review the impact of the clause after 12 months. We must find out whether the Ministry is right and the Government's estimates are borne out or whether the IOD and Professor Wolf are more accurate in their estimation of the detrimental effects of the employment of young people on the costs of businesses to checking their new obligations.

We debated these issues in earlier stages of our consideration. In response to these concerns, the Minister for Schools and Learners sought to reassure the Committee by saying that

"if employers want to take on a young person for more than 20 hours a week in a situation when they are not providing their own accredited training, the young person will need to provide evidence that they have made arrangements to attend training or education before they can start employment. The employer will simply need to check that before allowing the employment to begin. If he does not, he will be failing to meet his duty. Employers will not be required to do anything further, such as calling the college to check that the young person has enrolled there; nor would they have an ongoing duty to check that they were attending the course...employers would not have to check the number of hours". —*[Official Report, Education and Skills Public Bill Committee,* 19 February 2008; c. 556.]

Our amendment No. 70 would put those assurances on the face of the Bill. Once again, we merely attempt to improve the Bill as a responsible Opposition should, given that we agree with the basic premise that we want as many 16, 17 and 18-year-olds to be involved in education and training as possible. By building those assurances into the Bill, we hope to limit the damage that the legislation might otherwise do to youth employment and to costs faced by businesses, particularly small businesses.

That is also why we tabled new clause 13, which requires the Government to consult the CBI and the IOD as well as the British Chambers of Commerce, and the Federation of Small Businesses in order to assess the effect that duties on employers have had in 12 months' time and similarly the impact of the provisions on the employment market for 16 and 17-year-olds. It is absolutely right that we take a raincheck by making a judgment about the Bill's effect over time. That is what a responsible Government would do; it is what a responsible Secretary of State would want; so, once again, I cannot imagine that the Government will not embrace these suggestions—these amendments and new clauses—with relish. In Committee there was some dispute about the length of time it will take for employers to check whether the young people they employ are fulfilling their duties under legislation. In particular, there was a difference between the burden estimated by the Minister and, as I said, the much greater burden estimated by the IOD.

Amendment No. 88—an important amendment, in our estimation—would amend clause 54. My hon. Friend the Member for Bognor Regis and Littlehampton spoke about the importance of getting young people the right careers advice when we debated the matter in Committee. You will know, Madam Deputy Speaker, that it is my considered view that it is critical, if we are to engage young people, that they are given appropriate guidance, so that they understand the merits of the various training and education options that confront them. I think that that will be best done by an all-age careers service, such as the ones in Scotland, Wales and Northern Ireland. The Government do not currently agree, although I suspect that they might come round to our view over time. Our amendment is designed to clarify the functions of local authorities under clause 54. At the end of the day, the success of efforts to increase participation will be dependent, as Conservative Members have argued repeatedly, on inspiring young people with a new thirst for learning. Well directed advice and guidance will play a vital role in that.

In Committee, the Minister did not, by contrast, inspire any confidence that the current deficiencies of the Connexions service will be corrected as the service is transferred to local authority control. We support the work that Connexions does with troubled young people. It does an excellent job for that minority of young people with particular difficulties, but it is a Jack-of-all-trades. It is expected to do a great deal—to be an expert on sexual health advice and drugs issues, as well as on careers. Surely a dedicated service, sitting alongside Connexions, would do the job better.

Back in 1997, the Dearing report concluded that good careers advice and guidance was essential to expanding participation in higher education. Lord Dearing recommended that careers advice should be integrated to form a single "lifelong guidance service", but the Government decided to fragment rather than to integrate careers advice, and abolished the careers service for young people and replaced it with Connexions, which has many jobs to do, as I said. That lack of focus has surely been damaging.

In the joint memorandum on the Bill, all the main organisations involved in career guidance, including the National Association of Connexions Partners and the Institute of Career Guidance, expressed the concern that the local authority duty under the Bill are "not specific enough". It went on to state:

"Effective participation requires assistance with choices. Such advice and guidance must be about choices not merely of which learning option to follow, but why",

and that there must be clear progression beyond the age of 18

"into employment (either directly or via further training or higher education). The key is that choices about the relationship between learning and work—i.e. about career—should drive participation in learning."

This business of high-quality advice and guidance is surely critical to the success of the Bill. Our amendment would place a clear duty on local authorities to provide such services, and it does so by placing that duty on the face of the Bill.

Incredibly, there is no mention of careers advice in any of the four core functions of Connexions specified by the Minister in a letter to the Committee dated 8 May. Rather, it states that the information, advice and guidance given to young people should help them make

"positive choices about learning, raise their aspirations, equip them to make safe and informed health and lifestyle choices."

It addresses none of the concerns raised by careers professionals. If the Minister agrees that effective participation is dependent on proper advice and guidance, he should once again take the sound advice

of careers professionals, listen to the people at the sharp end, and support our amendment.

I could speak at length about some of the other new clauses and amendments in this immense group. I could discuss, for instance, issues relating to the restricting of information and the right of students to own information, information-sharing, and sensitive data not being used to force participation. There are also real concerns about whether the current methods of storing information are fit for purpose—concerns that were raised with us during our evidence sessions by the Association of Colleges, which felt that the current Connexions database was not the best tool and was not adequate to perform the job that we expected of it under the new legislation.

Those matters are important, but as time forbids me to explore them in the depth that the House deserves, I shall restrict myself to dealing with amendment No. 72. The amendment would enable clause 39 to define a "reasonable excuse" for non-participation. It would include

"circumstances in which a young person—

(a) is homeless,

(b) has health problems, including temporary illness, long term disability or ongoing mental health issues,

(c) has addiction problems,

(d) has secured a place on a course which does not start until the following month or the following term,

(e) is recovering from giving birth".

The background to the amendment is a discussion of the meaning of "reasonable excuse" during the Committee's evidence session on Tuesday 29 January. The Minister undertook to write to the hon. Member for Yeovil (Mr. Laws) outlining in more detail what would constitute a reasonable excuse under the Bill. Our amendment reiterates the circumstances outlined by the Minister in his letter of 1 February. We accept that, as the Minister said in his letter, the list is not exhaustive, but given that non-compliance with the Bill could ultimately result in a fine and a criminal record, we do not think it good enough for what is meant by "reasonable excuse" to be specified merely by guidance to local authorities. We think that it should be stated in the Bill, so that there is more clarity and confidence in relation to the enforcement process.

Our desire throughout has been to protect the interests of young people, particularly vulnerable young people. The Minister said in his letter that it would be up to local authorities to interpret the concept of a reasonable excuse. There is a real danger of inconsistency between local authorities, and a consequent danger that the enforcement process will vary according to where people live. That would surely not be in line with the Government's ambitions and policies.

I will end my speech now, so that the Secretary of State has time to respond. He will know that many of the organisations that have expressed anxieties about the Bill support our new clauses and amendments. Organisations such as Rainer, the Prince's Trust and Barnardo's seek to amend the Bill in precisely the way that I have described. In that spirit, I expect the Secretary of State, with alacrity and with some style, to accept the arguments that I have advanced.

Mr. Laws: We all look forward to hearing the Secretary of State deal with the 110 amendments and new clauses in this group before the knife falls, so I shall keep my comments relatively brief and try to return to some of the issues on Third Reading. I shall single out four or five issues on which I hope the Secretary of State will be able to touch, even in this short time.

As the Secretary of State will have noticed, new clauses 6 and 9 are very similar to each other and also to new clause 1, which I tabled with a number of colleagues in Committee and which I freely admit was inspired by Rainer and Barnardo's. It appears that they have inspired my party, which has in turn inspired the Conservative party. I am pleased that there is such a degree of inspiration.

8.45 pm

New clause 9 is extremely important to us, as it relates to the basic flexibilities that there will be, particularly to deal with young people who have social or medical problems—they might be precisely the young people who have dropped out of education before the age of 16, and they will probably be part of the significant group who are at present routinely absent from school at the age of 14 or 15. We want the Bill to include undertakings that support will be available for such young people; that the budgets will be in place for that; and, equally importantly, that those young people who would find it difficult to be in a formal education or training setting because of the other problems have the option to be in some kind of supported environment that may be a stepping stone to education or training but may fall far short of the kind of accreditation that the Government envisage in the Bill for either those in employment or those in a formal educational setting.

The Minister for Schools and Learners gave undertakings in Committee that he would aspire to have such flexibility and that he did not want young people with support needs to have to go through the enforcement mechanisms. However, many Members would feel far more reassured about that if it were stated in the Bill. I hope that this issue will be returned to in another place, if it is not dealt with in this House; I hope that the Government will agree to include these undertakings in the Bill, as that is extremely important to us.

Amendment No. 29 addresses a matter that we did not debate in our earlier proceedings: how young people in custody or under the supervision of a youth offending team will be treated in relation to the duties to be in education or training. At present, far too many young people in custody experience little in the way of educational and training support. The pressures in the prison system have led to downward pressure on the number of hours young people in prison spend in education, training or employment, and we want undertakings from Ministers that young people who are in custody or under the supervision of youth offending teams will not also be overlooked by the learning and support proposals that we hope will be in the Bill.

We would also like to hear more—amendments Nos. 16 and 18 relate to this—about the protections there will be for the records of young people who are

affected by this Bill, when information about them is passed not only from educational organisations but particularly from non-educational organisations. We had an extensive debate on that in Committee, and many Members are still concerned about the type of information that could be accessed and its relevance.

Amendments Nos. 19 and 70 relate to the crucial issue of the flexibility there will be for employers in relation to the provision of in-house training and the burden of checking on those young people aged 16 and 17 who will be employed by businesses, which will have obligations to check whether those individuals are compliant with the Bill's proposals on accredited education and training. We have a concern, which has also been expressed by those on the Conservative Benches, that some of these proposals could destroy the youth labour market and close down job opportunities, which might be better for some young people than being in a more formal education and training setting.

On young people's rights in the process of appeal, we discussed in Committee whether a young person or their representative could be invited to attend the appeal stage in relation to the issuance of any attendance notice. We would like to know whether the Government are willing to be more flexible on that, and whether they have further considered the limits there will be on the penalties imposed on young people and how they will relate to young people's incomes, particularly for those on very low incomes, and to the current level of the education maintenance allowance.

Having left the Secretary of State so much time, I hope he will now be able to respond to a few of those issues at least.

Philip Davies: I intend to use just a minute of the remaining time to highlight new clause 23, which would allow a pupil to leave school after year 9, at the age of 14, to pursue full-time vocational education, provided they had the written permission of their parent or guardian and of their head teacher, and that they had achieved level 5 at key stage 3 in English, maths and science.

This country has the big problem of trying to force all children down the same academic route in schools. I believe in horses for courses. Every child is good at something, and we should provide an education system that allows children to pursue their area of expertise and the areas in which they might be able to thrive, rather than force them to stay at school to pursue an academic line when it clearly does not suit them. Some children are playing truant from school and some are causing big problems for teachers in terms of school discipline. Allowing such children to leave school at age 14 to pursue full-time vocational education would re-engage some of them with the education system, it would provide them with the skills they need for future employment and it would improve the discipline and truancy rates in our schools.

The proposal is also supported by many teaching unions. Stuart Herdson, who is both a constituent of mine and the immediate past president of the Association of Teachers and Lecturers, supports it. He has articulated such a proposal on many occasions, and I pay tribute to him for doing so. I hope that the Minister will give serious consideration to the proposal, and to how we can allow children, whatever their expertise, to shine in that particular area and how we can encourage more vocational education, rather than forcing everybody down an academic route.

Ed Balls: I shall speak to Government amendments Nos. 100 and 105, and try to respond to as many points as possible. I want particularly to focus on new clauses 6 and 9, but before I do so, may I say to the hon. Member for Shipley (Philip Davies) that I very much understand the points that he makes? The work that we are doing on studio schools and alternative provision deals precisely with the issues that he raises. All the powers that we need to provide vocational opportunities outside the school setting are already in place—we do not need new legislation—but I would be happy to ensure that he receives detailed briefing on that matter as we move towards our alternative provision White Paper.

A number of other detailed issues were discussed at length in Committee. I know that because I have been told as much by my hon. Friend the Minister for Schools and Learners, who described to me the length of the Committee debates. He seems to have managed to organise today's business to reveal to me just how lengthy the debates were; he has ensured that I have dealt with all today's debates rather than him, although he will get an opportunity on Third Reading.

On amendment No. 29, I can reassure the hon. Member for Yeovil (Mr. Laws) that young people in custody will not be excluded from the Bill's provision and that we will ensure that their needs are properly addressed. I can reassure the hon. Member for South Holland and The Deepings (Mr. Hayes) that information and guidance are paramount to our thinking too. He rightly says that they are integral to the success of the Bill, but I do not think that strengthening the Bill in this regard will make any difference, because what really matters is ensuring that we deliver, with the local authorities, on the information and guidance requirements that we have set out.

As we have discussed before, I think that Alison Wolf is far too pessimistic on the jobs issue, not least because 65 per cent. of young people aged 16 to 18 who are in work will not be affected at all by these provisions. They are working part-time—they are doing fewer than 20 hours a week—so will be entirely unaffected. Her estimates are far too pessimistic, but we are determined to work with the CBI and other employer organisations supporting the Bill to ensure that there is no negative impact on the youth labour market. As somebody who worked closely on the minimum wage to ensure that it had no negative impact on the youth labour market, I can assure hon. Members that that is of paramount importance to me.

On amendment No. 70, I say to Opposition Members that there will not be a need for employers to check with individual learning providers on enrolment—that will not be a matter for them. I know that those issues were discussed at length in Committee, and we have been true to what we said then. I do not think there is a need to amend the Bill; the important thing is to ensure that we deliver on the commitments that we have made, and we will do that.

Youth appeals are a matter for the Ministry of Justice—the penalties regime—rather than for our Department, but we will ensure that we consult it fully. On information sharing, I know that there has been a

[Ed Balls]

report today from the Joint Committee that oversees human rights issues. We will respond in due course and ensure that our response goes to hon. Members in advance of those issues being discussed in the Lords.

As we have discussed, new clauses 6 and 9 have been raised by Barnardo's and by Rainer. We are grateful to them and to Opposition Members for the part they have played in highlighting the approach being set out with learning agreements and for the work done on the education maintenance allowance, which is all about a quid pro quo—something for something, whereby young people have to demonstrate that they are learning and attending to get the money. We have also introduced issues around behaviour to the EMA. That shows that we are sympathetic to this approach.

We are piloting and delivering a similar approach in activity agreements and learning agreements for 16 and 17-year-olds who are not in education, employment or training. Many voluntary sector organisations, including Barnardo's and Rainer, have played an important part in that "something for something" contract. The issue is whether we need to put that in the Bill.

We believe that many local authorities will want to go down that road. It is part of ensuring that sanctions and penalties are very much a last resort, as was discussed in detail in Committee. We would go further and strongly encourage local authorities to pursue the approach being proposed by Rainer and by Barnardo's, and to go down that road before considering any formal enforcement action against a young person.

We support that approach and will specify that in guidance to local authorities, but we do not think that the right thing to do is set it out in primary legislation. It is better to leave flexibility and discretion to local experts who know the needs of particular young people. It would be too inflexible and encumbering to specify it. At this stage, the right thing to do is work with careers services and local authorities to ensure that these measures are genuinely tailored to the needs of young people and we will do so—

Mr. Hayes: Will the Secretary of State give way?

Ed Balls: I will not take any interventions. We will do so in consultation with Barnardo's and Rainer.

This is my final point. I have also studied in detail what Barnardo's and Rainer said on the more general point, which is made by the hon. Member for Surrey Heath (Michael Gove), about whether compulsion is the right way to go in the Bill. It is absolutely at the heart of the Bill. Martin Narey said:

"I think it was Michael Gove who said on Second Reading that you cannot take a horse to water, but my experience is that you can."

Barnardo's said:

"If you use compulsion simply to force a 16 or 17-year-old back into the same classroom environment from which he has been truanting since year 11, it will fail. But, if you use compulsion to open his or her eyes to a different form of education or training, it can work."

That is the approach we are taking. We are not compelling young people to go into school; we are providing opportunities for work with training or apprenticeships.

Another expert who gave evidence to the Committee, Paul Head—

Mr. Graham Stuart (Beverley and Holderness) (Con): Give way!

Ed Balls: I have two minutes. If I give way, I will not be able to answer the question.

Paul Head, principal of North East London college, said:

"The reason I welcome compulsion is that it changes the nature of the terms of the debate. You no longer ask, 'How do we work our way up to 85 or 90 per cent.?' You actually start asking, 'Why are we not at 100 per cent.?'"

That is the critical difference. We are ambitious for every young person, not just some.

Our approach to the Bill is to ensure that school, college, work with training or an apprenticeship are available to all. We start from an assumption of 100 per cent. Rather than starting from 80 or 85 per cent. and working up, we want to ask, "Why don't we have 100 per cent.?" That is our approach. The system can be galvanised, as Barnardo's, Rainer, the Prince's Trust and the principal of North East London college say, by starting from an assumption that that is universal for all.

That is why we have consistently said that we should have a universal system for all. Compulsion as a last resort is necessary. I urge Opposition Members to change their minds, support excellence for all, not just for some, and back the Bill.

Mr. Hayes: Will the Secretary of State therefore allow consistency on the matter of a reasonable excuse, in the way that Barnado's and Rainer want, or is he prepared to let that matter be inconsistent, given that he wants a universal level of participation?

Ed Balls: It is important that we consult the local authorities and specify that point clearly in guidance. It does not need to be in primary legislation, although we are happy to take forward the issue of learning agreements. The fundamental issue is whether we believe that every young person should be in school, college or an apprenticeship, or that just some should be. In Committee, Opposition Members opposed the Bill on that issue. It goes to the heart of the legislation. It is not too late—

It being Nine o'clock, MADAM DEPUTY SPEAKER *proceeded to put forthwith the Question already proposed from the Chair, pursuant to Order [this day].*

Question put, That the clause be read a Second time:—

The House divided: Ayes 140, Noes 259.

Division No. 181] **[9 pm**

AYES

Afriyie, Adam	Binley, Mr. Brian
Amess, Mr. David	Blunt, Mr. Crispin
Ancram, rh Mr. Michael	Boswell, Mr. Tim
Arbuthnot, rh Mr. James	Bottomley, Peter
Atkinson, Mr. Peter	Breed, Mr. Colin
Bacon, Mr. Richard	Brooke, Annette
Baker, Norman	Browne, Mr. Jeremy
Barker, Gregory	Burt, Lorely
Barrett, John	Cable, Dr. Vincent
Beith, rh Mr. Alan	Campbell, Mr. Gregory
Benyon, Mr. Richard	Carmichael, Mr. Alistair

Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Dodds, Mr. Nigel
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hendry, Charles
Holmes, Paul
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Paice, Mr. James
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Taylor, Mr. Ian
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Walker, Mr. Charles
Walter, Mr. Robert
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Stephen
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Beckett, rh Margaret
Bell, Sir Stuart
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Humble, Mrs. Joan
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John

McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Tony Cunningham and Ms Diana R. Johnson

Question accordingly negatived.

Clause 39

FAILURE TO FULFIL DUTY UNDER SECTION 2: INITIAL STEPS

Amendment proposed: No. 72, page 22, line 8, at end insert—

'(7A) In this section, "reasonable excuse" includes circumstances in which a young person—

(a) is homeless,

(b) has health problems, including temporary illness, long term disability or ongoing mental health issues,

(c) has addiction problems,

(d) has secured a place on a course which does not start until the following month or the following term,

(e) is recovering from giving birth,

(f) has caring responsibilities, or

(g) has particular learning difficulties for which support has not been put in place.'—*[Mr. Hayes.]*

Question put, That the amendment be made:—

The House divided: Ayes 139, Noes 258.

Division No. 182] **[9.12 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Bottomley, Peter
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Burt, Lorely
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Crabb, Mr. Stephen
Davey, Mr. Edward
Davies, Philip
Dodds, Mr. Nigel
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Harvey, Nick
Hayes, Mr. John
Heath, Mr. David
Hendry, Charles
Holmes, Paul
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jack, rh Mr. Michael
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Lamb, Norman
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Murrison, Dr. Andrew
O'Brien, Mr. Stephen
Paice, Mr. James
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mrs. Iris
Robinson, rh Mr. Peter
Rogerson, Dan
Rowen, Paul
Ruffley, Mr. David
Sanders, Mr. Adrian
Scott, Mr. Lee
Shapps, Grant
Shepherd, Mr. Richard
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spink, Bob
Spring, Mr. Richard

Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Taylor, Mr. Ian
Teather, Sarah
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Walker, Mr. Charles
Walter, Mr. Robert
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Williams, Stephen
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Jeremy Wright and James Duddridge

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Armstrong, rh Hilary
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Beckett, rh Margaret
Bell, Sir Stuart
Benton, Mr. Joe
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Henderson, Mr. Doug
Hendrick, Mr. Mark
Heppell, Mr. John
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Knight, Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mallaber, Judy
Mann, John
Marris, Rob
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Roy, Mr. Frank
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Wills, Mr. Michael
Winterton, rh Ms Rosie

Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Ms Diana R. Johnson and Tony Cunningham

Question accordingly negatived.

Clause 15

INFORMATION: SUPPLY BY THE SECRETARY OF STATE

Amendments made: No. 94, page 8, line 25, leave out from beginning to 'to' in line 26 and insert—

'(1) Social security information may be supplied'.

No. 95, line 29, leave out from 'is' to end of line 32 and insert

'held for the purposes of functions relating to social security—

(a) by the Secretary of State, or

(b) by a person providing services to the Secretary of State in connection with the provision of those services.'.—*[Jim Knight.]*

Clause 16

INFORMATION: SUPPLY BY PUBLIC BODIES

Amendment made: No. 96, page 9, line 29, at end insert—

'( ) a provider of probation services,'.—*[Jim Knight.]*

Clause 17

SHARING AND USE OF INFORMATION HELD FOR PURPOSES OF SUPPORT SERVICES OR FUNCTIONS UNDER THIS PART

Amendment made: No.97, page 10, line 29, leave out from 'authority' to 'services' in line 32 and insert

'itself provides services in exercise of its functions under subsection (1) of section 54, the authority;

(b) where, in exercise of its functions under subsection (3)(b) of that section, the authority makes arrangements for the provision of'.—*[Jim Knight.]*

Clause 33

OTHER AMENDMENTS OF EMPLOYMENT RIGHTS ACT 1996

Amendments made: No. 98, page 18, line 21, after '26' insert 'of that Act'.

No. 99, line 26, at end insert—

'( ) In section 108 (qualifying period of employment), after subsection (3)(dd) insert—

"(de) section 101B applies,".'.—*[Jim Knight.]*

Clause 41

ATTENDANCE NOTICE: DESCRIPTION OF EDUCATION OR TRAINING

Amendment made: No. 100, page 23, line 23, leave out 'be suitable for the person.' and insert '—

(a) be appropriate full-time education or training, or

(b) otherwise be suitable for the person, having regard—

(i) to the person's age, ability and aptitude, and

(ii) to any learning difficulty which the person may have.

( ) Subsections (5) and (6) of section 13 of the Learning and Skills Act 2000 (c. 21) (persons with learning difficulties) apply for the purposes of subsection (5)(b).'.—*[Jim Knight.]*

Clause 44

VARIATION AND REVOCATION OF ATTENDANCE NOTICE

Amendment made: No. 101, page 25, line 8, at end insert—

'( ) Regulations under subsection (6)(b) may in particular make provision as to the procedure to be followed in relation to the giving of any consent under the regulations.'.—*[Jim Knight.]*

Clause 46

RESTRICTIONS ON PROCEEDINGS FOR OFFENCES UNDER SECTION 45

Amendments made: No. 102, page 25, line 33, leave out 'and'.

No. 103, line 35, at end insert 'and'.

No. 104, line 36, leave out from beginning to 'authority' in line 39 and insert—

'(c) an attendance panel established by the local education authority under section 42 has, on being consulted by the local education authority about the question whether the proceedings should be instituted, recommended to the'.

No. 105, page 26, line 1, leave out subsection (6) and insert—

'( ) Regulations—

(a) must make provision to secure that, before a recommendation under subsection (4)(c) is made by an attendance panel in a person's case, the person has an opportunity to make representations to the panel, and

(b) may make other provision as to the procedure to be followed in relation to the making of such recommendations.'.—*[Jim Knight.]*

Clause 47

FAILURE TO COMPLY WITH ATTENDANCE NOTICE: PENALTY NOTICE

Amendments made: No. 106, page 26, leave out lines 11 to 14 and insert

'has committed an offence under section 45 relating to the notice,'.

No. 107, line 15, leave out 'failure mentioned in paragraph (a)' and insert 'offence'.—*[Jim Knight.]*

Clause 53

INTERPRETATION OF PART

Amendment made: No. 108, page 29, line 21, at end insert—

'"proprietor", in relation to a school or other institution, means the person or body of persons responsible for its management;'.—*[Jim Knight.]*

Clause 61

INFORMATION RELATING TO YOUNG PERSONS: SUPPLY BY SECRETARY OF STATE

Amendments made: No. 109, page 34, line 13, leave out from beginning to 'to' in line 14 and insert—

'(1) Social security information may be supplied'.

No. 110, page 34, line 18, leave out from 'is' to end of line 21 and insert

'held for the purposes of functions relating to social security—

(a) by the Secretary of State, or

(b) by a person providing services to the Secretary of State in connection with the provision of those services.'.—*[Jim Knight.]*

Clause 62

INFORMATION: SUPPLY BY PUBLIC BODIES

Amendment made: No. 111, page 35, line 17, at end insert—

'( ) a provider of probation services.'.—*[Jim Knight.]*

Clause 63

SUPPLEMENTARY

Amendment made: No. 112, page 35, line 30, at end insert—

'"proprietor", in relation to a school or other institution, means the person or body of persons responsible for its management;'.—*[Jim Knight.]*

Clause 133

POWERS OF NATIONAL ASSEMBLY FOR WALES

Amendments made: No. 113, page 74, line 26, leave out from 'of' to end of line 27 and insert—

'(a) schools that are not maintained by local education authorities;

(b) relevant independent educational institutions.'".

No. 114, page 74, line 29, leave out from 'schools' to end of line 30.

No. 115, leave out lines 31 to 33 and insert—

'(zb) relevant independent educational institutions;".'.

No. 116, line 34, leave out from 'matter,' to end of line 35 and insert 'for paragraph (b) substitute—

"(b) pre-16 education or training, or post-16 education or training, provided otherwise than by institutions within paragraphs (za) to (a);".'.

No. 117, line 36, leave out subsection (5) and insert—

'( ) In matter 5.16 for ", any of the kinds of education, training or services mentioned in matter 5.15." substitute "—

(a) pre-16 education or training;

(b) post-16 education or training;

(c) the training of teachers and specialist teaching assistants for schools;

(d) services of the kinds mentioned in matter 5.8."'.

No. 118, line 36, at end insert—

'( ) After the definition of "post-16 training" insert—

""pre-16 education or training" means education or training suitable to the requirements of persons who are of or below compulsory school age."

"relevant independent educational institution" means an institution other than a school which—

(e) provides part-time education for one or more persons of compulsory school age ("part-time students") whether or not it also provides full-time education for any person, and

(f) would be an independent school but for the fact that the education provided for the part-time student or students is part-time rather than full-time.

For the purposes of the above definition of "relevant independent educational institution", an institution provides "part-time" education for a person if—

(a) it provides education for the person, and

(b) the education does not amount to full-time education."'.—*[Jim Knight.]*

Clause 134

SIXTH FORM ADMISSIONS ETC

Amendment made: No. 119, page 76, line 4, leave out subsection (5).—*[Jim Knight.]*

Clause 135

SIXTH FORM ADMISSIONS ETC: APPEALS

Amendments made: No. 120, page 77, line 23, leave out from 'decision' to 'for' in line 25 and insert 'about sixth form education'.

No. 121, page 77, line 34, leave out from 'decision' to first 'for' in line 36 and insert

'about sixth form education for the child,'.

No. 122, line 38, at end insert—

'( ) After subsection (6) insert—

"(6A) In this section, any reference to a decision about sixth form education for a child is a reference to a decision—

(a) made in relation to a preference expressed in accordance with arrangements made under section 86A(1) as to where education should be provided for the child, or

(b) refusing permission for the child to enter the sixth form of the school to which he has been admitted."'.—*[Jim Knight.]*

Clause 147

FUNCTIONS TO BE EXERCISABLE BY WELSH MINISTERS

Amendment made: No. 123, page 86, line 10, at end insert—

'( ) Nothing in Schedule 1 or 2, so far as relating to the substitution of references to the Welsh Ministers for references to the Secretary of State in sections 89 to 90 of the School Standards and Framework Act 1998 (c. 31), is to be taken to affect the application of those sections, or anything done under or for the purposes of those sections, in relation to Wales.'.—*[Jim Knight.]*

Clause 153

COMMENCEMENT

Amendments made: No. 125, page 87, line 38, leave out from '65' to end of line 40.

No. 126, page 88, line 3, leave out paragraph (f) and insert—

'( ) paragraphs 62 to 64 and 66 of Schedule 1 (and section 149 so far as relating to those paragraphs);

( ) the repeal in Schedule 2 relating to section 140 of the Learning and Skills Act 2000 (c. 21) (and section 149 so far as relating to that repeal).'.

No. 127, page 88, line 4, leave out 'Sections 133 and 144' and insert 'The following provisions'.

No. 128, page 88, line 5, at end insert—

'(a) section 133;

(b) section [Admission arrangements](1) and (4), so far as relating to sections 88P and 88Q of the School Standards and Framework Act 1998 (c. 31);

(c) section 144.'.— *[Jim Knight.]*

Schedule 1

MINOR AND CONSEQUENTIAL AMENDMENTS

Amendments made: No. 129, page 92, line 9, at end insert—

'(1) Section 548 (no right to give corporal punishment) is amended as follows.

(2) In subsection (1)—

(a) in paragraph (a), for "school" substitute "relevant educational institution";

(b) in paragraphs (b) and (c), for "school" substitute "a relevant educational institution".

(3) In subsection (2) for "school" substitute "relevant educational institution".

(4) In subsection (6)—

(a) in paragraph (a) for "school" substitute "relevant educational institution";

(b) in paragraph (b)(i) for "school" substitute "institution".

(5) After subsection (7) insert—

"(7A) "Relevant educational institution" means—

(a) a school, or

(b) an independent educational institution in England other than a school.

(7B) In subsection (7A)(b) "independent educational institution" has the same meaning as in Chapter 1 of Part 4 of the Education and Skills Act 2008 (see section 77 of that Act).".

No. 130, page 97, line 26, at end insert—

'Local Government Act 1972 (c. 70)

In section 177(1A) of the Local Government Act 1972 (c. 70) (allowances: supplementary provisions), after paragraph (c) insert "and

(d) regulations made by virtue of section 42(4) of the Education and Skills Act 2008 (allowances for attendance panels)." '.

No. 131, page 98, line 38, at end insert—

' In section 439 (school attendance: specification of schools), in subsection (2), after "section" insert "88C or".'.

No. 132, page 99, line 32, at end insert—

'In subsection (5), after "section" insert "88C or".

In subsection (5A)—

(a) after "under section" insert "88C or";

(b) for "paragraphs (a) and (b) of section 89A(2)" substitute "section 88D(2)(a) and (b) or 89A(2)(a) and (b)".

In subsection (5B)(a) and (b), after "section" insert "88C or".'.

No. 133, page 99, line 38, at end insert—

' After section 88Q (inserted by section [Admission arrangements]) insert—

"Admission arrangements: Wales

88R Prohibition on interviews

(1) No admission arrangements for a maintained school in Wales may require or authorise any interview with an applicant for admission to the school or his parents, where the interview is to be taken into account (to any extent) in determining whether the applicant is to be admitted to the school.

(2) If the maintained school is one at which boarding accommodation is provided for pupils, subsection (1) does not apply in relation to any interview intended to assess the suitability of an applicant for a boarding place.

(3) Where the admission arrangements for a maintained school in Wales make provision for a permitted form of selection by aptitude, subsection (1) does not prevent the arrangements from requiring or authorising any audition or other oral or practical test to be carried out in relation to an applicant solely for the purpose of ascertaining the applicant's aptitude in accordance with the arrangements.

(4) In this section "permitted form of selection by aptitude" is to be read in accordance with section 99(4).' '.

No. 134, page 99, line 39, leave out paragraph 58 and insert—

'(1) Section 89 (procedure for determining admission arrangements) is amended as follows.

(2) In subsection (1), after "maintained school" insert "in Wales".

(3) Omit subsections (1ZA) and (1A).

(4) In subsection (5), for "the adjudicator" substitute "the Welsh Ministers".

(5) In subsection (6)—

(a) for "The adjudicator" substitute "The Welsh Ministers";

(b) for "he determines" substitute "they determine";

(c) for "he may determine" substitute "they may determine";

(d) in paragraph (a), for "his" substitute "their".

(6) Omit subsection (7).

(7) In subsection (8)(g), for "the Secretary of State considers" substitute "the Welsh Ministers consider".

(8) In subsection (10) omit paragraph (b).

(1) Section 89A (determination of admission numbers) is amended as follows.

(2) In subsection (1), after "maintained school" insert "in Wales".

(3) In subsection (3), after "maintained school" insert "in Wales".'.

No. 135, page 100, line 1, leave out 'In section' and insert—

'(1) Section'.

No. 136, page 180, line 1, leave out 'after' and insert 'is amended as follows.

(2) In subsection (1), after "authority" insert "in Wales".

(3) In subsection (2)—

(a) for "the Secretary of State" substitute "the Welsh Ministers";

(b) after "authority" insert "in Wales".

(4) In subsection (3)(b)—

(a) for "the Secretary of State" substitute "the Welsh Ministers";

(b) for "him" substitute "them.

(5) In subsection (4)—

(a) for "The Secretary of State" substitute "The Welsh Ministers";

(b) after "authorities" in the first place in which it occurs, insert "in Wales";

(c) for "them" substitute "such other authorities".

(6) In subsection (5)—

(a) in paragraph (a), after "authority" in the first place in which it occurs insert "in Wales";

(b) in paragraph (b), after "maintained school" insert "in Wales".

(7) After'.

No. 137, page 100, line 4, after 'schools' insert 'in Wales'.

No. 138, page 100, line 9, at end insert—

' (1) Section 89C (further provision about schemes adopted or made by virtue of section 89B) is amended as follows.

(2) In subsection (1)—

(a) in paragraph (a), after "local education authorities" insert "in Wales";

(b) in paragraph (b), after "maintained schools" insert "in Wales".

(3) In subsection (2)—

(a) after "local education authority" in the first place where it occurs, insert "in Wales", and

(b) after "maintained school" insert "in Wales".

(4) In subsections (3) and (3A), after "a maintained school" insert "in Wales".

(5) In subsections (6) and (7), for "the Secretary of State" in each place substitute "the Welsh Ministers".

Omit section 89D (power to restrict alteration of admission arrangements following establishment or expansion).

(1) Section 90 (reference of objections to adjudicator or Secretary of State) is amended as follows.

(2) In the title, for "adjudicator or Secretary of State" substitute "Welsh Ministers".

(3) In subsections (1) and (2), for "the adjudicator" substitute "the Welsh Ministers".

(4) After subsection (2) insert—

"(2A) Where any objection is referred to the Welsh Ministers, they shall decide whether, and (if so) to what extent, the objection should be upheld."

(5) Omit subsections (3) to (5).

(6) In subsection (5A)—

(a) for "the adjudicator or the Secretary of State is" substitute "the Welsh Ministers are";

(b) for "subsection (3)(a) or (b) or (5)(c)" substitute "(2A)";

(c) for "he" (in both places) substitute "they".

(7) In subsection (5B)—

(a) for "him" substitute "them";

(b) for "the adjudicator or the Secretary of State (as the case may be)" substitute "the Welsh Ministers";

(c) in paragraphs (a), (b) and (d), for "his" substitute "their";

(d) in paragraph (b) for "he has" substitute "they have";

(e) omit paragraph (c);

(f) in paragraph (d), for "to (c)" substitute "and (b)".

(8) In subsection (5C)—

(a) for "the adjudicator or the Secretary of State (as the case may be) decides" substitute "the Welsh Ministers decide";

(b) for "his" substitute "their".

(9) In subsection (8)—

(a) for "the adjudicator or the Secretary of State" (in both places) substitute "the Welsh Ministers";

(b) for "has" substitute "have".

(10) In subsection (9)—

(a) in paragraph (a)—

(i) for "the adjudicator or the Secretary of State" (in sub-paragraphs (i) and (ii)) substitute "the Welsh Ministers";

(ii) in sub-paragraph (ii), for "is" substitute "are" and for "him" substitute "them";

(b) in paragraph (b), for "the adjudicator or the Secretary of State" substitute "the Welsh Ministers";

(c) omit paragraph (ba);

(d) in paragraphs (e) and (f), for "the adjudicator or the Secretary of State" substitute "the Welsh Ministers".

(11) In subsection (11), omit paragraph (b).

After section 90 insert—

"90ZA Regulations by Welsh Ministers under sections 89 to 90

In sections 89 to 90—

"prescribed" means prescribed by regulations made by the Welsh Ministers;

"regulations" means regulations made by the Welsh Ministers."

Omit section 90A (restrictions on alteration of admission arrangements following adjudicator's decision).

Before section 92 insert—

"Publication of information about admissions: England and Wales" '.

No. 139, page 100, line 18, at end insert—

' (1) Section 98 (admission for nursery education or to nursery or special school: children with statements of special educational needs) is amended as follows.

(2) In subsection (2)—

(a) in paragraph (a), after "section" insert "88C or";

(b) in paragraph (b), after "section" insert "88D or".

(3) In subsection (9)(b), after "section" insert "88C or".

In section 103 (permitted selection: introduction, variation or abandonment of provision for such selection), in subsection (1), after "sections" insert "88C to 88K or, as the case may be,".

In section 108 (implementation of decision that school should cease to have selective admission arrangements), in subsection (2), after "sections" insert "88C to 88K or, as the case may be,".'.

No. 140, page 100, line 18, at end insert—

After section 138 insert—

"138A Regulations made by Welsh Ministers under sections 89 to 90

(1) Any power of the Welsh Ministers to make regulations under sections 89 to 90 shall be exercisable by statutory instrument.

(2) A statutory instrument containing any such regulations made by the Welsh Ministers shall be subject to annulment in pursuance of a resolution of the National Assembly for Wales.

(3) Any such regulations may make different provision for different cases, circumstances or areas and may contain such incidental, supplemental, saving or transitional provisions as the Welsh Ministers think fit."

In section 142(1) (general interpretation)—

(a) in the definition of "prescribed", after ""prescribed"" insert "(except in sections 89 to 90)";

(b) in the definition of "regulations", after ""regulations"" insert "(except in sections 89 to 90)".

(1) Section 143 (index) is amended as follows.

(2) For the entry relating to "prescribed" substitute—

"prescribed	
(generally)	section 142(1)
(in sections 89 to 90)	section 90ZA".

(3) For the entry relating to "regulations" substitute—

"regulations	
(generally)	section 142(1)
(in sections 89 to 90)	section 90ZA".'.

No. 141, page 100, line 41, at end insert—

'Tax Credits Act 2002 (c. 21)

Omit paragraph 10 of Schedule 5 to the Tax Credits Act 2002 (c. 21) (provision of information by HMRC for education purposes).'.

No. 142, page 100, line 5, at end insert—

'Sexual Offences Act 2003 (c. 42)

In section 21 of the Sexual Offences Act 2003 (c. 42) (positions of trust), in subsection (7), for paragraph (b) substitute—

"(b) section 54, 56(1)(b) or 59 of the Education and Skills Act 2008,".

Children Act 2004 (c. 31)

The Children Act 2004 (c. 31) is amended as follows.

In section 10 (co-operation to improve well-being), in subsection (4)(f), for "under section 114 of the Learning and Skills Act 2000 (c. 21)" substitute "in pursuance of section 54 of the Education and Skills Act 2008".

In section 11 (arrangements to safeguard and promote welfare), in subsection (1)(m), for "under section 114 of the Learning and Skills Act 2000 (c. 21)" substitute "in pursuance of section 59 of the Education and Skills Act 2008".

In section 13(3)(g) (Local Safeguarding Children's Boards), for "under section 114 of the Learning and Skills Act 2000 (c. 21)" substitute "in pursuance of section 54 of the Education and Skills Act 2008".'.

No. 143, page 100, line 13, at end insert—

'Safeguarding Vulnerable Groups Act 2006 (c. 47)

In section 21 of the Safeguarding Vulnerable Groups Act 2006 (c. 47) (controlled activity relating to children), in subsection (6)(b), for "section 117(1) of the Learning and Skills Act 2000 (c. 21)" substitute "section 57 of the Education and Skills Act 2008 relating to children".'.—*[Jim Knight.]*

Schedule 2

REPEALS AND REVOCATIONS

Amendments made: No. 144, page 101, line 16, at end insert—

'Local Government Act 1972 (c. 70)	In section 177(1A), the word "and" preceding paragraph (c).'.

No. 145, page 101, line 30, at end insert—

'In section 89—

(a) subsections (1ZA), (1A) and (7), and

(b) in subsection (10), paragraph (b) and the word "and" preceding it.

Section 89D.

In section 90—

(a) subsections (3) to (5),

(b) in subsection (5B), paragraph (c) (but not the word "and" following it),

(c) subsection (9)(ba), and

(d) in subsection (11), paragraph (b) and the word "and" preceding it.

Section 90A.'.

No. 146, page 101, line 38, at end insert—

'Tax Credits Act 2002 (c. 21)	In Schedule 5, paragraph 10.'.

No. 147, page 102, line 34, at end insert—

'Section 106.'.

No. 148, page 102, line 38, in column 2, at beginning insert—

'Section 46.

Section 47(5)(a).

Section 50(3).

Section 52(2).'.—*[Jim Knight.]*

Order for Third Reading read.

9.23 pm

Jim Knight: I beg to move, That the Bill be now read the Third time.

This landmark Bill has rightly benefited from considerable and enthusiastic debate in Committee and today on Report. I thank right hon. and hon. Members on both sides of the House for their considered and largely informed scrutiny of the Bill's contents. The debate has ranged far and wide, from Proust to the origins of Liberalism to the inevitable discussion of the intricacies of legal drafting. This evening, we discussed the difference between aptitude and ability. If it helps the House to define the difference, we saw that although the hon. Member for Surrey Heath (Michael Gove) has the aptitude to deliver clever parliamentary rhetoric, it is doubtful that he has the ability to run the country.

The Bill is about ensuring that the young people of today do not find themselves in search of lost time when they reach adulthood, that they do not look back on their youth and their education as a wasted opportunity, and that they do not find themselves without the skills, training and prospects to secure for themselves a satisfying and fulfilling job in their chosen career. The Government have made considerable progress in removing the historical glass ceiling on aspiration and achievement for the most disadvantaged young people in our society.

Philip Davies: Although new clause 16 was not reached, will the Minister confirm that, were the Bill to be given a Third Reading, the Government would still consider providing statutory support for orphans such as Kirsty Oldfield in my constituency? Ministers have shown a great deal of interest in her case, for which she is very grateful. Could such a provision still be introduced at this late hour, perhaps by an amendment in the House of Lords?

Jim Knight: The hon. Gentleman has raised the case of Kirsty Oldfield in the House on several occasions, and we are considering it. My hon. Friend the Under-Secretary would be happy to meet him to discuss how we might be able to take forward the concerns that he raised through the new clause that he was unable to move on Report.

Having said that we have made considerable progress, it is also fair to say that we need to do more to ensure that individuals get the skills that they need to

succeed, that employers get people with the training most useful to them, and that Britain is equipped with a world-class work force. Under the current system, out of a typical class of 30 year 6 children, 24 will progress to secondary school after success at key stage 2, 18 will go on to get five high-level GCSEs, and six will progress to university with more to follow after their gap year adventures. The rest, however, will either be stuck in a dead-end job without skills, training or prospects or will have dropped out of the system entirely. We cannot let that happen—it is a social injustice and an economic imperative.

Mr. Tobias Ellwood (Bournemouth, East) (Con): Will the Minister give way?

Jim Knight: In a second.

By raising participation in education, employment or training to the age of 18, everyone will have a fair chance of success. We are supporting that with a broader set of reforms, which I will set out when I have taken the intervention by my near neighbour from Bournemouth.

Mr. Ellwood: I am grateful to the Minister. The concern that I raised during the important debate on Second Reading was that the Bill will encourage, or indeed oblige, disruptive students to stay in schooling when perhaps they need to move on and find and excel in other areas. As we reach Third Reading, will the Minister explain how the Bill will alleviate the concerns expressed by teachers in Bournemouth who will perhaps see disruptive students forced or encouraged to stay on when really they should be looking at some form of employment or apprenticeship? We need to recognise—

Madam Deputy Speaker: Order. Interventions are meant to be brief.

Jim Knight: I would encourage the hon. Gentleman to explain to the teachers in his constituency what the Bill actually says, which is that no one will be forced to stay at school. We are not proposing raising the school age at all. We are saying that simply doing nothing between the ages of 16 and 18 is not an option, but there will be a whole range of provision that is appropriate for those young people.

Mr. Ellwood *rose—*

Jim Knight: I will not take any more interventions because I need to leave time for others to take part in this short Third Reading debate.

We are supporting our aims with broader reforms that will open up new learning pathways, improve access to existing ones, and give young people a firm grounding in the basics and the specialist training that they need to succeed. We are providing a sharp focus on functional skills—English, maths and information, communications and technology—in every qualification at every level. The new 14 to 19 diplomas, the first of which starts this September, will combine traditional and applied learning across a broad range of subjects. There will be more opportunities for adults to continue in learning and to gain the basic skills to help them to progress. We are seeing more engagement from employers, who are offering an additional 90,000 apprenticeships by 2013.

With a broader choice of options, young people will be able to select a career path that plays to their strengths, makes the most of their talents and gives them the skills that employers want and young people need to succeed. Those currently in year 6 will be the first to feel the benefits of this legislation—from year 6 to their 60s, when they retire after a long and satisfying career. I want to set the stage for this country to become a world leader in skills for the next 60 years and beyond. No one will be left out and no one will be left behind.

To those who suggest an entitlement rather than compulsion, I say that 16 and 17-year-olds already have an entitlement to learning through the duty on the Learning and Skills Council to secure appropriate provision for them. We need to go further and we must go further. To those who suggest that some young people or groups of young people should be exempt from the duty, I say that that would mean that we would be failing those young people. That is not acceptable.

The case is very clear. This Third Reading is the chance for Opposition Members to come off the fence on the principle of the Bill, rather than sit on the Benches without stating an opinion. Opposition Members either support ambition, aspiration and achievement or they do not. They either support fair access to education for all or they do not. They either want to secure a strong and prosperous future for our young people and our economy, or they do not. This Bill will ensure that young people have opportunities, take them and are in a better position to create their own so that their education is not time lost but the chance to build a brighter future.

The Government are making the difficult decisions to raise ambition and aspiration for all. Now is the time for the Conservatives to show their mettle and support us—to move from excellence for some to our agenda of excellence for all. I am pleased to commend this Bill to the House.

9.31 pm

Mr. Gibb: It has been a fascinating five months as this Bill has hurtled its way through the House. I would like to add my thanks to the Clerks and officials and to the two Chairmen who chaired our proceedings, the hon. Member for City of York (Hugh Bayley) and my hon. Friend the Member for Buckingham (John Bercow). I would particularly like to thank my hon. Friends the Members for Broxbourne (Mr. Walker) and for North-East Hertfordshire (Mr. Heald), whose dogged pursuit of literacy and numeracy as the key to raising participation rates had an important and powerful influence on the Committee. I would also like to thank the two Ministers for the courtesy that they showed throughout the Committee. Finally, I would like to thank my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) for sharing the burden of scrutinising the Bill and for his erudition and knowledge of William Morris during the Bill's passage through Committee.

Jim Knight: I am particularly grateful to the hon. Gentleman for giving way because I just wanted to endorse his thanks to all the people that he mentioned, particularly himself and his fellow shadow Ministers

[Jim Knight]

who served on the Committee, the Chairmen and my fellow Ministers—especially some who had to spend a lot of time in the middle of paternity leave doing a lot of work and listening to me and who were very supportive throughout the whole process.

Mr. Gibb: The Conservative party believes strongly in the goal of higher rates of participation in education and training to the age of 18. Not only do we believe in it, we are passionate about it. High-quality education is the key to prosperity and the route out of poverty, and, conversely, poor quality schools are a life sentence to unfulfilled lives and low levels of social mobility. The Government are right to have an objective of raising participation age and their aspiration that 100 per cent. of 16 and 17-year-olds should stay in education until the age of 18 is right. As my hon. Friend the Member for Surrey Heath (Michael Gove) said on Second Reading:

"We believe that getting more young people to participate fruitfully in education for longer—and not just to age 18—is an unalloyed good."—[*Official Report*, 14 January 2008; Vol. 470, c. 668.]

The Government are right to be worried about the fact that only 77 per cent. of 16 and 17-year-olds stay on in education to 18, which puts this country in a lamentable 19th position in the league table of participation rates in developed countries. That figure is a serious problem for this country in an open, global economy where knowledge and expertise are the keys to innovation and vital to ensuring market share and national prosperity. Such a low staying-on rate is a symptom of deeper problems in our education system. The approach of passing a law to make it a criminal offence to leave education or training before the age of 18 is an attempt to tackle the symptoms of the problem rather than the cause.

Today, 53 per cent. of 16-year-olds leave compulsory education without having achieved five or more GCSEs at grades A* to C, including in English and maths. Yet I know of several comprehensive schools that have a truly comprehensive intake of a range of abilities, where 96 per cent. achieve five or more GCSEs at A* to C, including English and maths. Maths specialists tell us that almost every 15 and 16-year-old, apart from those with specific learning difficulties, is capable of achieving at least a grade C in GCSE maths. Why is that not happening?

One in five 11-year-olds leave primary schools unable to read effectively despite seven years of primary education. Forty per cent. start secondary school without achieving a level in reading, writing and maths combined that would enable them to benefit from secondary education. That is the source of the 23 per cent. who do not stay on in education or training until the age of 16, of the 500,000 persistent truants and of the 40 per cent. who fail to achieve five or more GCSEs at grades A* to C.

Ministers say that the purpose of compulsion is to tackle the stubborn final 10 per cent. and raise participation from 90 per cent. to 100 per cent. However, we are still a long way from 90 per cent. We have a staying-on rate of only 77 per cent. and the disaffection that leads to 23 per cent. dropping out at 16 has the same causes as that of the final 10 per cent. We simply do not believe that criminalising the 10 per cent. will achieve any higher educational attainment for that group.

The Government commissioned research into the international experience of introducing compulsion. The National Foundation for Educational Research concluded:

"There was little or no evidence of the likely impact of introducing a system of compulsory education or training to the age of 18."

That conclusion is supported by charities that specialise in helping especially vulnerable 16 and 17-year-olds—the group that the Bill aims to help.

Nigel Haynes, chief executive of Fairbridge, which works with young people who have deep-seated problems, said in his evidence to the Committee:

"what evidence is there that compulsion has an effect? With the young people we deal with, the fact that they come because they want to and stay because they want to is a stronger motivation for change."—[*Official Report, Education and Skills Public Bill Committee*, 29 January 2008; c. 193, Q445.]

Martina Milburn of the Prince's Trust said:

"We have great concerns about compulsion. If we are looking at the experience of the Prince's Trust with the young people on our programmes... the bulk of those young people came through a voluntary programme."—[*Official Report, Education and Skills Public Bill Committee*, 22 January 2008; c. 16, Q34.]

The NUT stated in written evidence:

"The NUT is concerned that the focus in the Bill on sanctions and criminalisation for failing to participate may be counter-productive."—[*Official Report, Education and Skills Public Bill Committee*, 5 February 2008; c. 315.]

Alison Wolf has been cited frequently in the debate. She raised concerns about the effect of compulsion on the labour market and the employment prospects for 16 and 17-year-olds, especially given the legal duties that the Bill imposes on employers. She said that

"the negative impact that the Bill will have by effectively destroying the labour market for 16 and 17-year-olds is enormously underestimated."—[*Official Report, Education and Skills Public Bill Committee*, 22 January 2008; c. 107, Q272.]

The Government should examine the causes of the problem to determine why so many people are so disaffected with our education system that more leave school at 16 without going on to further education in this country than in most developed countries. As the Children's Rights Alliance stated:

"Young people who leave education at 16 do so because they have a history of unsatisfactory experiences in the education system, or because they have issues in their lives."

That does not mean that those young people are not entitled to an academic secondary education. It means that they went to one of the 49 per cent. of schools that Ofsted categorises as "not good enough", or—worse—they attended one of the 638 failing secondary schools, or they started secondary education with a reading age of nine or lower, or they went to a secondary school where behaviour was out of control and the prevailing ethos was one in which being seen to work and study hard was to be uncool and an invitation to be bullied.

Two weeks ago, I visited a secondary school where more than half the intake had a reading age of nine or below. That is unacceptable. No child should leave primary school with such poor reading skills. Reading

is a low level skill, which every child, whatever their ability, should have mastered in the first years of primary school.

As Alison Wolf said in her paper, "Diminished Returns":

"One of the best-established findings in educational research is that children who are behind when they leave primary school find it almost impossible to catch up... With very few exceptions, children who are performing well at age 11 do not, at age 17 or 18, figure as NEETs."

That is of course true. Nothing demotivates a person more than not being able to do something that they are meant to be able to do.

Starting secondary school still unable to read properly and with ease is bound to lead to five more years of disaffection with education. That is why we intend to introduce a screening test—a simple, standardised reading test—at the end of the second year of primary education, to ensure that every child can decode words effortlessly, including false words. For too many decades we have allowed millions of children to emerge without having mastered the basic skills of reading. That is no longer acceptable to the Government, the public or our party. Tom Wilson of the TUC told the Public Bill Committee:

"A lot of working people feel very angry that the system has let them down and that they have gone through 10 years of school and emerged unable to read or write."—[*Official Report, Education and Skills Bill Public Bill Committee*, 22 January 2008; c. 52, Q132.]

They are right to be angry. The right hon. Member for Birkenhead (Mr. Field)—I do not know whether I should mention him, but I have—was right to conclude his speech on Second Reading thus:

"My plea is for the group whom we are failing most...they are in no way damaged...They are very bright. The question is: why, when they are so bright, do we fail them so dismally?"—[*Official Report*, 14 January 2008; Vol. 470, c. 705-06.]

We need to ensure that our education system uses teaching methods and the curriculum that the evidence demonstrates are most effective and that are not based simply on a fad or someone's assertion. The decades-long ideological experiment of look-and-say and real books has been deeply damaging to millions of children, particularly those from the poorest backgrounds. That, combined with mixed-ability teaching in secondary schools and a culture of low expectations in too many inner-city schools, has left this country with one of the lowest participation rates in the developed world. Tackling that issue lies at the core of raising participation, rather than introducing a Bill that criminalises the young people whom our education system has let down, threatens the youth labour market and burdens colleges and local authorities with new costs. Organisations that work with the most vulnerable young people say that the Bill and the concept of compulsion will simply not work.

9.42 pm

Mr. Chaytor: I commend the Government for getting the Bill on to the statute book. It is a landmark Bill, in exactly the same way that the raising of the school-leaving age in 1972 from 15 to 16 was a landmark piece of legislation.

To those who argue against compulsion, I simply say this: do they honestly think that if the 1972 legislation had not put a legal requirement on parents to send their children to school until the age of 16, we would have witnessed the progress that has been achieved since then? It is manifestly obvious that there must be a legal sanction if we want to increase the participation age. However, that does not mean that the legal sanction is the centrepiece of the Government's means of increasing the participation age.

The hon. Member for Bognor Regis and Littlehampton (Mr. Gibb) is absolutely right that the root cause of our comparatively low level of post-16 participation lies firmly in weaknesses earlier in the education system, and in some aspects of secondary education in particular. However, I return to the point that we touched on in the debate on the first group of amendments on Report. He and his party remain in a state of denial about the relationship between school admissions policies and the capacity of individual schools to perform well and do the best for their children.

Some of the problems that the hon. Gentleman described are the legacy of admissions systems based on selection by ability, explicitly or implicitly, and many forms of quasi-selection, which leave large numbers of young people demoralised and demotivated, because they know at an early age that they have been deselected. That is one of the root causes of alienation in the secondary stage of education, and low self-esteem and demotivation at the age of 16, which result in Britain having one of the lowest post-16 participation rates of any country in the OECD.

I commend the Government for the progress that they are making on fair admissions to our secondary schools. The Bill will bring about significant changes as the years go by. However, the longer we put off tackling the fundamental issue of selection by ability, which is the cause of our hierarchical secondary school system, the more difficult it will be to expand the numbers of young people wishing voluntarily to stay on beyond the age of 16. We want a generation of young people who enjoy school, who have high self-esteem and self-confidence and who are able to follow a curriculum that is relevant and tailored to their interests. The Government's curriculum reforms for 14 to 19-year-olds are absolutely central to this aim.

I want briefly to touch on two other points, which have not been mentioned in the debate so far. The first is transport. I want to say to my hon. Friends on the Front Bench that, sooner or later, the House will have to look far more seriously at the question of concessionary travel for all young people. The changes proposed in the Bill will bring about a significant increase in demand for public transport. They will require more young people to travel further and in many more different directions in the course of a week than ever before. In the context of the national debate about climate change, congestion charging and the cost of transport, the Government will need to build on the success of the national concessionary fare scheme for pensioners. They must now start to do serious work on a national concessionary fare scheme for young people, because that will be the key to ensuring that the fairly complex arrangements envisaged by the Bill are successful.

Finally, now that we have a 14 to 19 curriculum and a 14 to 19 phase of education, and now that we expect to see far more young people continuing beyond the age of 16, is it not absolutely logical that we need fair

[Mr. David Chaytor]

funding across the 14 to 19 phase? We can no longer justify the differential funding between school sixth forms, colleges and workplace training. Perhaps the Minister will say a few words about that when he winds up the debate.

9.47 pm

Mr. Laws: I should like to echo the thanks given by the Front-Bench spokesmen for the Government and the Conservatives to all those in front of and behind the scenes who have helped with the scrutiny of the Bill over the past few months. It will be clear by now to all those who have taken part in the debates that there are fundamental differences of approach and philosophy in tackling this problem. On my side of the House, the emphasis has been on tackling the problems that cause many young people to leave the education system at 16 or even before. We have not yet focused on the fact that there are many young people aged 14 and 15 who should, by law, be in education but who are not, or on the fact that the existing laws are not very effective at keeping them in the system.

In our debates, we have tried to focus not only on the ideological or philosophical gap between the Government, who believe in making it a criminal offence to be outside education at the ages of 16 and 17, and our emphasis on challenging inequalities of opportunity and ensuring that young people have the ability to go on beyond the age of 16. We have also tried to focus on some of the practical issues that we want addressed in order to be able to sign up to the practical effect of the Bill. I believe that hon. Members on both sides of the House share the aspiration that 16 and 17-year-olds should be either in education or employment, or in some other form of support if they are unable to be in education or employment. Very few Members would not want youngsters aged 16 or 17 to be in one of those settings.

I want to raise a couple of points on which the Government have failed to satisfy us, and on which I hope the debates in another place will make some progress. I was disappointed that the Secretary of State was unwilling to incorporate into the Bill the provisions in new clauses 6 and 9 that would have made it clear that one of the options for young people, post-16, should be for them to be in some kind of supported setting that falls short of the formal education and training settings that the Government envisage in the Bill. I wonder whether the Government are more determined to reach a particular figure allowing them to say that every 16 or 17-year-old is in education and training than really to serve those young people's needs.

We know, and I am sure the Minister would recognise, that there is a very small group of 16 or 17-year-olds who cannot easily engage in the type of education and training envisaged under the Bill. It would be sensible for the Government not to try to allow that eventuality to be dealt with in unspecified regulations or by urging local authorities and attendance panels to take some sort of flexible approach. This issue should be provided for directly in the Bill. It should be an option for local authorities to give young people with mental health problems or other health problems or who are alienated from the education system by the age of 16 the type of engagement that will bring them back into education while dealing with their underlying problems. I hope that the other place, which will look closely at this matter in its debates over the next few months, will seek to come back to this decision and include in the Bill the option to have not simply the inflexible education and training scenarios currently envisaged by the Government.

The second issue that I hope the other place will return to in the months ahead is the treatment of young people who are in employment at the ages of 16 and 17. I am concerned, as are many hon. Members who participated in the debate, that the Bill could dissuade employers from offering young people aged 16 and 17 the job opportunities that often may be more relevant to those who have become disengaged from education and training in a formal setting. The risk is not only that those young people could lose out, but that we end up with a group of young people who do not engage in education and training, and who could be in employment but will not be because employers will be unwilling to take the risk on account of the enforcement measures in the Bill.

I hope that the other place will be able to save this Bill, which is undoubtedly based on good aspirations, but is in danger, because of the process of legislation and the inflexibilities within the system, of becoming bad legislation, which would be bad for many of the young people affected by it.

9.52 pm

Mr. Walker: When I was elected to Parliament, I was told not to bring emotion to this place, but I have a list with me of 13 young boys killed in London since 1 January this year. It includes Jimmy Mizen, who was killed just a couple of days ago at the age of 16. Lyle Tulloch was 15; Amro Elbadawi, 14; and Devoe Roach, 17. These were young men killed by children and youngsters—people who have made the wrong decision in their lives.

I have a rage about the fact that that is going on, I really do. I was wondering about it, and I had this terrible thought. Why are people taking lives? I am so concerned that we have youngsters whose last thought before they go to sleep is, "Who am I?" and that the answer they get back is "Nobody, I am nobody." Because nobody cares where they are going, who they are, what they have done or what their purpose in life is, they in turn do not care when they cause huge emotional disaster and tragedy by taking the life of someone's child.

I hope that this Bill will reach out to some of those people who are lost to society and who make the wrong decisions. I hope that it will allow them to reconnect with society, to learn to read and write, to learn a skill, to remain in education and to have a job, someone who cares whether they turn up in the morning and a place to welcome them to work. Perhaps if they become part of our society, we will save lives in the long term. That is why this Bill is so important. It really is important. I know it has its flaws. We know in this place that it has flaws, but we must do something to stop the tragedies that are going on week in, week out, on our streets.

We in this place, the people in the Press Gallery and the people watching this on television—the few out there—must all collectively say, "No more. No more tragedies." We have to do something, and the Bill is a small step in the right direction. For that reason, I support it.

9.55 pm

Mr. Ellwood: I pay tribute to my hon. Friend the Member for Broxbourne (Mr. Walker) for making a powerful speech. It is a reminder of why education is so important and how it can change people's lives.

My first question to the Minister is whether he will come back to the House to explain the impact of the Bill, should it become an Act, on teachers and schools where students are obliged to stay in education until the age of 18—but it probably will not be him, or indeed other Labour Front Benchers, who will be in a position to respond, because it will be five years from now. That prompts the question whether we are getting into the situation that we have with the Liberal Democrats, in which this Government can make policy knowing that they will not be responsible for the consequence of that legislation when it comes into existence. *[Interruption.]*

The problem that I raised on Second Reading—if Labour Front Benchers can contain themselves—is the impact of disruptive students on teaching and the classes that they remain in. Of course the 16-year-old faces some choices, but many students will decide that the easy option is to remain in school. If the Minister has spoken to teachers, he will be aware that there is a genuine concern that disruptive students will remain in classes and have an impact on the learning ability of those who are genuinely there to learn. As my hon. Friend the Member for Bognor Regis and Littlehampton (Mr. Gibb) said, the big difference between the Conservative approach and Labour's is whether we incentivise students and pupils to remain in education or oblige them to remain in it. The fact that we face today is that half of teachers are choosing to leave the profession after five years. That is a horrific statistic. One of the principal reasons why they choose to leave is the disruptive nature of students.

Hon. Members across the House share the idea that we want more students to gain from education, particularly when we look over our shoulder and see what is happening in France, Germany and other places throughout Europe, where the standards of education are very high. The competition is extremely tough, and we must do all we can to ensure that we give children the best chances.

However, I repeat my concern: what will happen to those classes where students who genuinely want to learn face the prospect of sharing at least two years of their time in school with other students who want to tread water—who are taking the easy option of remaining in school because they have already decided to give up and have decided that they do not want to learn, do not want a job, and want to live on the state? We have already failed them. They will have a knock-on impact on those who genuinely want to do something with their lives.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Immigration

[Relevant document: The Minutes of Evidence taken by the Joint Committee on Human Rights, on Immigration and Human Rights, on 19th February, HC 357-i.]

9.58 pm

Chris Huhne (Eastleigh) (LD): I beg to move,

That the Statement of Changes in Immigration Rules (House of Commons Paper No. 321), a copy of which was laid before this House on 6th February, be disapproved.

I want to make the case that the Home Office must start again. I shall argue that the rule changes will involve injustice to many individuals, including some child victims of trafficking, whom the Government are pledged to help. The changes will introduce automatic penalties for breaches of rules which, in the view of the Liberal Democrats, will prove to be counter-productive—far from saving official time, they will mean more appeals to the courts. The essential issue is whether people who breach entry rules, perhaps by making a mistake, or whose agents breach entry rules, must pay for that with an automatic—I repeat, automatic—ban on the right to reapply for entry for at least a year and for up to 10 years, regardless of circumstances, regardless of fault, regardless of understanding. As far as I know, the Home Office has yet to win the plain English prize for Government forms.

The Government say in their explanatory notes that this is about penalising deception, but deception implies that the officials concerned understand intention. One of the most difficult things to prove in any court of law is what is going on inside the defendant's head. It is certainly no more possible to infer from a potential immigrant's mistake on a form that he or she is deceiving people than it would be fair for me to accuse Home Office Ministers of deception every time their Department made a mistake. Of all Departments of State, surely the Home Office—found, only this week, to have the lowest capability level of any Department—ought to understand better than most the difference between an honest mistake and a deception.

The proposed change is a serious matter, which will involve injustice and hardship. A mistake will lead to exclusion from this country for one year or more, which may mean separation from family, friends and, in some cases, employment. Imagine someone who has lived in this country for some years with a partner and children. He or she may have overstayed, and may now wish to regularise the stay. His adviser would now say "Come clean, depart voluntarily and reapply on the basis of continuing family life", but he will be excluded for at least one year, and possibly up to 10 years if there has been any previous deception.

What an extraordinary incentive for people to remain undercover and not to regularise. What an appalling prospect for a person's partner and child if he or she tells the truth and comes clean. What a potential infringement of the Human Rights Act, and of article 8 of the European convention on human rights on the right to family life. The Liberal Democrats are waiting eagerly to hear whether the Minister can make a concession on this, at the very least.

The proposed change entirely contradicts the expressed desire of Government policy to be compassionate with victims of child trafficking, outlined by the Minister's

[Chris Huhne]

colleague, the Under-Secretary of State for the Home Department, the hon. Member for Gedling (Mr. Coaker), in a recent debate on the ratification of the international convention. During that debate, on 18 January, Members in all parties spoke eloquently of the need to tackle human trafficking, particularly child trafficking, and to stand up for its victims.

On 19 February, in evidence to the Joint Committee on Human Rights, the Minister conceded that there might be a need for "carve-outs" to protect children and victims of human trafficking. The Children's Commissioner wrote to request that he include an

"exception for those who were under 18 at the time of the breach".

However, the Minister replied that the concern over trafficked and asylum-seeking children had been answered by the concession that delayed the implementation of the changes until 1 October. That is plainly wrong. How does the concession help children brought here by traffickers, who will in future be subject to re-entry bans for varying lengths of time because they entered the country illegally, although they were effectively kidnapped? They are least likely to be able to afford their passage home, and may therefore be subject to more severe penalties.

What will happen to a person who used to live in the United Kingdom with his or her parents? If the parents overstayed, or used deception in that person's application when he or she was a child, that child will not be able to come and study in the United Kingdom without being subject to a blanket re-entry ban for offences of which he or she is completely innocent. In the extraordinary, discretion-free world that the Government are creating, the sins of the parents, of people-traffickers or of the person who is trying to take a child away from danger to sanctuary in the UK—albeit illegally—are visited on the child. I cannot believe that that is what the Minister intended, and I urge him to amend the rules to exclude offences committed when the person concerned was under 18.

Let me cite another case. Recently, the chief executive of the UK Border Agency told her officials not to be so silly when they were about to remove three students; the students had wrongly filled in their applications to extend their stay, and were branded "overstayers". The lack of discretion in the new rules means that that second chance would now be entirely impossible. Indeed, the mistake may now also be viewed as deception and the students be banned from returning and completing their course, or from undertaking postgraduate studies. That is an arbitrary and extraordinary imposition, and a terrible way to make friends and influence people who may return to their countries and in due course become people of influence and position.

This is likely not just to involve injustice and hardship, but to prove counter-productive in streamlining the immigration procedures. Of course, we can understand the Minister's logic. The Minister is a former management consultant; he understands these problems. Officials are human, and to err is human; therefore, officials err. It is an ineluctable logic—although when it was first expounded I doubt that anyone had in mind the spectacular capacity for human error recently perfected by the Home Office. After all, such a large proportion of decisions are overturned on appeal—in asylum cases, for example—that it must be intuitively appealing for discretion to be removed entirely from the process.

This is immigration rulings by rote; there is no room in these rules for any discretion. It does not matter whether someone has overstayed by one day or 10 years, or whether they have made a typo on a form or they have used false documents. That rigidity and automaticity will not save official time, however. We Liberal Democrats contend that it will prove counter-productive because more and more cases will end up in the courts and there is no evidence that the UK Border Agency is capable of handling them because, extraordinarily, there was an abject failure on the part of Ministers to consult on these matters before tabling their proposals in February, and because, most bizarrely of all, the changes are regarded as too trivial to merit an impact assessment. Why then are Ministers coming to this House and undertaking such trivial changes, and failing to concentrate on serious matters that deserve their attention? If, as we contend, these matters are far from trivial, why is there no consultation and no impact assessment from either the Home Office or the Ministry of Justice, when the courts system may well have to bear the fall-out and sweep up the mess?

The Government should withdraw these changes, at least until those assessments have been undertaken and they know what they are doing. At the very least, we need a provision for the exercise of discretion in cases of minor and inadvertent breaches and we need exceptions for children, people who have been trafficked and asylum seekers.

I have attempted to show that the rules would lead to significant injustice. Children, who most need our protection, would be denied it and potential immigrants would be discouraged from regularising their position because it might mean, de facto, the break-up of their family and the loss of their job. Automaticity will not only prove to be a poor handmaiden of justice, but it will lead to increasing numbers of appeals against arbitrary and insensitive official decisions. We conclude that the measures will not even deliver a reduced burden on the officials concerned, who will find themselves increasingly often in court.

For all those reasons, we beg to move that the measures be now disapproved.

10.9 pm

Damian Green (Ashford) (Con): The Government are evidently in some difficulties over this instrument, and the problems arise essentially from a lack of consultation. Their basic case—that there should be penalties that discourage people from staying here illegally—is a sound one, but the problem, as so often in this policy area, is a lack of sensitivity and an unwillingness to listen.

There were the first signs of flexibility in the debate on this issue in another place when the Government spokesman in the House of Lords, Lord Bassam, made a welcome concession by, effectively, delaying the implementation of the changes before the House until October, so that those who are here illegally have the chance to leave the country without falling foul of these rules. He said:

"It is normally the practice that we would go through fairly rigorous consultation arrangements, but it is not always possible to consult everyone who might have an interest".—[*Official Report, House of Lords,* 17 March 2008; Vol. 700, c. 97.]

Does the Minister agree that it might have been better to consult organisations such as the Immigration Law Practitioners Association and the Immigration Advisory Service, and other bodies, such as the Refugee Children's Consortium and Universities UK, which might well have had constructive and helpful suggestions to make? As far as I can see, he consulted absolutely nobody, which, in this context, seems a little foolish.

I accept that the Government have to strike a balance. They are rightly charged with securing our borders and preventing abuse of our immigration system while ensuring that the system is fair to individuals. We are all aware that occasionally those two objectives sit uncomfortably with each other, but when concerns were raised in another place about those who have made mistakes on their application—the hon. Member for Eastleigh (Chris Huhne) has also made the point—Lord Bassam said:

"The Government believe that the points-based system will provide an adequate remedy for migrants who have made mistakes in their application".—[*Official Report, House of Lords,* 23 October 2007; Vol. 695, c. 996.]

I hope that the Minister can tell us whether he is satisfied that adequate remedies are in place, because there seem to be some powerful arguments that they are not in place.

The hon. Member for Eastleigh made a number of points, and I, too, wish to deal with a range of questions that the Minister needs to answer. I wish to start with what is clearly both the most sensitive issue and the one on which the Government's case is weakest: the treatment of children. The whole House will agree that the issue of children in our immigration system needs to be handled carefully, and the Minister will know that those most involved with children's rights in this area have considerable concerns as to how the changes will impact on children.

It is clear that children in the immigration system cannot be accountable or wholly responsible for their own application and that, in some cases, they are legally in the care of a responsible adult. I hope that the Minister will tell the House what will happen if a child's application contains false documents or statements made not by them, but by others. Will the Government treat that as deception? Will they bar such children from entering the UK even after they have become an adult?

Jeremy Corbyn (Islington, North) (Lab): I support the point that the hon. Gentleman is making. Is it also the case, as I understand it to be, that if the documents cannot be produced when the child is often much older than they were when they first arrived in this country, they would fall foul of this proposal and be threatened with removal—or if they are removed, they would not be allowed to come back for five years?

Damian Green: The hon. Gentleman makes a good point, and, again, I hope that the Minister can address it.

Clearly, a number of detailed issues affect children, where, as I just said, the Minister's proposals are at their weakest. The Refugee Children's Consortium makes a large number of points, of which I shall just detail two. First, it says that

"any application for further leave must be refused if any false document has been submitted, or false statement has been made, or there has been any failure to disclose a relevant fact. Refusal is mandatory in these circumstances regardless of whether the applicant is aware of the falsity or omission".

That is clearly an extremely tough test to pass. Secondly, it states:

"These changes make no distinction between refugees and other immigrants; nor between children and adults. The previous Rules made no explicit distinction, but by admitting discretion allowed decision-makers to have regard to the particular age and circumstances of applicants."

Another related point is that everyone in the House has particular concern for the victims of human trafficking, so I hope that the Minister will frame his response also in terms of the effect of these changes on potential child trafficking victims who are, as we all know, victims of one of the fastest-growing and most repellent crimes in the modern world. I hope he will address the issue of children.

Another area where questions need answering is cost recovery.

Mr. John Spellar (Warley) (Lab): Before the hon. Gentleman moves on, will he be clear—he has not really touched on this—about whether he thinks there should be any penalties on those who are deported from this country in relation to having to wait a time before applying to come back?

Damian Green: Yes I do, and if the right hon. Gentleman had been listening he would know that I made that point quite explicitly at the start of my speech. I said that Governments have responsibility to protect our immigration system. It is late at night and I am happy to make things clear for him.

In the explanatory notes to the statement of changes, the Government say:

"Where migrants have left the UK at public expense, we will also require them to repay the cost of their departure, once we have introduced primary legislation that allows us to do so."

Will the Minister tell the House when the Government intend to introduce those proposals? Having removed someone from the country, how do the Government propose to recover that payment? What discussions have they had with foreign Governments about their co-operation in recovering costs from their own nationals? On the surface, the Government's aim of recovering costs from people who have already gone back to their own country looks extremely optimistic. I suspect that this part of the changes is somewhat unrealistic.

Another issue, which the hon. Member for Eastleigh raised, is inadvertent mistakes. Clearly, nobody condones the intentional use of misleading or false information and those who use it should be subject to stringent penalties. We support the general approach that those who give false information should be refused entry, but will the Minister clarify what entry clearance officers will take the word "false" to mean? Does it mean intentionally false or inaccuracies of any kind? In short, does it involve active deceit? Is a mistake made in good faith also covered by these measures?

[Damian Green]

The Minister will be aware that that issue was raised in another place by representatives of the universities. Perhaps students are particularly prone to making such mistakes, but whether they are or not, it is clear that full clarification will be important.

It is also important to put these changes in the context of the wider weaknesses of the points-based system as it has been introduced by the Government. It is designed to do one job, which is to allow the economically beneficial to come to this country, but Ministers would like it to do another, which is to limit the numbers coming here. The scheme does not set limits of that sort and, as it is set up, it is not intended to do so. Ministers constantly argue that it is a system like Australia's, but they know that the Australian system is entirely different. It starts with a limit and selects within that total.

Nor does the Government's points-based system prevent long-term settlement. By staying on for five years and making an application, all work permit holders will be qualified to apply for settlement in Britain and, later, for citizenship. That will apply whether or not their skills are needed beyond the short term.

The result of those weaknesses in the system and the complete lack of public confidence in the Government's immigration record is that Ministers are at all times having to try to look as tough as possible. The result of that, as we see before us this evening, is too often self-defeating. We have seen that over the highly skilled migrants programme. The Minister will be aware of complaints from the restaurant sector and there are now complaints from those who employ seasonal workers. It is conceivable, indeed, that there might be objections from some people who are covered by the measure. The root of the problem is policy driven by rhetoric, which is never a happy prospect.

I put it to the Minister that this is the day of the U-turn for the Government. I hope that he repeats the performance of the Chancellor this afternoon and introduces another set of U-turns and sensible concessions on this badly drafted measure.

10.19 pm

Mr. Andrew Dismore (Hendon) (Lab): My hon. Friend the Minister for Borders and Immigration gave evidence to the Joint Committee on Human Rights on this issue on 19 February, and I am not entirely sure that we saw eye to eye during that session. The first point that I put to him arose from the explanatory memorandum to the document laid on 6 February, which said in paragraph 8.1:

> "An impact assessment on these changes will be published on the website of the Border and Immigration Agency...and on the Home Office website".

When he came to give evidence, that impact assessment had not been published and he went away to check it. I do not think that it has been published yet. No doubt the Minister will correct me if I am wrong, but the fact that we do not have that impact assessment is serious. Despite what we were told in the explanatory memorandum, no real thought has been given to the consequences of the rule changes for some vulnerable people.

I am reminded of a couple of cases that I put to the Minister in Committee. I gave the example of a trafficking victim who is brought into the UK by deception, so her entry is illegal, but who manages to escape from the traffickers. As she has no money to return to her own country, she relies on the UK to pay for her return and is barred for 10 years because of the deception, or for five years because her return is paid for by the UK. The other example I gave was of a child fleeing persecution in his home country who is smuggled into the UK with the assistance of an agent, and who has no travel documentation so has entered the country illegally. The child has no funds of his own and is given discretionary leave, but when his asylum claim is ultimately decided, it is refused, perhaps because the circumstances in the home country have changed. Even if the child agrees to a voluntary return, he has no money to pay for it so either he is excluded for 10 years because of the deception in getting into the country or for five years because he cannot pay for his own return.

Those are two examples of hard cases, and because there is no discretion in the system and it is based on mandatory refusals we end up with two pretty appalling cases. We have no special exemptions for children and trafficking victims, and so one would have thought that that sort of thing might be thrown up by the impact assessment, which has not been produced.

It is irrelevant if the applicant believes that he had a good reason to believe that the statement was true or the document was genuine or valid, if the statement was made or the document submitted by a third party without the applicant's knowledge, if the applicant did not understand the relevant fact that needed to be disclosed and made an entirely innocent mistake, or if the false document or statement was totally irrelevant and immaterial to the application. None of those factors is taken into account. The refusals are absolutely mandatory, no matter how innocent of any wrongdoing the applicant might be.

Jeremy Corbyn: Before the idea of a mandatory rule came in, had my hon. Friend come across any evidence in his capacity as Chairman of the Home Affairs Committee of the number of cases in which a decision had been overturned on appeal or on humanitarian grounds by the Minister's office?

Mr. Dismore: I must correct my hon. Friend. I am Chairman of the Joint Committee on Human Rights, not the Home Affairs Committee. I will not say whether he just offered me a promotion or a demotion. All of us who have high immigration case loads in our constituency offices will be aware of such problems. People make genuine mistakes and they end up being challenged. The point about these rules is that there is no incentive to put things right. The incentive would be to fight everything every step of the way as a consequence, because there is no benefit in trying to put things right.

The real problem is that an employer might have submitted a false document, and the migrant might have no knowledge of it. The same could be true of an educational or financial institution. Any false statement by a third party damns the applicant, too. Children are affected in the same way, as I have just said. The child who overstays because the parent failed to renew their

leave is caught by the mandatory rules. That is not fair on the child, who is still caught by the ban.

The seriousness or otherwise of the breach makes no difference at all. The person who overstays by 29 days because they made a mistake with their visa date, or because their flight was delayed, is treated in exactly the same way as somebody who has overstayed for 10 years. That is not fair or right. Similarly, no discretion can be applied in the case of a student who works an extra hour beyond the 20 hours a week permitted. Some provision must be made for dealing with such hard cases. The consequence of mandatory rules is inevitably injustice. In this case, there is another by-product: cases will increasingly be fought tooth and nail, every step of the way, through the courts.

I urge my hon. Friend the Minister to consider whether some discretion could be used in cases involving children, trafficking victims, inadvertent mistakes or mistakes where there is no culpability whatever on the part of the migrant concerned. If we are serious about our international obligations to asylum seekers, about our obligations to victims of trafficking under the European convention that we are supposed to be signing by the end of the year, and about the convention on the rights of the child, which I hope we will sign by the end of the year, we have to make exceptions in such cases.

10.25 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I think the Minister will be getting the message by now. My hon. Friend the Member for Eastleigh (Chris Huhne), the hon. Member for Ashford (Damian Green), who speaks for the Conservative party on immigration, and the hon. Member for Hendon (Mr. Dismore), whose Joint Committee on Human Rights considered the matter at a very appropriate time, have made the strong general case that the rules that we are discussing, which were presented to Parliament without consultation, are clearly not justified. They would not only fail to remedy a mischief but would leave the system for dealing with people who want to come to this country properly far worse than it is now.

I want to add two points about procedure. As the Minister will know, we have a ridiculous system, although I do not blame him personally for that. The changes to the immigration rules were published on 6 February. The Joint Committee met on 19 February to consider them. Hon. Members have 28 days in which to pray against rules and, with the support of my hon. Friend the Member for Eastleigh and other colleagues, we did so. That hopefully triggers a debate. However, some of the proposed changes came into force on 29 February, while the changes that we are concerned with tonight came into force on 1 April. From 1 April all the new rules were in place, even though we had not yet held the debate on whether they should be in place.

The Leader of the House has accepted that the system is nonsensical. This is not a Home Office problem, but a general Government problem. We must change the system whereby important rules introduced under secondary legislation come into force before we have had the chance to debate them. If we had had the chance to debate them, the point about the absence of consultation, made by all three colleagues who have spoken so far tonight, would have been pre-eminently made, and Ministers would have said, "We understand, and we'll reflect on those points."

Happily, there was a debate in the House of Lords between 6 February, when the rules were laid before Parliament, and 1 April, when the changes that we are most concerned with today came into effect. The debate was initiated by my noble Friend Lord Avebury, and he was supported by my noble Friend the Liberal Democrat Lord Roberts of Llandudno. Anyone who reads that debate—as the Minister, the hon. Member for Ashford and my hon. Friend the Member for Eastleigh have clearly done—will see that it showed overwhelmingly that the situation is nonsensical. To his credit, the Minister in the Lords accepted that it was nonsense, and at the end of the debate he said that the rules in question would not come into force on 1 April; instead, their implementation would be deferred until October.

Like friends and colleagues from all parts of the House, I deal with a huge number of immigration cases of the kind that we are discussing. It is not a record that I aspired to hold, but I think that I am currently at the top of the Home Office league table because of the number of cases that I have brought before it. Colleagues who are present, including the hon. Members for Islington, North (Jeremy Corbyn), for Slough (Fiona Mactaggart), for Hendon and for Regent's Park and Kensington, North (Ms Buck), also deal regularly with significant numbers of cases that would involve the rule that we are discussing.

Let us be absolutely clear: the changes are misguided. If there was a breach of any of the rules, or if there was a failure—it is set out in these terms in the proposed changes—by overstaying, which could be by a day; by a breach of a condition, which could be one failure to report; by being an illegal entrant, which is obviously more serious but the applicant could have been as a child, brought as a relative, brought as a teenager, brought with somebody else, brought against their will, or brought not knowing what was happening; or by using deception in an application for entry clearance, whether the deception was theirs or was carried out on their behalf by an agent, by somebody whom their family had paid or whatever—any of those circumstances would automatically lead to a series of blanket bans, depending on the circumstance of the person's departure.

If the migrant leaves voluntarily, it might be a year before they can come back in any circumstance; five years if they left voluntarily at public expense and only if they had repaid the cost; 10 years if they were removed or deported; and 10 years if they used deception—no questions, no qualification, no exemptions; a blanket ban. The case has been made as to why that is nonsense. To give the Minister some credit, his Department during his tenure as Immigration Minister and under all his predecessors from both the Labour and the Conservative parties since I have been in the House has always had a system whereby, as well as the immigration law and the rules, discretion has been available to the Home Office. That is normally exercised by officials and occasionally by Ministers, if the matter needs to go higher, so to speak. Officials regularly exercise that discretion because there is a good case, and so they should. Ministers occasionally do so, too.

[Simon Hughes]

That is as it should be. The case for the changes to the rules would not be justifiable in human rights law, as the hon. Member for Hendon pointed out, on the basis of the right to family life or on non-discrimination, and the system would not be sustainable or tenable if discretion were not allowed as a remedy for the person who, for example, was due to leave on a certain day and whose flight was cancelled, or who was due to go and report and was taken seriously ill. There are all sorts of examples.

In my office we were alerted to the issue pretty well immediately by people with whom we work, who represent immigrants and asylum seekers. They are highly respected companies and organisations, particularly the Immigration Law Practitioners Association. This had an immediate effect and rang alarm bells, hinted at by previous speakers. When I saw that Lord Bassam had agreed that there would be concessions until October, I advised everyone in my constituency who was likely to be affected to go immediately. I explained that if they went by October, there was a chance that they would benefit from the exemption and be allowed back in if they made an application.

That was no different from the practice that I have adopted for years when people come to me. I have many Sierra Leoneans in my constituency. Let us suppose that one of them had married a Sierra Leonean who had indefinite leave to remain in the UK, or who had become British by nationality, but they did not have proper status, possibly because they had been a student and overstayed, or had come as a visitor and overstayed, or had a work permit and overstayed for whatever reason, and they thought that that would be valid. I have always said to them, "The best way for you to deal with this is for you to go back to Sierra Leone now that there is peace and not civil war, and make a proper application. Provided everything is in order, provided you have somewhere secure to live, provided your partner or spouse is working, and provided you're not going to be dependent on the state, you would be given probably one year initially, then possibly a second year, and then you would be allowed to stay." They would do that.

The effect of the changes, as my hon. Friend the Member for Eastleigh suggested, is that those people would not say, "Fine, Simon, that's what I'll do." They would say, "Thank you very much, Mr. Hughes. I may not see you again, and if you see me in the street, don't tell anybody where I am." Let us be realistic about this. If somebody has married and has a child, or has a long-term relationship and has two children, or has just got engaged and is desperately in love with someone, they will not suddenly give that up, with the prospect of at least one year and possibly two, five or 10 years before they can come back. That is just not realistic.

I was dealing with a case only the other day involving somebody whose children were in care in this country because there had been difficulties, but not the sort of difficulties that meant the family had given up links with them or that the children would not benefit from still having links with both parents. People make mistakes and want to put their lives right. There are all sorts of such cases in which people behave as anybody here in the Chamber would behave.

Mr. Spellar: Does the hon. Gentleman think that there should be any differentiation between those who have completely abided by the rules and done everything properly and those who have not? Does he think that there should be no differentiation whatever?

Simon Hughes: Like the hon. Member for Ashford, I do not dissent from the notion that there should be a requirement to make up for the failure.

Chris Huhne: But not automatically.

Simon Hughes: But not automatically, as my hon. Friend says. The failure might be accidental and unavoidable. It could happen to the right hon. Member for Warley (Mr. Spellar): if he had been struck down with a serious illness and could not deal with the paperwork, one would hope for his sake and that of his family that compassion would be shown to him. I apply the same principles to immigrants as I would apply to people of this country in respect of any other administrative procedure. That must be the right way.

Of course, there are already procedures for allowing people the opportunity to reimburse the fare. There are different policies depending on whether a person is sent back at public expense or whether they pay their way. I always encourage people to pay their own way; sometimes they need to borrow to do so. Of course I do that, because they need to be socially responsible and show that they are keen. Other things can also be done. There are perfectly proper ways of addressing the issue without there being any threat to the immigration system.

It seems to me that the Government have accepted that they made a mess of the process, and that a process that we should not have in Parliament was used. They have made an initial concession. However, that will be flawed if it lasts for six months and then stops. Other cases will come to that point on 1 November and 30 November, and 1 December and 31 December, and so on. It would be a nonsense if some people coincidentally benefited from the concession and others did not.

Like me, colleagues in the House will have been pursuing a constituent's case that has gone on for one, two, three or four years—it may be an asylum case or another kind of case. In the end, the case might be decided in November, on the other side of the concession. It might be decided next year; there might be an appeal, or there might not. It is a nonsense for there to be a cut-off. The change has to be within a system and work for ever.

I have two short last points. Under this proposal, when the final decision comes there are only 28 days for a person to get their life in order and go. The Home Office has been intelligent in the past; it has understood that if a person is from a country at civil war such as Somalia, Eritrea, Ethiopia or Sri Lanka, or is from a country where there is political persecution such as Zimbabwe, Saudi Arabia or China, and if after one, two or seven years in this country that person is told that they have come to the end of the road, it will sometimes not be possible for them to sort out their whole life in 28 days. The Home Office normally shows sensitivity in such a situation. That has to remain, and it would be a nonsense if it did not.

Lastly, if the Minister is minded to be helpful—I hope that he is—I should be grateful if he looked at the issue of how families are defined. Families are not just the engaged or married couple, or formal civil partners; they are also people who have clearly been together for a very long time as partners. There can be other relationships, including between brother and sister, parent and child, and elderly parent and grandchild. I hope there can be an understanding that the right to family life in such circumstances is just as important as it is among a conventional nuclear family.

I hope that the Minister can be helpful. If he can, I hope that in addition to any concession given in Lord Bassam's statement and any further concession that the Minister may be able to make, he will look at how we can come back to the issue in a consultative, formalised way so that in due course we get immigration rules that say what they mean and are workable, practicable and civilised. If we do that, it will be to the immigration service's credit and it will strengthen the service. If we do not, the service will be discredited. I am sorry that we have had to come this far before we begin to get, I hope, the sort of change that many thousands of families and, I am sure, many colleagues in the House hope that the Minister can deliver.

10.39 pm

Jeremy Corbyn (Islington, North) (Lab): I want to make a few points, but I will be very brief because I want to hear the Minister's reply to the debate. First, we are debating rules that came into operation several months ago and have caused a great deal of complication, hardship and confusion. Unless the Minister has some very good news for us, the rules will be approved in tomorrow's vote. That is not a very satisfactory system of parliamentary scrutiny and accountability, and it seems to be a negation of the parliamentary process.

Secondly, I would be grateful if the Minister told us exactly who was consulted before these rule changes were brought in. I understand that very few people were consulted. Organisations dealing with unaccompanied asylum-seeking children, children's charities and bodies such as the Immigration Law Practitioners Association would have had something helpful and useful to say, and we should be well aware of it.

Thirdly—this follows on from the point made by the hon. Member for North Southwark and Bermondsey (Simon Hughes)—there is the question of discretion. That concerns me a great deal. I have been dealing with immigration cases since I was first elected to this House, and a very large number of them too. One has always known that there is a degree of discretion, either with an official or ultimately with a Minister. That is absolutely essential, because it is almost impossible to draw up rules relating to children seeking asylum or to immigration in general that can define every possible circumstance. Once the Minister throws discretion away, he is, in effect, getting it off his table and handing it over to immigration courts to decide, however perverse those decisions might be, and he will end up back here having to reform the rules or legislation to cope with that. It would be much better all round to keep that degree of discretion.

Fourthly, I am very concerned about the penalty imposed on children for the circumstances under which they came to this country. My constituency, like that of the hon. Member for North Southwark and Bermondsey, has a considerable number of Somali people who sought a place of safety in this country because of the war in Somalia. There has been a war going on in Somalia for a very long time, and I suspect that sadly it will continue for a long time to come. I have encountered many people who arrived in this country as children and who cannot remember how they got here, do not know by what route they came, do not know who brought them, and do not know what documentation was involved—it was probably false, and they were probably smuggled, with a people-trafficker involved. There were probably some desperate parents somewhere back home in Somalia who just wanted to get their children to a place of safety. The priority should be at least to look after those children in that place of safety. My understanding of the rules that are being introduced is that if, at a later stage, it became apparent that the documentation was false or that people-traffickers were involved, the child would be penalised in some way. That simply cannot be right. The same applies to children coming from Congo or from very many other places. I hope that the Minister will be able to help me in that respect.

Simon Hughes: I am sure that the hon. Gentleman will also have encountered youngsters who have come here legally and who have left their affairs behind to be dealt with by somebody on their behalf such as a relative or lawyers, or so-called lawyers, who have not done what they should have done, and they have subsequently discovered that their application was not made in time.

Jeremy Corbyn: The hon. Gentleman makes a good point about what is, in reality, a kind of informal adoption. I was just about to come to that. Unfortunately, there are within the world of immigration law some extremely incompetent, inefficient and corrupt advisers who are no good or help to anybody, as well as a lot of very good and overworked immigration solicitors who have great difficulty in coping with their work loads and the pressures that are put on them. I have come across cases where children have come to this country, perhaps from Nigeria or Bangladesh—from many different places—as quite young children, probably unaware of what was going on, and have been effectively adopted by an uncle or an aunt. I am not saying that there is anything bad about the uncle or aunt in question, who may often have looked after them and brought them up very well. That child came to this country to be with their adoptive parents; those parents either did not understand the system or did not do anything about it, and when the child reaches the age of 18 and becomes an adult, they apply for all the things that adults want and discover that they are not legally allowed to be in this country.

I have had cases where 18 or 19-year-olds who have been all the way through the education system in this country are removed. Under the rules, they would be banned from even visiting again within five years because they had come here by what someone has decided is a process of deception. I can think of families where at one level it could be argued that there had been deception. I would argue that there is a huge degree of ignorance and that those families needed help and support. Above all, why are we penalising the young people in question? They are not the ones who created the deception or problem in the first place.

Mr. Spellar: My hon. Friend outlines a number of cases. Can he explain why all those responsibilities should fall on the citizens of the United Kingdom?

Jeremy Corbyn: Because we are dealing with immigration law affecting people resident in this country, and, in the case of the young people I was talking about, people educated in this country who wish to make a contribution to its economic welfare and development. My right hon. Friend would do well to recognise that much of the wealth of this country comes from migrant labour—people who have given a great deal to our society, from which we have all benefited and continue to benefit. I am sure that his constituency includes such people just as mine does.

My last point follows the one made by the hon. Member for North Southwark and Bermondsey on family reunion or right-to-family-life issues under the Human Rights Act 1998. The problem seems to be an over-close definition of what a family is. We could argue that it is lots of things: the nuclear family of two parents and however many children, one parent and a child, informal adoptive parents, brothers and sisters, or a wider family unit. It is extremely difficult to define, and either it should be defined in a very general way, as the UN convention attempts to do, or officials and Ministers should retain a high degree of discretion so that we can avoid the often unbelievably hurtful situation where a family is broken up because one of them has not achieved citizenship or status in this country. In such situations, it is claimed that someone came here by some degree of deception—they may have come as a child—and they are removed from this country, leading the family to suffer a great deal as a result.

We have to be rather more humanitarian than we appear to be at the moment, and recognise that human beings are involved. The people involved want to live ordinary decent lives and make a contribution to our society—indeed, they do make a good, positive contribution to our society. I hope that the Minister will be able to help me with the concerns that I have expressed about the rules, which are shared by a large number of children's organisations in this country.

10.48 pm

Fiona Mactaggart (Slough) (Lab): I shall be brief. I was prompted to speak by the intervention of my right hon. Friend the Member for Warley (Mr. Spellar), who asked why British citizens should bear the burden of such responsibilities. The Minister, whom I thank for listening carefully to a series of representations that I have made about the rules, led me to write letters to 63 families in Slough, to which the hon. Member for North Southwark and Bermondsey (Simon Hughes) alluded. I had a look at the families who would have been affected by this proposal, and in a large proportion of cases the families involved a number of British citizens, and the British citizen in question was married to someone from overseas.

I can think of one case about which I am still battling with the Home Office. A woman with five children who had been married for years was deemed not to be a wife, but was admitted as a fiancée. That happened because the husband had been married previously and, ab initio, the marriage was determined to be bigamous in UK law, although, when the couple originally married, he was a Pakistani citizen. He is now a British citizen. She did not know that she had been admitted as a fiancée—she thought that she had been admitted as a wife because she had been a wife for many years and had five children. When her six-month visa expired, she applied to the Home Office for indefinite leave to remain, and it replied, "Sorry, no marriage certificate." She tried to book a wedding at Slough town hall and could not do it in the time left before her visa ran out. Shortly afterwards, she had her sixth child, and she is still here because the child is too young for her to return. In that case, I have not done what I usually do—advise people to go overseas and make an application from there to come back home, as the hon. Member for North Southwark and Bermondsey described—because her children need to be cared for.

My concern about the rules is their effect on family life and article 8 of the European convention on human rights. The Minister has listened carefully to my comments and I shall stop speaking soon because I hope that he will cheer us all up by saying that he recognises that the impact on British as well as long-resident families is unacceptable. The lack of confidence in the system created by that wee group of people, who happen to go overseas just before the period described in the other place as a concession and get refused but would not be refused two weeks later, is unreasonable. I hope that the Minister can tell us that those people whose applications were made before 1 April and refused after that date but would have fitted the concession will have their cases reconsidered.

I also hope that the Minister can tell us that he intended people who disregard UK immigration law to face penalties, but that those people's families, who will be deprived of sometimes a breadwinner and always a loved one, should not pay those penalties. I look forward to his comments.

10.53 pm

The Minister for Borders and Immigration (Mr. Liam Byrne): I am grateful to the hon. Member for Eastleigh (Chris Huhne) for giving us the opportunity to hold the debate. I agree with many of the remarks of the hon. Member for North Southwark and Bermondsey (Simon Hughes). When we make changes such as those that we are discussing, it is important that a parliamentary process is involved. That is why there is an opportunity to pray against rules and have such debates. However, I also agree that it would be helpful in future to try to hold them before rather than after rules are introduced. The hon. Member for Eastleigh said that he had made representations to the Leader of the House. I shall check whether she has received them.

I want to start with some context and then I shall rattle through my notes because I do not want to detain the House much longer. Hon. Members know that we are making one or two changes to the immigration and the border security systems in this country this year; the introduction of the points system is among the most significant. We had a rather good debate on the points system a week or two ago, when I hope that our intention to make the rules much simpler came across. We want to make them clearer and easier, not only for the Government to administer, thus reducing the room for mistakes that derive from 10 measures since 1971, but in order to reduce the space for bad immigration

lawyers to take people for a ride. I agree with the remarks that my hon. Friend the Member for Islington, North (Jeremy Corbyn) made about that. When there is a complicated system of rules, vulnerable migrants often get taken for a ride and end up paying quite a high price.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Is not the point that people who are in this country, rather than people making an application to come through the points-based system, have messy and complicated lives? They have relationships, as my hon. Friends have described. It is impossible to create a rigid and mandatory structure for making such decisions that accommodates the complexity and difficulty of those lives. That is exactly why discretion must be retained in the system.

Mr. Byrne: Yes and no. I agree with a large part of the sentiment that my hon. Friend expresses, and I will explain why shortly. None the less, sharp edges are sometimes required and sometimes we need to make rules clear so that people can understand them.

Jeremy Corbyn: The Minister is familiar with the point about immigration lawyers and advisers, which I have raised before. Is the Home Office making any progress on that, through communications with the Immigration Law Practitioners Association and recognised quality solicitors or action against advisers who take vulnerable people with no access to legal aid for a ride? They are often poor people who pay out hundreds if not thousands of pounds on nonsensical advice that only makes corrupt lawyers rich.

Mr. Byrne: Progress is indeed being made on that. I know that the House will not necessarily welcome another Immigration Minister saying that he hopes to bring forward legislation, because that is said in the House quite often, but we hope to introduce a consolidating measure that will simplify, overhaul and clarify the 10 Acts that have been passed since 1971. As part of that, we will propose new action to try to drive out such abuse. However, let me move on to the substance of my remarks.

As part of the changes that we are making through the introduction of the points system, we want to introduce a much clearer series of rules. That necessarily involves putting some boundaries on discretion, which can be exercised very subjectively. When people can take subjective decisions, as they can today, there is room for inconsistent decisions. That often means having to put in place an appeals process to try to regulate the system, which can introduce further complexity and cost, but sometimes it is not the migrants who benefit from such change. We have to try to strike a balance between clear rules that are clearly applied and discretion, accepting that discretion brings a degree of subjectivity into the system. That is the balance that we have tried to strike in framing the rules.

When we introduce the points system, we will be seeking to replace the discretion that an immigration officer has in judging somebody's intention and their intention to obey the rules and leave. We have always considered previous breaches of immigration laws when considering whether to let somebody into the UK. However, in the past those powers have been discretionary powers that have allowed us to refuse people who have not complied with the rules when they were last here. I am not sure that that blanket discretion is right. I would prefer a system with clearer rules, so that migrants are aware of the penalties that apply if they overstay or breach the rules that are still in the Immigration Act 1971. That is why we have sought to introduce a system of blanket bans for those who breach the rules. We have sought to reserve the toughest rules for those who have cost the taxpayer the most money.

It is also important that there should be sanctions for deception. People need to take responsibility for the applications that are submitted in their names, subject to the caveat that I am about to add. There must also be quite strict tests for what we judge to be falsified documents. It is possible for people to make honest mistakes, and it is important that the system should be able to accommodate them as honest mistakes. None the less, deception must carry a sanction.

I will not rehearse the automatic provisions that we are proposing in the rules, because hon. Members are already familiar with them. I will just add one direct answer to the hon. Member for Ashford (Damian Green), however. It is important that people who have left the country at public expense should have the opportunity to come back into the country in due course, but it is only reasonable that we should ask them to pay back any costs incurred by the taxpayer before we allow them back in. The hon. Gentleman will be delighted to learn that I hope that this will be among the proposals in the legislation that I hope to bring forward. I also hope to publish the Bill in draft form, before we bring it anywhere near the House in a formal sense, so there will be ample opportunity over the long summer months to study this question in depth, and to check whether we have got it right or wrong.

Simon Hughes: I do not dissent at all from the proposition that the Minister has just put to us. On his earlier point, does he accept that there is a difference between an adult who acts improperly and a minor—somebody under 18—on whose behalf the conduct has been carried out? Such young people would be the innocent victims of other people's arrangements.

Mr. Byrne: I absolutely accept that, and I shall spell that out further in a moment.

I want to make a number of changes in the light of some of the remarks made by right hon. and hon. Members this evening. I would like to put on record my thanks not only to the hon. Member for North Southwark and Bermondsey (Simon Hughes), who has discussed some of these issues with me in the past, but to my right hon. Friend the Member for Warley (Mr. Spellar) and my hon. Friend the Member for Slough (Fiona Mactaggart), who have gone to some length to tell me where I have got things wrong and helped me to reshape the amendments that I shall now propose.

I said at the beginning of my speech that we needed to try to balance the application of clear rules—and the elimination of subjectivity—with an element of discretion. There is more room for discretion than was suggested in the concession that was announced by my noble Friend

[Mr. Byrne]

Lord Bassam in another place. I am announcing two further reforms this evening, and I want to add one clarification.

First, we will not automatically refuse applications from people applying to join their family permanently in the UK—that is to say, those applying for visas as a spouse, civil partner or unmarried or same-sex partner under paragraphs 281 or 295A of the immigration rules; a fiancée or proposed civil partner, as set out in paragraph 290 of the rules; a parent, grandparent or other dependent relative, as set out in paragraph 317; a person exercising rights of access to a child, as set out in paragraph 246; or a spouse, civil partner or unmarried or same-sex partner of a refugee or person with humanitarian protection, as set out in paragraphs 352A, 352AA, 352FA and 352FD. Following some of the comments made by hon. Members this evening, I will of course check to see whether we have cast the scope of those exceptions correctly, but my initial analysis is that that is where the discretion should apply.

Secondly, we will not automatically refuse anyone who is under the age of 18 at the time of the breach of the immigration rules. My hon. Friend the Member for Islington, North spoke powerfully on this subject, as did the hon. Member for North Southwark and Bermondsey. That case has been well made.

The clarification that I want to make underlines comments that I have made to the Committee of my hon. Friend the Member for Hendon (Mr. Dismore) in the past that there should be a carve-out for victims of trafficking. We will put that into effect when we have ratified the Council of Europe's convention on trafficking.

Damian Green *rose—*

Mr. Byrne: There are two caveats that I wish to add, but before I do so, I give way to the hon. Gentleman.

Damian Green: I am glad that the Minister brought up the subject of ratification. His point that the Government were going to ratify was welcome, but will he give us some indication of when that might be?

Mr. Byrne: I have nothing further to add to what my right hon. Friend the Home Secretary said in the House not too long ago.

Chris Huhne: In the light of his helpful remarks, will the Minister clarify whether any cases falling in the period before ratification will be subject to discretion in the same way as he outlined for those under the age of 18?

Mr. Byrne: I will take the advice of my lawyers on that point first, if I may, and write to the hon. Gentleman to clarify the position.

As to the caveats, this does not mean that people who need to go home and reapply will automatically get in; they will still need to meet the requirements set out in the immigration rules and they may be refused if they have contrived in a significant way to frustrate those rules. Nor is it or can it be a green light for the groups I have mentioned to deliberately overstay. We need to bring forward fresh proposals to ensure that there are consequences for these actions.

Suggestions have been made to me. Obviously, the need to go home and apply for entry clearances is one sanction, and other opportunities are presented in our Green Paper "The Path to Citizenship". For example, we may, because we could, make those who have breached immigration rules wait slightly longer before they become citizens, but I do not want to go into detail on that proposal this evening. I simply want to flag it up for the House's attention in order to illustrate the wider point: we must have sanctions for those who overstay. These changes will have immediate effect as a concession and will be added to the immigration rules at the first opportunity.

I hope that the hon. Member for Eastleigh will recognise the benefits of some of the changes announced this evening, and indeed the balance that we are trying to draw between the elimination of subjectivity in decision making on the one hand and the need for discretion on the other.

11.7 pm

Chris Huhne: With the leave of the House, I will wind up the debate. I thank the Minister for his constructive response. I have been impressed this evening, as I was when we debated the points-based system, with the measured and rational way in which the Minister approaches these matters. It is slightly unfortunate that, given that these rules have already entered into force, this is somewhat late in the day. *[Interruption.]* It is late in every sense, both this evening and for the rules.

The Minister's assurances on families and particularly those under the age of 18 relate to essential changes to the rules originally put forward by his Department. I am still concerned about the transition from the current situation. As was made clear by my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes), we are unfortunately debating matters that have already become law, as a result, in my view, of an unfortunate procedural lapse of this House—*[Interruption.]* It may be a normal lapse, but it is still a lapse and it definitely needs to be put right.

I am concerned that before the changes outlined by the Minister can come into effect, there will be a number of cases that fall between the two stools. I would like to know, if possible before we have to vote in the deferred Division tomorrow, whether these matters can be dealt with without leading to serious problems. If the Minister proceeds with the changes and if there is no transitional problem of the sort that I am concerned about, I will very much welcome this exceptionally adroit U-turn—the Government's second today, following the Chancellor's U-turn on compensation for those caught up in the doubling of the 10p tax rate. That reminds me that the diet of our own words is often, for a professional politician, one of the most nutritious available. I commend it to the Minister, who has clearly had his fill this evening.

Question put—

Hon. Members: No.

Division deferred till Wednesday 14 May, pursuant to Standing Order No. 41A (Deferred divisions).

DELEGATED LEGISLATION

Local Government

Motion made, and Question put forthwith pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

That the draft Local Authorities (Alcohol Disorder Zones) Regulations 2008, which were laid before this House on 1st April, be approved.—*[Mr. Alan Campbell.]*

Mr. Deputy Speaker (Sir Alan Haselhurst): I think the Ayes have it.

Hon. Members: No.

Division deferred till Wednesday 14 May, pursuant to Standing Order No. 41A (Deferred divisions).

Mr. Deputy Speaker: With the leave of the House, I shall put motions 6 and 7 together.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

Animals

That the draft Mutilations (Permitted Procedures) (England) (Amendment) Regulations 2008, which were laid before this House on 21st April, be approved.

Value Added Tax

That the Value Added Tax (Buildings and Land) Order 2008 (S.I., 2008, No. 1146), dated 21st April 2008, a copy of which was laid before this House on 22nd April, be approved.—*[Mr. Alan Campbell.]*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith, pursuant to Standing Order No. 119(9) (European Committees),

Financial Management

That this House takes note of European Union Document No. 7210/08 and Addendum 1, Commission Report, Member States' replies to the Court of Auditors' 2006 Annual Report; and supports the Government's promotion of measures to improve the management of EC Budget funds across the EU.—*[Mr. Alan Campbell.]*

Question agreed to.

Driving Standards Agency

Motion made, and Question proposed. That this House do now adjourn.—*[Mr. Alan Campbell.]*

11.10 pm

Mr. David Heath (Somerton and Frome) (LD): I am most grateful for the opportunity to raise the issue of the Driving Standards Agency and its approach to the closure of driving test centres. I am particularly glad to see the Under-Secretary of State for Transport, the hon. Member for Glasgow, South (Mr. Harris), here to reply. I am not sure how he drew the short straw of replying at this time of night to a debate on a subject for which he does not have direct responsibility, but it gives me the opportunity to remind him that he has made a commitment to come and see what I want done on the A303. We arranged a date and then he was told by his Whips that he was not to come. I hope that he will be able to honour that commitment at some stage in the near future.

I am also glad that the Minister is here because the last time he deputised for his ministerial colleague, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), it was on the same issue: the closure of driving test centres. The more I have looked into this subject, the more I have realised that we talking about not a local issue for me, but a national issue that is affecting lots of right hon. and hon. Members.

I want to touch briefly on motorcycle testing, and then spend most of my time talking about the closure of the Trowbridge driving test centre, which is not in my constituency, but in that of the hon. Member for Westbury (Dr. Murrison), whom I am pleased to see in the Chamber. I urge the Minister, if he has copious notes on the benefits of the new multipurpose driving test centre, to please put them aside. I have read them. I know why the Government are introducing the multipurpose centres and about the legislative impetus for that. I think I even recognise that there are advantages to the proposals.

My argument is simple: the Driving Standards Agency has woefully underprovided in the west country. When the Minister visits me, he will recognise just how big the south-west peninsula is. The region is the size of Belgium, which is the internationally recognised unit of measurement for an area. He will realise that the proposal, as revealed in a parliamentary answer on 5 March to my hon. Friend the Member for Falmouth and Camborne (Julia Goldsworthy), for just two multipurpose driving test centres in the whole of the west country—one in Exeter and one in Gloucester—from October this year, when the new motorcycle testing regime comes into effect, is frankly absurd. For my constituents, neither Exeter nor Gloucester is any more friendly and useful to them in terms of distance than London might be. It is a ridiculously distant area for them to have to travel to. I note from the Minister's previous comments and those from others that the intention is that most motorcycle drivers should not have to travel more than 45 minutes or 20 miles to get to their test centre. For us in the west country, the journey will take at least an hour and a half each way. It is a distance of 50 miles or more. I do not think that that constitutes an appropriate service for my constituents.

Dr. Andrew Murrison (Westbury) (Con): On Friday I made the journey from Warminster to Chippenham. The hon. Gentleman may be interested to know that his Conservative opponent made a similar journey

[Dr. Andrew Murrison]

from Frome to Chippenham. Both journeys took well over an hour on a good day, and that does not allow for people who come from places outside the main towns in our area.

Mr. Heath: Precisely. The hon. Gentleman brings me to the subject that I want to spend most of my time discussing: the closure of the Trowbridge driving test centre in his area, and the relocation of the tests to Chippenham. I note all the rhetoric from the Driving Standards Agency about motorcycle tests, and such statements as

"The centres need to be located in areas with easy access to the regional road network and within a short travelling time of a variety of road conditions".

When I compare that with practice, however, I cannot reconcile the two statements.

Following points that I raised about the issue during business questions, the Under-Secretary of State for Transport, the hon. Member for Poplar and Canning Town (Jim Fitzpatrick), wrote me a letter. I do not know whether the information that he was given is entirely wrong or whether there has been a massaging of the information so that it fits the criteria, but he wrote:

"DSA has always been committed to providing tests to candidates living in rural and semi-rural locations."

That is good news which I would applaud, but the letter continued

"The nearest alternative site"

—to Trowbridge, that is—

"is at Chippenham which is within the 20 mile travel distance criterion for the Trowbridge and Frome area."

That statement is wholly incorrect, and I shall return to it in a moment.

The hon. Member for Westbury and I recently joined a motorcade of driving instructors at the Trowbridge test centre. The people who know best about this—the driving instructors—are unanimous in their view that this is an entirely retrograde step, not just for themselves and their businesses but for the people whom they instruct.

Let me give some of the reasons why it is not appropriate to close the Trowbridge centre and move the business to Chippenham. As the hon. Member for Westbury pointed out, the principal reason is distance. Theoretically, there is a 20-mile maximum for most people to travel to their nearest driving test centre. Indeed, it has been suggested that the Driving Standards Agency's own published code of practice on written consultations relating to driving test centres states that if the distance is more than 20 miles, there will be a formal consultation on any planned procedure.

I wanted to look that up. I found a written response by the Minister to the hon. Member for Warrington, North (Helen Jones), which set out the basis of the code of practice and gave a helpful web connection. When I pressed the button I found that the site, which showed the consultation papers, no longer exists, so I am still in the dark about the precise terms of the code. However, I am led to believe that the distance is supposed to be a maximum of 20 miles.

I accept that the distance from Trowbridge to Chippenham is within the 20-mile limit, but Trowbridge test centre does not just serve Trowbridge. It serves the whole of west Wiltshire and the whole of north-east Somerset, because there are no other test centres in the vicinity. Warminster, in the constituency of the hon. Member for Westbury, is more than 20 miles from Chippenham. Frome, the major town in my constituency, is 25 miles away, and the journey takes some time. I looked up my village, which is about six miles south of Frome. I have a personal interest: my son has just turned 17, has applied for a provisional licence, and will want to take a driving test. But according to the route planner the distance between my village and Chippenham is 30 miles, so the suggestion that people in my area are within 20 miles of Chippenham is simply incorrect.

There are also several reasons why we should reject such a distance in any case. First, there is the matter of convenience. Not only does it take a long time to get from a home pick-up to Chippenham, but in the context of a driving lesson that distance extends what would be a one-hour driving lesson to, in the case of someone in the Frome area, a three-hour driving lesson. Not everybody can afford a three-hour driving lesson. Not everyone has enough time in their day to spend three hours on it—the best part of an hour in getting there, an hour's lesson and then the best part of an hour in getting back. It is not convenient.

Then there are the costs. I have a quotation from *The Wiltshire Times*. A driving instructor, Mr. Roger Brunt from Southwick, says:

"Basically it will cost the client about £200 extra to drive as it takes about half an hour to get to Chippenham from Trowbridge and half an hour back."

For my constituents in Frome, the sum would be twice that; they would have to pay an extra £400 in order to pass the test.

There is also the environmental footprint. In terms of other Government policies, it does not make sense to extend driving times, and purely for the convenience of driving test centres rather than their users.

There is also the disincentive issue. That worries me greatly, particularly the disincentive to take a motorcycle test. They will either continue to drive with L-plates or they will drive illegally and not take the test. Is that what we want to promote? Do the Government intend to discourage people from becoming fully proficient drivers who have passed their test? I hope that that is not the case.

Another point about convenience is that Chippenham has only four parking bays, which is hardly great if we are to more than double the business at Chippenham. It does not make sense. I am greatly concerned that this will be a retrograde step.

Is this necessary? No, it is not. I have a letter from Graham Payne, leader of West Wiltshire district council, who wrote to thank me for my support in the fight to retain the driving centre. He gave me a copy of the letter he wrote to the Driving Standards Agency, in which he makes it plain that:

"As landlord, West Wiltshire District Council is quite happy to continue the lease for the driving centre premises after the break point in September".

So there is no necessity for the DSA to close this centre.

I am left with the view that it is being closed for reasons of administrative convenience, not for the convenience of people who want to learn to drive, and that it will lead to huge extra costs and inconvenience for people in my constituency who want to learn to drive. I am sorry, but I just do not accept the view expressed by the Minister and Rosemary Thew, the chief executive of the DSA, that it is quite unnecessary to practise on test routes. That is not the experience of any instructor or of anyone who has ever learned to drive.

I note that the Wessex Association of Driving Instructors invited Ms Thew and the Secretary of State to come to Chippenham and to take a test unsighted, as it were, of local driving conditions and the local area, and to see if they passed. Unhappily, they did not accept the challenge. We all accept that we are expected to learn to drive in all conditions, but we do not go to take a test without first familiarising ourselves with the area in which it will take place. That is axiomatic.

Dr. Murrison: As the hon. Gentleman will know, Chippenham is not exactly easy terrain for those who do not know the lie of the land. He is right to say that the driving test is taken on the basis that the person involved does not necessarily have any familiarity with the stretch of road used, but people who are familiar with Chippenham are clearly at a distinct advantage in comparison with my constituents and those of the hon. Gentleman. Does he not agree that if the change goes ahead, people in, for example, Frome and Warminster will feel obliged to have at least one or two—extra trips and they are probably four—hour round trips to Chippenham?

Mr. Heath: The hon. Gentleman is right. Shall I tell him a secret? People from Frome do not go to Chippenham, because there is no reason for them to do so. Chippenham is in a different county, it is not a centre for shopping for us, it is not a regional centre in any way and it is not a place to which we go. Therefore, Chippenham will be entirely alien to most people in the Frome area who are learning to drive—all those many people who have been completely disregarded in the proposals being introduced by the Driving Standards Agency.

I shall finish with some questions that I would like the Minister to answer. Given these apparently spontaneous closures of driving test centres around the country, is there a plan in the hands of the DSA for driving test centre closures? Has it been published? Do Ministers have sight of it? If so, on what basis is it constructed, and over what period was it consulted upon? While we are dealing with consultation, may I ask how is it that no formal consultation took place in accordance with the criteria established by the DSA on a move that will mean that many people will be more than 20 miles from their nearest driving test centre?

It is said, even in the ministerial letter to which I have referred, that most people in the Trowbridge and Frome area will be within the 20-mile area, but that is not the case. Most people will not be within that area, and if the DSA believes otherwise, let it prove it. Let it show us the details on the number of people who currently use the Trowbridge centre who will be within the 20-mile area for Chippenham. If most people are not within that area, can they please have the full consultation to which I think we are entitled?

Until now, the DSA has refused to give any assurances that the Chippenham centre, in turn, is safe from closure at some future point. If the Trowbridge centre is to close, can we be assured that the Chippenham centre, at least, will remain open? Or is the next move that we will be expected to travel to Bristol, down to Exeter or up to Gloucester—to the multipurpose test centres, where the motorcycle testing is to take place?

What this exercise betrays all the way through is a lack of regard for the customer, for the client and for the public. The DSA is arranging things in order to minimise its overheads and to run what it considers to be the most efficient system of providing driving test centres without for one moment thinking about those of us who live not in big cities but in the gaps between. We are not apparently to be catered for at all. I cannot imagine why it is felt appropriate for there to be no driving test centre in the whole of the Mendip area, in the whole of the west Wiltshire area and in the whole of the Bath and north-east Somerset area. That is the proposal being put before us by the DSA. It is apparently going ahead irrespective of what local people say, irrespective of the representations that have been made and with no attempt at consultation. I do not believe that that is fair, and I would like the Minister to talk to the DSA, to find out what the real rationale is and, if possible, to reverse the decision that has apparently been taken with so little thought for the interests of the local community.

11.29 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): I begin by offering apologies on behalf of the Under-Secretary of State for Transport, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick), who is detained on important constituency business.

I congratulate the hon. Member for Somerton and Frome (Mr. Heath) on securing the debate on what is clearly an important issue to him and his constituents. In response to his request, I will of course honour my commitment to visit his constituency at an early opportunity—this time, I hope, without interference from the very helpful Government Whips.

Despite the hon. Gentleman's exhortations, it is important to set out the context of recent and proposed changes to the delivery of driving tests, because without that context many of his criticisms and observations would go unanswered. European Union legislation on driving licences, agreed in 2000, set higher minimum requirements for driving tests. The higher standards are intended to ensure that the matters assessed in the theory and practical tests are relevant to modern driving conditions.

Those new EU standards have introduced extra and more demanding special manoeuvres that must be included in every practical motorcycling test undertaken in Great Britain from September 2008. One of the new requirements adds a higher-speed emergency braking manoeuvre to the motorcycling test. That must be conducted at no less than 50 kph, which is equivalent to 31 mph.

There are overwhelming road safety objections to conducting a higher-speed emergency braking exercise

[Mr. Tom Harris]

where there might be pedestrians or other traffic. Ministers therefore asked the Driving Standards Agency, which is responsible for delivering the driving and riding test in Great Britain, to explore delivery of those manoeuvres from off-road testing areas free of other traffic. The new EU standards support our domestic strategy for reducing road casualties, "Tomorrow's roads—safer for everyone".

Introduced in 2000, the strategy set some challenging targets for reducing the number of road casualties. By 2010, we want to reduce by 40 per cent. the number of people killed or seriously injured on the roads and to reduce by 10 per cent. the number of slight casualties, compared to the 1994 to 1998 average.

Motorcycling is becoming increasingly popular. More people are using motorcycles and mopeds to beat congestion and for leisure. We recognise that motorcycling has a role to play in transport as a whole. Our aim is to facilitate motorcycling as a travel choice within a safe and sustainable transport framework. To that end, in 2005 we published our motorcycling strategy in partnership with motorcycling and other interests.

Sadly, the downside to all that is that motorcyclists represent a large proportion of road casualties. They make up about 1 per cent. of road traffic but suffer about 20 per cent. of deaths and serious injuries. Although the overall number of road casualties is falling, the number of deaths among motorcyclists is increasing. That is a matter of considerable concern for the Government and for Members on both sides of the House.

The road safety strategy gave improvements to driver training and testing an important role in producing safer drivers and riders, and identified European developments as a factor in future changes to the driving test. For example, we believe that the changes to the motorcycle practical test will contribute to a reduction in motorcyclist casualty rates.

The proposals for the implementation of the new EU driving test requirements were the subject of public consultation in December 2002. Consultees were offered the opportunity to comment on a number of service delivery options. They showed a preference for a single practical test with off-road testing of special manoeuvres, including the higher-speed emergency braking exercise, taking place immediately before the general on-road riding assessment. That significantly reduces the safety risks of on-road testing while addressing the cost and access concerns raised by some consultees. Ministers decided to implement the new requirements in the way that most consultees preferred.

To facilitate delivery of the new manoeuvres, the DSA identified a need to develop a national network of driving test centres, based on an updated design with the appropriate facilities to conduct all the special manoeuvres. To exploit the value of the investment in those new centres, the DSA has decided that, wherever possible, they will be multipurpose test centres. In addition to the practical motorcycling test, they will be utilised to deliver other types of practical test for learner car, lorry and bus drivers. When not being used for tests, the DSA hopes to make the off-road test facilities available for training purposes.

This point refers to something that the hon. Gentleman mentioned repeatedly: the intention is that most—not all—motorcycle test candidates should be able to reach an MPTC centre within 45 minutes, travelling no more than 20 miles. I cannot have a map included in the *Official Report*, but, after the debate, I will be more than happy to share with the hon. Gentleman and the hon. Member for Westbury (Dr. Murrison) a useful map showing exactly what the demand is among their constituents for testing at Chippenham.

The hon. Member for Somerton and Frome said in his closing remarks that people in Frome do not go to Chippenham—I think he was talking specifically about driving testing. In fact, the map clearly shows that there was considerable demand among his constituents for testing at Chippenham even before the proposed closure at Trowbridge. It is not a matter of opinion, but simply a matter of reading out the statistics showing the number of his constituents who already opt to be tested at Chippenham. I am more than happy to share that information with him after the debate.

We have concluded that between 40 and 50 multipurpose driving test centres would be required to meet the service standard criteria. However, to maximise population coverage and minimise the number of candidates who have to travel for more than 45 minutes or further than 20 miles, we are seeking to develop about 60 multipurpose test centres. I want to emphasise that we are doing so in order to minimise the number of candidates who have to travel for more than 45 minutes or 20 miles, not to reduce that number to zero.

As the DSA did not own or lease any sites that could provide a sufficient area of hard standing upon which to undertake the new manoeuvres, a programme of land acquisition and construction was initiated in 2005. Since December 2005, the DSA has acquired 41 sites. In addition to allowing the DSA to maximise the use of the MPTCs by conducting car, lorry and bus tests from them, those sites will offer improved accommodation and facilities for customers and staff. As well as being fully compliant with the Disability Discrimination Act 1995, the new centres will support the Government's wider sustainability agenda.

The provision of the MPTCs does not come cheap. The final cost will be in the region of £71 million. That cost will largely be recovered through increased fees paid by driving test candidates. If those fee increases are to be kept to a minimum, the DSA must continue to seek efficiencies in the way it conducts its business. That includes reviewing existing driving test centre provision to ensure that while the service standard is maintained, there is no wasteful over-provision of facilities.

The service standard for car practical driving test centre provision is based on population density. Where population density is between 101 and 1,249 people per square kilometre, candidates should not have to travel more than 20 miles to a test centre. Where the density is less than 101, the distance to a test centre should be no more than 30 miles. The service standard applying to the Trowbridge area is that candidates should not have to travel more than 20 miles.

The September 2008 lease break for the premises occupied by the Trowbridge driving test centre provides an opportunity to reconsider service provision in the area it serves. Most customers who attend the Trowbridge

driving test centre will have access to alternative facilities at Chippenham and Bristol, Brislington. Both centres are within 20 miles of Trowbridge, although I accept that the Bristol centre is almost exactly 20 miles away. The centres have the capacity to absorb the demand from Trowbridge without compromising waiting time targets.

The closure of Trowbridge driving test centre will result in savings of around £14,000 a year. Equally importantly, the closure will not compromise the DSA's service standard criteria. The hon. Gentleman will be well aware of the difficulty, in rural areas, of striking the right balance between the provision of a satisfactory level of public service and the cost that service incurs. In closing the Trowbridge driving test centre, I believe the DSA has struck a sensible balance. Although I understand the natural desire to practise driving in the area close to the test centre, I am not persuaded that it is necessarily a sound argument for deciding where to locate driving test centres.

Mr. Heath: We have pinned down the argument. Trowbridge is being closed in order to save money in order to equip multipurpose test centres that will be an hour and a half away for my constituents. That does not seem a terribly good deal. Is the Minister really saying that the majority of people who use the Trowbridge test centre will be within 20 miles of Chippenham? I am not asking whether Trowbridge is within 20 miles of Chippenham, but whether the majority of people who use that test centre will be.

Mr. Tom Harris: I would not deviate from the phraseology that I have already used. Most people who use Trowbridge should not have to travel more than 20 miles to get to an alternative test centre—

The motion having been made after Ten o'clock, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty minutes to Twelve o'clock.

House of Commons

Wednesday 14 May 2008

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Fine Payment Defaults

1. **Mr. David Anderson** (Blaydon) (Lab): How many people were in custody in Northern Ireland for defaulting on fine payments at the latest date for which figures are available. [204415]

The Minister of State, Northern Ireland Office (Paul Goggins): Today 30 people are in prison in Northern Ireland for fine default. Although the numbers can fluctuate and at any time be quite low, fine defaulters represent about 2,000 prison receptions per year. Next month, I shall begin consultation on a range of proposals for dealing more effectively with fine defaulters.

Mr. Anderson: Before putting my question to the Minister, may I ask the whole House to condemn unanimously the attack on a PSNI officer earlier this week? We send our support to all parties that have condemned the attack and we send our best wishes to the police officer and his family.

Will anything be done to disincentivise the sending of fine defaulters to prison? At the moment, that seems an easy option. Nine in 10 people in prison for defaulting on fines are there for fines of less than £600. Other methods must be found to make sure that people do not use it as an easy option.

Paul Goggins: First, the whole House will join my hon. Friend in condemning the cowardly people who perpetrated the dreadful attack on Police Officer Ryan Crozier on Monday. The heartfelt, warm wishes of the House go out to Police Officer Crozier and his family. He was seriously hurt, but is beginning to recover in hospital. The Chief Constable aptly described the attack as having been carried out by those who are "lashing out" because they "are in their endgame". He is right, and we all condemn their actions.

I turn to my hon. Friend's question. Of course we need a substantial, sustainable alternative to imprisonment for fine defaulters. We have begun that by bringing in the supervised activity order through the Criminal Justice (Northern Ireland) Order 2008. However, people should pay the fines given to them in court, and next month I shall bring forward proposals to make sure that if people will not pay, the fines will be deducted from their earnings or benefits and that there will be much stricter enforcement by the courts.

Sir Patrick Cormack (South Staffordshire) (Con): May I associate myself with the remarks made by the hon. Member for Blaydon (Mr. Anderson) and the Minister about that cowardly and brutal attack on Police Officer Crozier? It was good to see that Mr. McGuinness was among the first visitors to the hospital.

I also associate myself with the other remarks made by the hon. Member for Blaydon. Does the Minister agree that it is difficult to understand—let alone explain and justify—the fact that people with a few hundred pounds owing are put in jail, while people who have defrauded the Exchequer of millions through fuel smuggling appear to get suspended sentences?

Paul Goggins: In individual cases, it will always be for the judges to decide the appropriate penalty. My role as Minister with responsibility for criminal justice and policing is to make sure that courts have sufficient powers and a range of powers. I want on the one hand to be tougher, but on the other to make sure that when fines and other non-custodial sentences are handed out, they are properly adhered to.

I know that the hon. Gentleman takes a great interest in the issue of sentencing. I am pleased to confirm that following Royal Assent for the criminal justice order last Wednesday, I shall tomorrow sign the order to commence the new indeterminate and extended prison sentences, so that anybody who tomorrow or any day afterwards commits a serious sexual or violent offence and is deemed to be dangerous can be sent to prison on an indeterminate sentence.

Mr. Nigel Dodds (Belfast, North) (DUP): I associate my right hon. and hon. Friends with the remarks made in respect of Police Officer Crozier, whom we wish a speedy recovery.

On the remarks that the Minister has just made, I welcome the implementation this week of the new law in relation to indeterminate sentencing and the abolition of the automatic 50 per cent. remission for serious sexual offences. My party fought for that for a long time; it was also demanded by the people of Northern Ireland. Will the Minister say what sort of impact the changes are likely to have on custodial sentences and prison places?

Paul Goggins: There is, of course, universal condemnation of the attack on the police officer, just as there is universal support for the criminal justice order and the new provisions. There will be a net increase in the number of prisoners in the system over the next few years as a result of the longer sentences and of people who do not keep their licence conditions being brought back to prison, where they will face a further period of incarceration. There will also be more people on community sentences, and that is entirely right. I say to the hon. Gentleman, his party colleagues and colleagues on both sides of the House that my right hon. Friend the Secretary

of State and I will begin carefully to prepare the path towards the completion of the devolution of policing and justice.

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): May I join all others, including the Minister, in condemning the callous and cowardly attack on the police officer on Monday night and wish him a speedy recovery? I wish equally that we will have a speedy return to justice for those who perpetrated this deed. It is appropriate that we pay tribute once again to the courage and bravery of all those who serve in the PSNI and other services.

On some estimates, the prison population in Northern Ireland will double by 2020. Given the issue of fine defaulters and the other issues raised by the hon. Member for Blaydon (Mr. Anderson), can the Minister be a bit more specific about how he and his Secretary of State are going to address the growing pressures that this will undoubtedly place on the Northern Ireland Prison Service?

Paul Goggins: My right hon. Friend and I have set aside some £14 million in the current spending period to commit to the Prison Service to ensure that more places, and the relevant programmes, are available. We have also invested in an unprecedented way in the delivery of the probation service. There will be more than 50 additional probation officers as a result of the investment that we are making because we need provision in the community and extra provision in prison. I can further tell the hon. Gentleman that we are investing £70 million in building 400 new prison places that will be available over the next three-year period. We are building capacity, we are building the programmes, and the message that goes out is: "If you are committing offences in Northern Ireland you will be brought to justice and dealt with appropriately."

Cross-Border Fishing

2. **Ann Winterton** (Congleton) (Con): What recent discussions he has had with his counterpart in the Government of the Republic of Ireland on cross-border fishing issues. [204416]

The Minister of State, Northern Ireland Office (Paul Goggins): Sea fisheries are now a matter for the devolved Administration in Northern Ireland.

Ann Winterton: Irrespective of that, can the Minister confirm whether there will be a cod swap next year to provide restitution to the Northern Ireland fishing industry of the Irish sea cod that was lost to it owing to the unfair application of the Hague preference?

Paul Goggins: I know that the hon. Lady is very well informed about these matters, perhaps far better informed than I am. I will certainly be happy to convey her comments and concerns to the Minister of Agriculture and Rural Development, Michelle Gildernew, who I am sure will be interested to know about them. I can assure the hon. Lady that, particularly in relation to north-south co-operation on these issues, which is very important, there is regular contact between the Minister and her counterpart in the Republic, not least in terms of the preparations for the annual European Fisheries Council in December in Brussels, which is also very important. I am sure that that co-operation will continue, and I will happily ensure that the hon. Lady's remarks are given to the Minister.

Mrs. Iris Robinson (Strangford) (DUP): Does the Minister know that the Department for Environment, Food and Rural Affairs reports to the European Union in the context of fishing? Along with the hon. Member for Congleton (Ann Winterton), I ask the Minister to agree that the fishing industry in Northern Ireland has experienced unparalleled decline in recent years, that all measures within the power of this Government must be taken to ensure that the industry remains viable, and that the UK Government should follow the lead of the French and Spanish Governments and take advantage of measures such as those provided for through de minimis arrangements to assist UK fishing fleets as a whole, but particularly in Northern Ireland, where the industry is on its knees.

Paul Goggins: Again, the hon. Lady is very well informed on these issues and cares passionately about them. One of the things that I have discovered in recent days is the complexity of the responsibilities in relation to marine matters. I know, for example, that my right hon. Friend the Secretary of State is responsible for the sea bed, but what swims around in the sea above it is a devolved matter. We are absolutely at one—this was evident in the very successful investment conference that took place last week—as to the need to have a thriving and vibrant economy in Northern Ireland. That includes the fishing industry, and we will continue to lend what support we can.

Gang Violence

3. **Sir Nicholas Winterton** (Macclesfield) (Con): What recent assessment he has made of the level of gang violence in Northern Ireland. [204418]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): Gang violence in Northern Ireland has traditionally manifested itself through paramilitary activity and organised crime. While the latest Independent Monitoring Commission report indicates a general downward trend in incidents of paramilitary violence, Monday's cowardly attack on the young police officer, Ryan Crozier, reminds us of the continued threat posed by a small number of dissidents who today have no support whatsoever throughout the community.

Sir Nicholas Winterton: I am grateful to the Secretary of State for that reply. Can he tell the House when paramilitary groups such as the Irish republican liberation army will no longer have the umbrella of decommissioning to hide under and instead be charged as criminals for holding weapons?

Mr. Woodward: The hon. Gentleman makes an important point. In the long term, the kind of structures that we have introduced to ensure that we could get to the peaceful, prosperous Northern Ireland of today will be phased out. When that moment comes, I am more than prepared to work with all hon. Members and political parties. I hope that we are beginning to approach the moment when we can signal that we will do so, but I still regret that, unfortunately, a small number of people

continue to operate in such a way. Although we are nearly in a normalised society, regrettably we are not quite there.

Mr. Eddie McGrady (South Down) (SDLP): I also would like to be associated with the earlier speakers in their sympathy for Constable Crozier, who to me was an expression of the new dimension in Northern Ireland. That young man joined the police force only three years ago, and he is the expression of our hope for the future. I hope that the perpetrators will be brought to justice as soon as possible.

On the Government's intention to address the root cause of gang violence, particularly the knife-wielding culture, does the Minister agree that there must be a combined approach between Government and community? If so, how does he reconcile that intention with the recent decision to withdraw extended schools funding in Northern Ireland, which was used by schools to put in place innovative and inclusive programmes for disadvantaged areas? A cross-cutting policy simply does not exist in that area.

Mr. Woodward: Like all hon. Members, I welcome the hon. Gentleman's support for Police Officer Crozier. Although we no longer have specific responsibility for schools in Northern Ireland, it none the less falls on us to have responsibility for criminal justice and policing until hon. Members and political parties are ready to assume devolution of those matters. That is why in the new Criminal Justice (Northern Ireland) Order we will be introducing specific powers to deal with knife crime in relation to gang culture, raising the age at which knives can be purchased and, critically, dealing more severely with those who abuse that. Regardless of when the devolution of policing and criminal justice takes place, it will fall on the community itself, as well as those elected from the community, to deal with the issue. It is one that we should all feel responsibility for.

Mr. Peter Robinson (Belfast, East) (DUP): Is it not the case that in several locations major gangs that were formerly associated with paramilitary organisations are operating major criminal enterprises? Could the Secretary of State indicate what plans the Chief Constable has to ensure that those gangs are broken up and the perpetrators, who are well known not only in the local community, but to the police, are put behind bars?

Mr. Woodward: I congratulate the right hon. Gentleman, since I think that this is the first time I have had the chance to do so in this House, on having been made leader elect of his party. I am sure that we all look forward to working with him when he assumes that office at the end of the month, and we will again give our very best wishes to his predecessor—when that moment comes; he is, of course, still very much a presence.

I am conscious of what the right hon. Gentleman says. Of course the Chief Constable has operational independence on these matters, but we do consult him. I am confident that he is more than aware of the need to break up the gangs. He and his officers have achieved some spectacular results, but we have to remain ever vigilant and deal with the issue, which as the hon. Gentleman said is regrettably still a vestige of the paramilitary past of Northern Ireland.

Mr. Laurence Robertson (Tewkesbury) (Con): We on the Conservative Benches also condemn the attack on Officer Crozier. I am afraid that the Independent Monitoring Commission report, which shows how far Northern Ireland has come with regard to violence, is still littered with examples of offences. We are told that the ONH—Óglaigh na hÉireann—is

"more seriously active in the six months under the review"

of the report, and carried out its first murder on 12 February. The breakaway south-east Antrim faction's dispute with the Ulster Defence Association led to the shooting of a police officer. Those are very worrying trends, and I am sure that the Secretary of State shares our concerns about them. What extra measures can he take to stamp out that criminal and deadly violence?

Mr. Woodward: The hon. Gentleman is right to draw the attention of the House to the 18th IMC report, which deals with matters relating to organised crime, too. I am sure that he will have noted that significant progress has been made on a number of fronts. However, it is perfectly clear that in one specific area—that is, in relation to Óglaigh na hÉireann—as well as others, we now need to take steps. That is why I am laying before the House today a new order that will take into account specified organisations. The order will result in the de-specification of the UVF Red Hand Commandos, but it will now specify Óglaigh na hÉireann.

Parades (Drumcree/Garvaghy Road)

4. **David Simpson** (Upper Bann) (DUP): What steps he is taking to contribute to the resolution of the Drumcree/Garvaghy road parading dispute. [204419]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): We remain committed to finding a successful resolution and we support the position of the Parades Commission that local dialogue is the best way to achieve this.

David Simpson: Further to that point, does the Secretary of State agree that no one who refuses to engage in that dialogue ought to be rewarded for their refusal?

Mr. Woodward: Let me begin by paying tribute to the work that the hon. Gentleman has done in trying to achieve dialogue between communities on matters relating to parading, and particularly the work that he has done with the Portadown District Orange to encourage it to enter into dialogue—he was referring specifically, I think, to the Garvaghy road residents. He has helped to move the order to engage without preconditions or a predetermined outcome. I praise him fully for his work with the community. I hope that others in the community will now recognise that they should match that transformation and engage in the dialogue. I encourage all members of the community, regardless of the history, to enter into that dialogue.

Bloody Sunday Inquiry

5. **Mr. Andrew Mackay** (Bracknell) (Con): What his most recent estimate is of the final cost of the Bloody Sunday inquiry. [204420]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): So far, the cost of the inquiry has reached in excess of £182 million, but let me say this to the right hon. Gentleman. However concerned all hon. Members will be about such costs, we should be careful not to confuse the cost with the value and the huge importance of the inquiry.

Mr. Mackay: Let me put it to the Secretary of State that there is no question of our confusing cost and value. We can spot the fact that the process is a huge waste of taxpayers' money. Does he agree that if we had known at the beginning how much it would cost, particularly with legal fees, we would not have proceeded? The process has done a great deal of harm in Northern Ireland, not the good that we hoped.

Mr. Woodward: Far be it from me to wish to disagree with the right hon. Gentleman, but I am afraid that in this case I must. The inquiry has been essential in enabling us to reach the point in Northern Ireland where we can enjoy the peace, prosperity and devolution that we have witnessed and the remaining stages that I am confident will take place. As he rightly says, the inquiry has taken a lot longer and cost a huge amount more than we thought. However, that is why the Government introduced the Inquiries Act 2005—to control the cost of inquiries. Although I regret the spiralling legal costs, which we have tried to control, I in no way wish to confuse that with the value of the inquiry, which has been essential to the peace process.

Mark Durkan (Foyle) (SDLP): The families of the Bloody Sunday victims share that frustration at the length and cost of the Saville inquiry, but understand better than others the reason for them. When the Secretary of State receives the report of the Saville inquiry, will he allow lawyers acting on behalf of the Government and military days and weeks to go through it before publication, and if so, what equal consideration will be extended to the families of the Bloody Sunday victims?

Mr. Woodward: The hon. Gentleman has long made a sincere and deeply felt argument on behalf of the families who are affected by the inquiry. All hon. Members recognise that the issue is sensitive, especially for those families. My hon. Friend the Minister of State met the families only last month. We have committed ourselves to involving them in the arrangements for the publication of the report, which must be presented to the House first, and I will hold them uppermost in my mind.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): One of the consequences of inquiries such as Saville is that they put enormous pressure on the resources of the police service. The Secretary of State has reduced the budget for the police service in the current year, and the Chief Constable has indicated that he is close to the tipping point in regard to his ability to deliver the necessary police input for these inquiries. Will the Secretary of State look again at increasing the budget in order to offset the cost of the PSNI's role in these inquiries?

Mr. Woodward: I have huge respect for the hon. Gentleman, but I must of course disagree with the idea that we have reduced the budget. The fact is that the PSNI will have a budget of nearly £1 billion for this year. That is an extremely large budget, and I am confident that every penny of it will be well spent. The PSNI has to spend a great deal of time dealing with the past, and it matters that it should do so. I believe that it is appropriately funded to do that work, despite the pressures that it faces. I would encourage the hon. Gentleman to work with the Eames consultative group on the past, to see whether we can find other, more effective ways of dealing with some of the issues that are undoubtedly a legacy of the past.

Mr. Owen Paterson (North Shropshire) (Con): I should like to associate Her Majesty's official Opposition with the comments made by the Secretary of State on the disgraceful attack on Police Officer Crozier. We wish him a speedy recovery, and we pay tribute to the bravery of all PSNI officers. We also congratulate the passer-by who showed great courage in rescuing him.

The Saville inquiry was set up 10 years ago. It last took evidence in 2004, its costs are heading towards £200 million, of which nearly half has been paid to lawyers, and there is no sign of the report appearing. Does the Secretary of State really think that that is acceptable?

Mr. Woodward: The hon. Gentleman will know that, because the Saville inquiry was set up before the Inquiries Act 2005, the Government are ultimately unable to control the legal costs involved, despite the constant pressure that we are bringing to bear on the inquiry to be cost-effective. However, for the families involved, and for the nationalist community, which was so unsettled by the way in which the matter had been dealt with historically, it was absolutely right that my right hon. Friend the former Prime Minister committed the Government to conducting the inquiry. It has taken longer and cost more than we wanted it to, but at the end of the day we have to separate cost and value, and the value of this inquiry is incalculable.

Mr. Paterson: That was an unsatisfactory reply, because it showed that the delay has been caused by the manner in which the Government set up the inquiry. Will the Secretary of State give the House a guarantee that no future historical inquiry will be as open-ended and extravagant as Saville, given his new remit under the Inquiries Act 2005?

Mr. Woodward: It is perfectly clear that the Inquiries Act has set out precisely how any future inquiry should be conducted. The hon. Gentleman will also know that, in all the conversations that I have had about inquiries, I have insisted that any future inquiry would have to be held under the terms of the Act.

Criminal Damage (Compensation)

6. **Dr. William McCrea** (South Antrim) (DUP): What the timetable is for the implementation of the proposed compensation schemes relating to criminal damage in Northern Ireland. [204421]

The Minister of State, Northern Ireland Office (Paul Goggins): I intend to issue a consultation document in June on proposed changes to the criminal damage legislation as it applies to community halls. Subject to that consultation, I intend to lay a draft order in the autumn.

Dr. McCrea: I thank the Minister for the series of meetings that have taken place between my DUP colleagues and the Orange Institution on this serious matter, and also for the positive outcomes that have been achieved thus far. Can he confirm that he would expedite the process, should there be a continuation of this despicable campaign to destroy Orange halls?

Paul Goggins: I welcome the constructive engagement of the hon. Gentleman and his colleagues and of the leadership of the Orange Order. The most important thing was to ensure that we minimised the attacks on Orange halls, and I am pleased to say that, to date this year, there have been only eight attacks, compared with 58 last year. That is an improvement. We will bring forward the proposals for proper consultation and bring them into effect in due course.

Dr. Alasdair McDonnell (Belfast, South) (SDLP): Does the Secretary of State agree that it is long past time for meaningful change to be made to facilitate the claims of victims, who up to now have had to prove often impossible parameters in regard to their claims? Does he agree that, where there is clear evidence of a co-ordinated attack on an Orange hall or on Gaelic Athletic Association premises, for example, a statement from a senior policeman to the effect that there has been a co-ordinated, syndicated conspiracy should be enough to prove entitlement?

Paul Goggins: My hon. Friend makes a very important point. One of my prime objectives over recent months has been to ensure that the existing compensation scheme works more effectively so that where there is evidence of an illegal organisation's involvement, a Chief Constable's certificate should be issued, and where three or more people are conspiring to create damage, compensation should be paid. I am trying to make the present system work more effectively, as well as to extend the provisions as I have outlined.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [205271] **Mr. Mohammad Sarwar** (Glasgow, Central) (Lab): If he will list his official engagements for Wednesday 14 May.

The Prime Minister (Mr. Gordon Brown): This morning, I had meetings with ministerial colleagues and others. In addition to my duties in the House, I shall have further such meetings later today.

Mr. Sarwar: Will my right hon. Friend join me and the House in wishing every success to Rangers football team, which is proud to be Scottish and British, in bringing the UEFA cup to Glasgow?

My right hon. Friend will be aware that 1.5 million survivors of the cyclone in Burma are facing starvation, disease and, ultimately, death. Will he tell the House what the Government are doing to get aid through to those people who are in desperate need?

The Prime Minister: I think the whole House will, of course, want to send best wishes to Rangers football club, which is playing against St. Petersburg in Manchester this evening.

My hon. Friend raises a point that is touching the conscience of the whole world: a natural disaster in Burma has been turned, by the actions of a despicable regime, into a human catastrophe—a man-made catastrophe as a result of its actions. While there is a huge debate about some of the issues surrounding it, the key thing for all of us is to get aid to the people of Burma as quickly as possible by the means available to us. That is why, over the last few hours, a British plane has arrived in Rangoon and three others will arrive very soon. More planes will be sent over the next few days. The first will provide shelter for 45,000 people. That is also why, over the next day or two, about 60 flights in total will have arrived in Rangoon. There has been an improvement, but it is not good enough.

It is not good enough because of the needs of the Burmese people—the one and a half million who face famine and other distress—and it is not good enough because the regime is still preventing aid from getting to the rest of the country. That is why I asked Ban Ki-moon, the Secretary-General of the United Nations, to convene an emergency summit and why I asked him—I believe he is considering it now—to go to the country and also why Lord Malloch-Brown has gone to Asia to talk to Asian Ministers about how they can co-ordinate action. While it is right to debate the responsibility to protect as well as air drops, the key thing at the moment is to pressure the regime by getting all countries in Asia uniting with all of us to make sure that aid gets as quickly as possible to the people of Burma. We are ready to do everything in our power—HMS Westminster is in the area and we are working with French and American ships—to do so. At the same time, we have a humanitarian team in Rangoon ready to do everything it can in the future. I hope that the whole House will unite in saying that the Burmese regime must let into the country all aid workers and all aid immediately.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in wishing Rangers well. I am sure he is right to say that the whole House will support that, but I wonder whether the Prime Minister's former ministerial colleague who was the chairman of Celtic football club would take the same view. We will see.

More importantly, the whole House will want to express our sympathy for the victims of the earthquake

in Sichuan. Everyone will have seen the very swift response of the Chinese Government, which is in stark contrast to the reaction of the regime in Burma, where the neglect of the military junta is turning a natural disaster into a man-made catastrophe. I am very grateful to the Prime Minister for his update. He rightly says that the Burmese Government must let aid through, but may I push him a little further on that? If that does not happen, is the right hon. Gentleman prepared to take further steps, including raising the issue of the responsibility to protect at the UN and supporting international efforts to deliver aid directly?

The Prime Minister: I thank the right hon. Gentleman for his support for the action that we have already taken. Of course we will raise the issue of responsibility to protect at the United Nations, and of course we will leave ourselves open to considering the issue of air drops. I must tell the right hon. Gentleman, however, that everyone on the ground and every aid agency that is advising us says that the best way of getting aid to the Burmese people quickly is to continue the pressure on the Burmese Government—which has yielded some results, but not sufficient results, in the last few days—so that Asian countries are in a position to help us to convey the aid that is available to those people.

I must also tell the right hon. Gentleman that when we have tried to arrange a meeting of the United Nations Security Council to discuss the issue, we have been blocked by other countries. That is why I have asked Ban Ki-moon to hold an emergency summit of the kind that Kofi Annan held at the time of the 2004 tsunami. I believe that progress is being made in regard to the summit, and I hope it will be a means of bringing additional pressure to bear on the Burmese Government through Asia. I do not rule out anything, and no one should rule out anything, but let us be honest. All the aid agencies and others are telling us exactly the same: we must intensify the pressure to get more aid in through the Burmese Government as quickly as possible.

Mr. Cameron: Of course the Prime Minister is right to say that the best way of providing direct aid is to persuade the Burmese Government to open up the country to allow the aid agencies in, but I think it is worth setting a deadline for when we must say that not enough has got through and more should be done. It is true that the experts say that only a fifth of direct aid will get through, but a fifth of something is better than 0 per cent. of nothing.

Can the Prime Minister clarify an aspect of the responsibility to protect? The British ambassador to the UN has said that the UK's responsibility to protect does not apply to natural disasters, but yesterday the Foreign Secretary said that it certainly could. Will the Prime Minister make it absolutely clear that, in our view, the responsibility to protect should be extended to Burma and to Burmese people at this time?

The Prime Minister: There are two ways of proceeding. There is the responsibility to protect and there is the right to humanitarian intervention, which was invoked in 1999. We are leaving all the options open.

I must correct the right hon. Gentleman: we must not fall for the impression that there is some easy answer in air drops. Like others, I am prepared to consider them, but Save the Children said this morning:

"Right now, talk of air drops is a distraction. Air drops are an ineffective way of delivering aid. We must continue to push for access. We are exploring other creative ways"

to get rid of the blockages

"such as boats."

Oxfam too has said that air drops are a distraction, and the World Food Programme, which is co-ordinating aid in Rangoon, has said that they would be "counter-productive". Water supplies cannot be dropped from the air without putting people in the country at risk.

I say to the right hon. Gentleman that I rule out nothing, but we must not give the public of Britain or other countries the impression that the best course is not the one that we are proposing: to intensify pressure on the Burmese Government, and to ensure that aid reaches the people of Burma.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): Every year thousands of little angels are supported by children's hospice services, but funding levels are often far lower than those for comparative services for adults. In my constituency, the Grace House appeal is selling crystal angels to raise funds to build a hospice. Will the Prime Minister give his support to the campaign, and also take steps to improve funding levels for children's hospices?

The Prime Minister: I thank my hon. Friend for raising the issue. Last week I met a delegation to discuss how we could improve funding for hospices in the future. We have set aside additional money to support all hospices and "hospice at home" services for children for up to five years, with funding of £10 million a year until 2011, and we are publishing "Better Care: Better Lives", which was launched in February and which is our strategy for children's palliative care.

This is a vexed issue for many parents. I recognise that, and I know that Governments must do more. We will continue to look at what more we can actually do.

Mr. Nick Clegg (Sheffield, Hallam) (LD): Yesterday's announcement was a complete charade. The Government pretend to have solved the 10p problem when they have not, and the Conservatives seem only to be concerned about the effect on their chances in a by-election. How can they all ignore the fact that even after yesterday's announcement, more than 1 million of the poorest people in the country are still worse off? Do they not matter?

The Prime Minister: I am surprised at the right hon. Gentleman. His party's former acting leader and current shadow Chancellor welcomed our announcement yesterday. He welcomed it because 22 million people will be better off. No Government have a better record of tackling poverty than this Government. We have taken 600,000 children out of poverty, another 300,000 children are to be taken out of poverty, and 1 million pensioners are being taken out of poverty. No Liberal policy would ever have achieved that.

Mr. Clegg: The fact remains that under a Labour Government the worst paid are worse off. Why do they have to pay for the Prime Minister's incompetence? They cannot wait any longer, so when will he come back to the House with specific proposals to compensate in full the 1 million people he has betrayed?

The Prime Minister: We have said that we will come back in the pre-Budget report, but the right hon. Gentleman must not forget the fact that every person in the country who is an income tax payer at the basic rate will receive £120. Twenty-two million people will receive that money, and households in which there are two such people will receive £240. We have done what we said we would do to offset the average losses, and we are the only Government who are taking people out of poverty—poverty trebled under the Conservative Government.

Q2. [205272] **Michael Jabez Foster** (Hastings and Rye) (Lab): Thanks to Government investment, Hastings will soon have a new state-of-the-art health centre where GPs will be working together to provide and extend access to people in my constituency. Does my right hon. Friend the Prime Minister agree that the proposals made by some to limit the contract already made with GPs for weekend and evening access would undermine—

Mr. Speaker: Order. That is too long.

The Prime Minister: My hon. Friend is absolutely right to point out the advances that have been made in GP services in this country. There is now weekend opening in places where there was not weekend opening before. There is now access to GP after-hours services where there was not such access in the evenings before. The party that would put this at risk is the Conservative party, which says it would backtrack on the promise that has been made and voted on by GPs.

Mr. David Cameron (Witney) (Con): Yesterday, it was revealed that in private the Housing Minister told the Cabinet that house prices would fall by up to 10 per cent. this year, house building was stalling and further falls were predicted. Yet in public the same Minister said the housing market was strong. Does the Prime Minister agree that she was not being straight with people?

The Prime Minister: It is because of the condition of the housing market that I will be announcing new measures in my statement after Question Time. The housing situation has deteriorated in the last few weeks, and we will be taking measures to protect first-time buyers and give them new opportunities, to take out stock that is not being bought so that housing associations and other authorities can buy it, and to help people who are facing repossession. I thought the Opposition would support that, but perhaps they do not remember that 15 years ago they caused the most repossessions we have ever seen in our history.

Mr. Cameron: People want to hear about the future, and people want some answers from the Prime Minister. Yesterday, we all paid £2.7 billion to keep the Prime Minister in his job; the least he can do is earn it by answering some questions. Does he not understand that he is never going to get out of the hole he has dug for himself unless he starts being straight with people? In all other walks of life, if someone said something like that, the boss would say they should not have done and they got it wrong. So let me try another question: did the timing of the tax announcement yesterday have anything to do with the by-election?

The Prime Minister: As the Chancellor said yesterday, he had to bring forward his proposals if they were to go into the Finance Bill to be legislated now. I thought that the Conservatives would welcome our announcement that 22 million people will benefit, but they have not even told us yet whether they support our plan. The reason for that is that their tax priorities are further cuts in inheritance tax and stamp duty on shares—giving money to those people who are already rich. They have never at any time said that their priority is the low paid and the poorest members of our society. That is the Conservative party that caused 15 per cent. interest rates and 3 million unemployed, and we will never forget the record repossessions that happened when the right hon. Gentleman was adviser to the Chancellor.

Mr. Cameron: There we have it—*[Interruption.]*

Mr. Speaker: Order. I call the right hon. Gentleman.

Mr. Cameron: There we have it—the cancelled election had nothing to do with the polls, and yesterday's announcement had nothing to do with the by-election; another day, another complete failure to be straight with people.

Let us try another one. Last week, the Prime Minister claimed that Wendy Alexander was not calling for an early referendum on Scottish independence. Will he now admit that she was calling for an early referendum and that on this issue they simply do not agree? Can he take this one chance to be straight with people?

The Prime Minister: I wrote to the right hon. Gentleman last week immediately after Question Time to point out, when he challenged me, that there is no plan for legislation for a referendum in Scotland; there is no plan at Westminster, otherwise we would have heard it; and there is no plan to put legislation through the Scottish Parliament, now or in the immediate future.

I thought that the Conservative party would want to join the Labour party in supporting the Union. I thought that it would want to support the integrity of the United Kingdom against the nationalist parties, but all we have is petty point scoring when what we actually want is a defence of the Union. It is about time the leader of the Conservative party made one.

Mr. Cameron: The party that is putting the Union at risk is the Labour party, by playing games for an early referendum at a time when Wendy Alexander and the Prime Minister are the two most unpopular politicians on the planet. What could do more to put the Union at risk? Is not a big part of the disastrous premiership his failure to be straight with people? He will not be straight about the election; he will not be straight about

the European treaty; he will not be straight about the 10p tax losers; and even on the one thing that people thought he would care about—the Union—he will not be straight. Is that not what we are seeing: a Prime Minister putting short-term decisions before the national interest?

The Prime Minister: It is the right hon. Gentleman who is playing politics. He never told us whether he supported our tax package and he does not tell us now whether he is supporting us on the Union. It is about time that instead of being the salesman, he started showing some substance about policy. We are the party helping 22 million people; we are the party with record employment figures in this country; we are the party taking more people out of poverty; and we are the party expanding the national health service. His policies would put all that at risk.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): May I tell the Prime Minister that foreign investment in Yorkshire and Humber has increased by a staggering 80 per cent. in the past 12 months? That is mainly thanks to the sound economic policies of this Labour Government and the good offices of Yorkshire Forward. Will the Prime Minister join me in congratulating the Barnsley-based company Lubrizol on winning Yorkshire Forward's best exporter of the year award?

The Prime Minister: I am grateful to my hon. Friend, who has been a champion of new industry for Yorkshire, and I want to congratulate Yorkshire Forward on the work that it does. The fact is that even in a difficult world situation, when unemployment has been rising in other countries, the level of employment in Britain is rising today to 29.5 million people, and half a million more people are in employment than there were a year ago. That is partly because of the new deal and the regional intervention that we are taking. We do not shirk from the necessity of intervening to protect, safeguard and advance jobs in the economy. I hope that other parties will join us in supporting the new deal in the future.

Q3. [205273] **Jo Swinson** (East Dunbartonshire) (LD): As the Leader of the Opposition has "fessed up" to breaking his promise to end Punch and Judy politics, does the Prime Minister still think that this weekly knockabout is the best way for MPs to hold his Government to account?

The Prime Minister: Yes, and I hope that there will be a vigorous debate on our legislative programme when we put it forward in the next few minutes. I hope that there will be a debate in this House, and in all regions and nations of the country, about what we are proposing. That is the proper way to make decisions about the future of the country.

Q4. [205274] **Mr. Ronnie Campbell** (Blyth Valley) (Lab): Temporary workers have been exploited for years and years, through low wages, long days and atrocious conditions. Will the Prime Minister think about introducing legislation to give those workers some real rights?

The Prime Minister: There is a general worry in all parts of the country about vulnerable workers and temporary workers who are not given proper protection. That is why I hope that my hon. Friend will look forward to the draft legislative statement, when I will have something to say about the future of the agency workers directive.

Mr. Adam Holloway (Gravesham) (Con): Listening to the Prime Minister, one could be forgiven for thinking that we are living in some sort of utopia. Without giving us another boring history lesson, will he tell us whether he has made any mistakes recently?

The Prime Minister: I did say about the 10p that we should have done things better. I made that clear at the time, but what I am not going to do is make the mistakes that the Conservative party made: 15 per cent. interest rates, inflation at 10 per cent., 3 million unemployed and record repossessions. We will not go back to that.

Q5. [205275] **Paddy Tipping** (Sherwood) (Lab): The east midlands regional spatial strategy, which will be published next month, will contain proposals for more that 60,000 houses in Greater Nottinghamshire. Will the Prime Minister ensure that development takes place on brownfield sites before greenfield sites and that a high proportion of the new homes go to hard-working families through social housing?

The Prime Minister: The vast majority of housing built in the past few years has been built on brownfield land, and that is how we intend to continue. At the same time, we want to see affordable housing—that is, housing that will help people to reach the first rung of the housing ladder. I hope that my hon. Friend will understand that the proposals that we have put forward in the public spending review are to build substantial numbers of affordable houses in his area and elsewhere, including housing to rent, over the next few years. I hope that he will welcome the announcements that will be made later today about more funds for housing.

Q6. [205276] **Sir Nicholas Winterton** (Macclesfield) (Con): The UK motorist is the most highly taxed in the world. Will the Prime Minister listen to the motorists of this country? In many areas, particularly rural areas —including those in my constituency, Macclesfield —there is little, if any, public transport and a motor vehicle is essential. Will he review the proposals contained in the Budget dramatically to increase vehicle excise duty, which is unfair and penalises rural areas?

The Prime Minister: I take seriously the needs of motorists in this country. When the hon. Gentleman looks at the Budget proposals, he will see that the majority of motorists benefit or pay no more in vehicle excise duty as a result. He should look at what the chairman of the Conservative transport group, Steve Norris, said. He said that under the Tories

"you will pay more in green taxes. You will, for example, see the reintroduction of a fuel duty escalator".

The hon. Gentleman should be talking to his Conservative colleagues about the mistakes that they are making.

Q7. [205277] **Mr. Clive Betts** (Sheffield, Attercliffe) (Lab): First, may I welcome the Government's announcement this week of a review of the services for social care for the elderly and disabled? The all-party local government group is conducting its own inquiry into services for the elderly. Two things are emerging from that. First, there should be a basic citizens' entitlement for the elderly to receive social care. Secondly, when the elderly receive social care they should be treated as individuals with their own personal budgets so that they can make their own choices about their lives. Will my right hon. Friend take account of those two principles when coming to the conclusions on his own review?

The Prime Minister: That is precisely what the debate is about. When I launched the debate on social care on Monday, I was able to say that we will face rising demands from a rising population of elderly and rising aspirations, too, on the part of elderly people who want better choices and better opportunities in old age to make the right choices for themselves. We expect more than 1.7 million more people to have a need for care and support over the next 20 years and that is why the review should take place. I hope that it will be possible to get consensus on future funding and my hon. Friend should also note that we will publish a programme for carers in the next few weeks to back up everything that we are doing on social care.

Mr. Stephen O'Brien (Eddisbury) (Con): Can the Prime Minister confirm that he is visiting Crewe and Nantwich in the next seven days?

The Prime Minister: No, I cannot. *[Interruption.]*

Mr. Speaker: Order.

Q8. [205278] **Nigel Griffiths** (Edinburgh, South) (Lab): Will the Prime Minister assure us that he will not take any lessons from the people who created two recessions, with 3 million people unemployed, and who gave us 15 per cent. mortgage rates, slashed public services, doubled national debt and trebled the number of children in poverty? Stick to prudence, not empty promises.

The Prime Minister: That is what the debate in this country is now about. When we debated Northern Rock, we were prepared to intervene; the Conservatives backed away from it. When we debate how we can help people who are hard-pressed with their fuel bills, we are prepared to give more money to people, with 22 million people benefiting yesterday; we still do not have an answer from the Conservative party. That is what people will remember about the Conservatives: they are the 3 million unemployed party, they are the 15 per cent. interest rate party, and they are the party of record mortgage repossessions. The country is not going to forget.

Richard Younger-Ross (Teignbridge) (LD): When the Prime Minister's predecessor, Tony Blair, met the Dalai Lama, he met him in Downing street. When his predecessor, John Major, met the Dalai Lama, he met him in Downing street. Will the Prime Minister confirm that when he meets the Dalai Lama, he will do so in Downing street?

The Prime Minister: What matters is not in what part of Westminster we meet, but what issues to do with the future of Tibet are discussed. I am meeting the Dalai Lama with the Archbishop of Canterbury. I am also attending, at Lambeth palace, a conference of faith groups involving the Dalai Lama, and I can tell the House that all issues of substance relating to our views on what is happening in Tibet will be discussed and on the table. We will be pressing the Dalai Lama to join us in facilitating negotiations between the Chinese Government and the Tibetans. That is the important way forward, and it is issues of substance that matter in this.

Q9. [205279] **Barry Gardiner** (Brent, North) (Lab): What message does the Prime Minister have for the thousands of young people who are sitting GCSEs this week? Will he join me in congratulating teachers in my constituency, where the percentage of students achieving five A* to C grades has risen from 44 to 74 per cent. under this Government?

The Prime Minister: This is another example—I applaud my hon. Friend for pushing the issue—of the progress that is being made in education in this country. Let me just say that the proposals that take us forward for the next year are: education until 18, opposed by the Conservatives; educational maintenance allowances expanded, opposed by the Conservative party; and expansion of the school building programme, from which the Conservatives want to take money. If we want investment in education, it can happen only under a Labour Government.

Q10. [205280] **Mr. Greg Hands** (Hammersmith and Fulham) (Con): Our new London Mayor is off to a courageous start. After only nine days in office, he is already taking on the scourge of youth crime, he is scrapping *The Londoner* newspaper and planting 10,000 trees, and getting alcohol off our buses and tubes. The Prime Minister talks about courage—he has even written a book about it—but when will he pluck up the courage to call Boris in person and congratulate him on taking office?

The Prime Minister: When the Mayor of London came to the House of Commons last week, I did congratulate him, but I also said that he would be judged by his record. He has got to show that he can expand transport, expand the service of policing, and do something about affordable housing in London. That is what he will be judged on.

Q11. [205281] **Rosie Cooper** (West Lancashire) (Lab): Free national bus travel for older people was greatly appreciated by my constituents. However, they were less delighted when they were told by West Lancashire district council that if they used that free bus service, they would no longer be able to have free local rail travel, unlike people in the nearby local authorities of Merseyside and Manchester. What can the Prime Minister do to ensure that when the Government give, Tory local authorities do not take away?

The Prime Minister: I applaud my hon. Friend's campaign on behalf of the elderly people of her constituency, on that issue and in so many other areas. I can confirm that West Lancashire was allocated a grant of almost £250,000 to pay for the new all-England concession for transport. That represents an increase of more than 20 per cent. on what was previously available and spent on concessionary travel. I am confident that that is sufficient to meet its needs, and that is why the local authority should give pensioners the travel that they want.

Mr. Richard Bacon (South Norfolk) (Con): Which country or countries blocked a meeting of the United Nations Security Council on Burma, and what diplomatic pressure are we applying on them?

The Prime Minister: We are applying a great deal of pressure, and I think it would be in our interest to apply that pressure rather than to name names at present. If I may say so, the pressure on those countries continues. That is why I have called on the Secretary-General of the UN to hold an emergency summit. The way forward is an emergency summit, hopefully held almost immediately. That will get the international community organised so that we can get supplies to Burma. We will not rest in our determination to get a concerted international response, and I hope the hon. Gentleman will support that.

Q12. [205283] **Ms Dawn Butler** (Brent, South) (Lab): My constituency, Brent, South, has been described as many things, but one of the most offensive is being described as broken. My community and families in Brent are not broken. In 2003 the Government introduced double maternity pay and pioneering paternity leave. Does my right hon. Friend agree that it is now time to review these measures?

The Prime Minister: I hope that over the course of the Parliament we can move forward with our plans on maternity pay and maternity rights, and I hope that all parties in the House will come to the view that paternity leave was also a good thing. It is unfortunate that although the Conservatives present themselves as a family-friendly party, they voted against the extension of maternity leave, they opposed paternity leave, and they even opposed the right to flexible working. That is not a family-friendly party.

Draft Legislative Programme

12.31 pm

The Prime Minister (Mr. Gordon Brown): Building a more prosperous Britain and a fairer Britain is the purpose of the draft legislative programme that is published today for debate in the House and in the country. In this statement I will focus both on immediate action that the Government are taking to help steer the economy safely through the current global economic problems, and on the changes, including a new welfare reform Bill and a new education and skills Bill, that are needed to make Britain a fairer, more prosperous society and to meet the challenges of the future.

Our immediate priority for the coming Session, at a time when food and fuel prices are rising and mortgages are more difficult to obtain, is to help family finances. In the next few weeks we will set out the elements of our economic plan as we steer our economy safely through the global downturn, the credit crunch and international oil and food price rises. Legislation on the economy in the Queen's Speech will include a banking Bill so that Britain underpins its banking system with the best protection for depositors.

In addition to action that we will take on fuel bills, to help small firm finance, and internationally on oil prices and food prices—and the benefit that we gain in stability from three-year public sector pay deals that now cover 1.5 million workers—my right hon. Friend the Housing Minister is today announcing a £200 million fund, re-allocating money to purchase unsold new homes and then rent them to social tenants or make them available on a shared ownership basis; £100 million pounds for shared equity schemes to allow more first-time buyers to purchase newly built homes on the open market; and for the first time an offer of shared equity housing open to applications from all first-time buyers, subject to a household income limit.

The Queen's Speech will also introduce a savings Bill to help not only home ownership but wealth ownership generally, giving 8 million people on low incomes access to a national savings scheme, with each pound saved matched by a contribution from the Government. We will look at whether further action on housing is required in light of the study by the Office of Fair Trading into the sale and leaseback market and the rise in second charge mortgages to ensure that, as should happen, customers are treated fairly.

With a second public sector efficiency review under way, we are setting the objective of value for money and greater efficiency in public administration, as we move to achieve the lowest civil service numbers since 1945.

Advancing our enterprise agenda, the Government will also consult on the idea of regulatory budgets, for the first time giving Departments that seek new regulation a strict annual limit on what they can impose.

As well as taking decisive action to help families and business weather the current economic storms, the Government have a duty to equip this country to meet the challenges of the future, with welfare and education reform to help people rise as far as their talents can take them, and in the education, health, policing and community empowerment Bills that we are announcing today, a commitment to new standards of excellence in services and to the transfer of more power and resources to parents, patients and citizens—measures which, alongside our constitutional renewal Bill, reshape for a new age the respective roles and responsibilities of citizen, community and Government.

In the next two decades the size of the world economy will double and 1 billion new skilled or professional jobs will be created. The new legislation that we propose today is founded on the new economic truth that the countries that have the best skills and the best education systems will reap the greatest rewards. So attaining the highest standards of education as we expand opportunity is the theme of the new education Bill for schools and lifelong learning.

It is unfair to consign any child to a poor school or even one that is coasting along without the ambition to do better. So after legislation this year for education to 18, there will be a second education Bill to support our plan to ensure that, by 2011, no school is underperforming: the first independent qualifications system to guarantee to parents the highest standards; more power for parents to receive regular information on their children's progress; and, as we expand academies, reform to strengthen the accountability of schools to parents, giving them a bigger say on how to raise standards and whether new schools are needed in an area.

It is unfair, and a threat to our country's future prosperity, that many qualified young people are still denied access to an apprenticeship. By deciding to legislate for the first time in the Queen's Speech for the statutory right of every suitably qualified young person to obtain an apprenticeship, we expect the numbers of people starting an apprenticeship to rise by 2011 to more than 200,000—three times as many as in 1997.

Every adult should have the right to a second chance in education—to have the chance to make the most of their potential. It is not only a threat to prosperity but unfair that adults—in work or looking for work—are denied the opportunity to get the training they need to advance their careers, or even the time needed to do a course. So my right hon. Friend the Secretary of State for Innovation, Universities and Skills is proposing today for the first time a major change in workplace rights that will benefit both employees and employers—giving every worker the right to request time off to train. And we will offer every adult a personal skills account so that they can access the training they need, with resources tailored to the individual—*[Interruption.]*

Mr. Speaker: Order. It is bad manners—*[Interruption.]* Order. These are things that I cannot do right away. I know about the statement's availability. The Prime Minister is delivering a statement to the House—*[Interruption.]* Order. I am looking into the matter and I ask hon. Members to let me deal with it. While the Prime Minister is addressing the House, hon. Members should allow him to be heard. Some hon. Members are complaining that the statement is not available, and I am dealing with that matter. The Opposition often tell me that Ministers should come before the House: the Prime Minister is here and I do not want any interruptions. It is unfair.

The Prime Minister: Leaving the unemployed without the skills they need to obtain work is costly for our prosperity and unfair to both benefit claimants and those who pay taxes. So as part of the next stage of welfare reform, emphasising obligations as well as rights, the Secretary of State for Work and Pensions will legislate to impose a duty on the unemployed to have their skills needs assessed and to acquire skills. We will also consult on further radical reforms to ensure that no-one with the ability to work is trapped on benefits for life. Those who can work should work, so new and existing incapacity benefit claimants will be required to go through a medical assessment and will be given a personalised programme to help them back into work.

Fair treatment also means respecting people's need for flexible arrangements to care for their children, especially as evidence now shows that flexible work is no obstacle to business success—fairness and efficiency advancing together. So my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform will announce tomorrow that we will take forward the recommendations of the Walsh report to extend the right to flexible working to parents of older children. We will consult on the details of implementation, with the aim of introducing new rights from next April.

Since last year we have secured in the NHS cleaner hospitals, better access to GPs, and progress on waiting times. It is right, as we celebrate 60 years of the NHS, to introduce a new NHS reform Bill to continue the change and renewal of the health service so as to equip it to offer a higher standard of care; to focus it on prevention as well as treatment; and to make it more accountable to local people, giving patients real power and control over the service they receive.

We will establish a constitution for the NHS that sets out what patients can expect to get from the health service, including entitlements to minimum standards of access, quality and safety. For the first time, payments to NHS hospitals will be adjusted according to patient satisfaction and health outcomes—deepening our commitment to a patient-focused NHS.

In the same way as we are tackling underperforming schools, we will take new powers, as part of a comprehensive NHS performance regime, to ensure that no health care provider falls below the minimum standards that we require. Just as we will consult in education on giving more rights to parents, we will bring forward radical proposals in health to put more power in the hands of patients, including new rights to information about their care, to control their own personal budgets and to have more say over the decisions of their local primary care trust.

Just as we will give both parents and patients more control, so we will give social housing tenants more say—greater choice over where they live and new rights to independent information on landlords' performance. We will look at ways of rewarding good tenants and hold to account those who do not meet their responsibilities, as we crack down further on antisocial behaviour in our estates.

Protecting the safety of the British people is paramount for every Government. Since 1997, we have increased the numbers of policemen and women; introduced new community support officers and new powers for police and the courts to target antisocial behaviour, burglary, car crime and street crime; and taken action against terrorism. Our aim is not just a reduction in crime, but that people feel safe in their homes and in their neighbourhoods. One way forward, as with education and health, is to empower citizens, giving them more direct say on how crime is tackled in their areas, so the Home Secretary will bring forward proposals for directly elected representatives to give local people more control over policing priorities and responsiveness.

We will legislate so that neighbourhood police teams have to meet tougher national standards to ensure the high visibility and responsiveness of local police and community support officers. Legislation will also give the victims of crime more legal rights, including protection for vulnerable victims and witnesses of gun and gang-related crime during investigations and trials. The Home Secretary will set out shortly further detailed plans to allow police time that is now spent on paperwork to be spent on the beat, liberating the police from needless red tape, and she will announce new measures to improve police performance.

Organised crime, particularly in the areas where there are serious problems with drugs and illegal immigration, must be dealt with severely. It is right to close every loophole to prevent criminals from retaining the proceeds of their crimes, so the policing and crime reduction Bill will legislate to speed up the recovery and seizure of assets obtained through criminal acts.

If our crime policy is to punish and prevent, our migration policy is to ensure for Britain the benefits that migration brings while managing it securely and ensuring that expectations for newcomers are clear. We have already introduced the Australian points system to ensure that only those who contribute can come to Britain, and we have integrated the vital work of the Border and Immigration Agency, Customs and UK Visas into a single border agency. After a consultation that finished this week, the Home Secretary will legislate to put in place our new and tougher test for permanent residence or British citizenship. The requirements in law will be that newcomers learn English, play by the rules and show they are making an economic contribution to the UK. Only full citizens will have full access to benefits or social housing, and newcomers will be required to pay into a migration impact fund to help local communities deal with changes in population.

We will also take new powers in legislation to enhance airport security and protect against terrorist acts at sea.

We will take further steps in the next Session of Parliament to safeguard and enhance our heritage and our environment. For the first time in 30 years there will be legislation to increase protection of our historic sites and buildings. This will include reforms to the planning system to improve the protection of old buildings, and new rules to make it an offence to deal in cultural property illegally exported from occupied territory.

We will consult in draft on the legislation necessary to implement the recommendations of the Pitt review into the 2007 floods, and so better protect vulnerable communities in the future.

We have already legislated this Session to put a legal limit on Britain's carbon emissions—the first country in the world to do so—and we will bring forward a Bill

in the next Session to protect our seas and shores. There will be new powers to designate marine conservation zones and to create a path around the whole of the English coastline, with public access for walking and other recreational activities.

Last year, we announced new measures, including restricting the royal prerogative, to make the Government more accountable to Parliament, and those will be taken forward in a constitutional renewal Bill. But we will go further and consult on a major shift of power directly to citizens themselves. The Secretary of State for Communities and Local Government will set out proposals, to be taken forward through a new community empowerment Bill, to give people greater power to influence local decisions—local spending decisions, local council agendas, the use of local assets—that affect them as citizens.

My right hon. Friend the Secretary of State for Justice will publish a White Paper on reform of the House of Lords and details of our proposals to reform the system of party finance and expenditure. He will also bring forward proposals for consultation on a Bill of rights and responsibilities.

We are committed to both flexibility and fairness in the workplace and we will do nothing that jeopardises jobs and businesses taking on new workers, but most people agree that it is not fair that, even after months in a job, agency workers can currently be paid less than the staff they work alongside, and as a result permanent staff can feel they are being unfairly undercut. Therefore, the Secretary of State for Business, Enterprise and Regulatory Reform plans to bring forward legislation—subject to an agreement between employers and employees, and in Europe—that will for the first time ensure new rules for fair treatment of agency workers in Britain.

Discrimination anywhere is unacceptable and a new equality Bill will compel public bodies to take seriously the requirements of both their work force and the communities they serve, sending a clear message that in the 21st century prejudice in Britain is no longer acceptable.

Therefore, we will have a banking Bill to support financial stability; an education Bill to ensure that every school is a good school; an NHS Bill to improve the health service and to entrench patients' rights; an immigration Bill so that people earn their citizenship; a welfare reform Bill to help people into work; and reforms on agency workers, on skills and on flexible working. Those are the priorities, and I commend the statement to the House.

Mr. David Cameron (Witney) (Con): We had a discussion during Prime Minister's questions about whether the Prime Minister could be straight with people. It turns out that the Government cannot even make a statement in a straight way, distributing it to the press before they give it to Members of Parliament.

There are lots and lots of things in the statement that we welcome, not least because we proposed them. We welcome the constitution for the NHS. That is an idea that we set out last June. We welcome the extension of the right to flexible working. We announced that in September 2006. We welcome the independent exam regulator. I raised that and proposed it in 2005. The list is enormous. A simple saving scheme was in the 2005 Tory manifesto. We proposed regulatory budgets in 2006—I think. The list is almost as long as the draft Queen's Speech, so I hope that, when the Prime Minister gets up, we will get a bit of gratitude for all that. He cannot say that we have not got any substance when he has taken it all and put it in his Queen's Speech.

We particularly welcome what the Prime Minister had to say about shared equity. Those proposals are being pioneered in record numbers by the record amount of Conservative councils up and down the country. Most of all, we welcome the welfare reforms. The Prime Minister has stuffed No. 10 full of spin doctors and pollsters. Why not just get a shorthand typist and send them to the Tory conference to take it down? It would save a lot of money.

Now we hear that the Prime Minister is going to accept our proposals for elected officials to make the police accountable. That is the proposal that his Government called "completely daft". I think that they meant "completely draft". It is a great idea that officials who hold office and wield power should be elected. Who knows—it might catch on and one day we might have an elected Prime Minister. The grin is back.

Look at the Bills that are to clear up the mess of the last decade. Do we not have a banking Bill because the regulatory system that the Prime Minister created 10 years ago failed on its first test with Northern Rock? Do we not have an NHS Bill because a decade after the Government promised to end mixed-sex wards they are still there, the promise has been broken and people are not getting the care they need? Are we not getting an immigration Bill because the Government completely failed to prepare for or even anticipate the scale of immigration that is taking place? Are we not having a welfare Bill because, after 15 years of global growth, Britain has 5 million people on out-of-work benefits?

Let us be frank about what today's statement adds up to. It is another re-launch, and the Prime Minister has had to bring it forward. The Government are still struggling to implement—*[Interruption.]* Hang on a second; Members will have their turn. The Prime Minister is still struggling to implement last year's Queen Speech. There is no solution to 42 days; last year's Budget is still being rewritten; badly drafted Bills are stuck in the House of Lords—no wonder he wants to talk about next year's Queen's Speech. However, the draft Queen's Speech has nothing to do with the country's long-term needs and everything to do with the Prime Minister's short-term political survival.

The draft Queen's Speech reveals the Prime Minister's deeper problem. On the progressive goals that we need to achieve in this country—unblocking social mobility, beating poverty, taking people out of persistent deprivation—his ideas have run out of steam. He no longer has the solutions. Instead of more redistribution, more tax credits, more top-down state control, we need a Government who tackle the underlying causes of poverty, fight family breakdown, break the monopoly of state education and can work with the voluntary sector. Is not it the case that he cannot do that and we can?

One positive aspect of the Prime Minister's statement is the claim that he wants personalised public services. If that is true, why does he not accept our plan

[Mr. David Cameron]

to bust open the state monopoly in education and allow new schools to open? Why does he not scrap the restrictions on the right to buy and accept our plans to extend it to all council and housing association tenants? He does not believe in giving people genuine choice and control over their lives. If he did, he would give the country a referendum on the EU constitution. Watching the Prime Minister talk about personal choice, giving people more freedom and letting them have more control over their lives is completely unconvincing. The supreme leader just does not do freedom. Will not people rightly conclude that, if they want a Government who give people more freedom, choice and competition, why not vote for the real thing?

Is not there a negative side to the Prime Minister's comments? It is his usual trick of political positioning and setting the false dividing lines, with which he is obsessed. When will he learn that the political positioning and fake dividing lines have landed him in the mess that he is in today? He faces defeat on banging people up for 42 days without charge. He proposed that not because it is the right thing to do, but because he wanted to try to look tough. The shambles of yesterday occurred because the Budget was not about helping the poorest people but about posing as a tax cutter. That is why he had to execute such a big U-turn.

We will fight tooth and nail against one part of the Queen's Speech: the Prime Minister's plan to enforce polyclinics and close GP surgeries up and down the country, although it will be noted that there will be none in his constituency. We will continue to fight the Government's real agenda of closing post offices, thus tearing the heart out of communities; releasing prisoners, thus making our streets more dangerous; and taxing businesses into moving abroad.

After yesterday's U-turn, today's draft Queen's Speech is simply another attempt to save the Prime Minister's skin. It will not wash. People can see a Government—not only the Prime Minister—who have run out of road, run out of money and run out of ideas. Seven months ago, the Prime Minister cancelled the election because, he said, he needed more time to set out his vision. Now we can see that there is no vision, so when can we get on and have the election?

This morning, we read about a new plan from this great man of substance—to appear on a new version of "The Apprentice". I am glad to see the Secretary of State for Communities and Local Government in her place, blushing slightly. I am not making it up, but she said that it would be "The Apprentice" meets "Maria", meets "Strictly Come Dancing". I expect that there is probably a role for the Liberal shadow Chancellor.

I have a better idea for the Prime Minister. Why not take part in a reality show that involves the whole country? It is called the general election. Would not that give everyone the chance to square up to him and say, "You're fired"? Is not that the only way to get a Government who genuinely give people control over their lives, strengthen our families and our society, and make our country safer and greener?

The Prime Minister: If we had taken the Conservative party's advice, none of this year's major Bills would have got through. We would not have decisions on energy, planning, airports and many major issues that face the country, and we would not have the ID cards that we need for the security of our people. If we had taken the Conservative party's advice, we would have put all the tax cuts into stamp duty on shares and inheritance tax instead of helping 22 million people, as we have done today.

The Conservative party should face up to the fact that the right hon. Gentleman says that he supports flexible working, but he voted against it. He says that he supports families, but he voted against longer maternity and paternity leave. He says that he supports banking regulation, but a Conservative party report called for even more deregulation. He says that he cares about people on low incomes, but he opposed the minimum wage, tax credits and the new deal. The Conservatives now say that they want to help children, but they also want to cut Sure Start. The right hon. Gentleman says that he is tough on crime, but he also wanted to hug a hoodie. He claims that he is tough on immigration, but he does not want ID cards for foreign nationals. He says that he is interested in the environment and cycles to work, but the chauffeur follows behind. The Conservative party is so full of contradictions that it is unable to put forward a policy for the future of this country.

Today, we have presented our proposals for the economy—and there was nothing from the Conservative party. We presented our proposals for greater opportunity for young people—the Conservatives opposed the last education Bill and I presume that they will oppose the next one. We presented proposals to improve rights for parents, patients and citizens—the Conservative view on that is not clear.

When we talk about police officers, the Conservative proposal is to elect one chief police officer in every area—just one person. Our proposal is for directly elected individuals from their communities. That is a far better way of local democracy working. The right hon. Gentleman should read our proposals before criticising them. He is a salesman without substance.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I thank the Prime Minister for advance sight of his statement—*[Interruption.]* Well, it was only a few minutes before Prime Minister's questions, but let us be thankful for small mercies.

It has been a desperate week for the Prime Minister. Yesterday, he brought forward the Budget by a full 10 months and borrowed £2.7 billion to dig himself out of a political hole over the 10p tax rate, yet still managed to leave a million people worse off. Today, he has brought forward the draft Queen's Speech, producing it a full two months before he did it last year. I have no idea what we can expect him to bring forward next—Christmas, perhaps. How desperate is he?

We already knew that the Conservatives would say anything to get elected, but it is now clear that the Prime Minister will try anything to cling to power. He has scraped the legislative barrel to save himself. The long legislative list is a rag-bag of proposals in which he either addresses things that the Government said were not a problem, such as the economy, or tries to turn around problems that the Government created, such as over-centralisation.

The Prime Minister established the banking regulation system. Is he not embarrassed to come here today and tell us that it does not work and that we need a new one? Is he not even more embarrassed to announce a £200 million fund to purchase unsold houses, when, by my reckoning, that will cover only 1,000 homes—far too little to make a genuine impression on the deep crisis in the housing market? He allowed irresponsible lending to over-inflate the housing market. Is he not embarrassed to admit that it needs propping up because of him?

Is the Prime Minister not embarrassed that the statement contains nothing—not a word—on the growing crisis of fuel poverty in this country, which will soon have 5.5 million people in fuel poverty?

How could the Prime Minister tell us, with a straight face, that he wants to empower people and communities? Let us remember that he was the man who turned Britain's doctors and nurses into bean counters and took away our freedom of speech and right to protest. The new Labour Government have made more than 3,000 new things illegal since 1997. By my reckoning, that is two new illegal offences for every day that Parliament has sat since new Labour came to power. They capped communities' council tax and imposed mass centralised school testing. Most shamefully, they took money from the pockets of the poorest workers. Since 1997, the Government have passed 65 home affairs Bills. Today, we are considering six more. If legislation made us safer, we would have been the safest nation on the face of the planet years ago. The NHS—shoved from pillar to post—will get a 14th reform Bill in 10 years.

If the Prime Minister wants to devolve power, why is he introducing so much more central legislation? Another stir of the legislative pot will not save the Prime Minister. If he wants to devolve power and protect us from the economic downturn, he will have to do much better.

The Prime Minister: I thought that the right hon. Gentleman would say that he supported what we propose on the environment, on giving more power to local people, on the community empowerment Bill, on the Constitutional Renewal Bill and on all the changes that we are making that make for a better relationship between individual citizens, communities and the Government. I thought that the Liberal party was supportive of those proposals, and I hope that when it looks at them in more detail, it will support them.

The gist of the right hon. Gentleman's remarks was about the economy. It is right to protect banking depositors; it is right to take new action to do so, given what has happened over the last few months. I do not think that it is a criticism of previous Governments that everywhere in the world people are looking at strengthening financial services regulation after what has happened in the sub-prime mortgage market in the United States of America.

The right hon. Gentleman talks about fuel poverty, but we are the party that introduced the winter allowance; the Conservative party opposed it. We are the party that has raised the winter allowance in the last few weeks to help people who are in difficulty as a result of fuel bills. We are the Government who have negotiated a new deal with the oil, energy and utility companies so that £100 million, and £150 million in future years, will go to help people on low incomes pay their fuel bills. The right hon. Gentleman should be praising us for the action that we are taking to try to protect people against the difficulties of rising fuel costs.

As for housing, the important thing, which the Conservative party forgot when it was in power, is that we can keep mortgage rates low. Some 1.8 million more people have homes as a result of a Labour Government, and the right hon. Gentleman should recognise the fact that that was possible only because we have kept mortgage rates low. Mortgage rates are half what they were under the Conservative Government. It is because we have run a strong economy, with economic stability over the past 11 years, that while other countries have had recessions—and the Government of the hon. Member for Tatton (Mr. Osborne) had two recessions—we are in a position to continue to grow as an economy.

We will take every action necessary to help home owners and others who face difficulties as a result of the world economic downturn. The right hon. Member for Sheffield, Hallam (Mr. Clegg) should be supporting us, not criticising us.

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): I thank my right hon. Friend and congratulate him on his comments, particularly those on the housing market, and on his recognition of the importance of action. Although I welcome the proposals to introduce the new scheme to assist shared ownership, I put it to him that the scale of the problem, in terms of the withdrawal of lending facilities and the collapse of confidence among many house builders, is such that more intervention will almost certainly be required if we are to restore prudent lending at a level that will ensure that the market recovers. I urge my right hon. Friend to do everything in the coming weeks to achieve that, and to avoid the situation deteriorating to a point at which there would be parallels with the dreadful experience that we all saw when the Conservative party was in power.

The Prime Minister: My right hon. Friend is an expert on the housing market, and I am grateful for his remarks. The £50 billion that was injected as liquidity into the economy in the past few weeks is a means by which we can restore the flow of funds from banks and building societies to home owners. We will not hesitate to take the necessary action to deal with that.

However, I would disagree with my right hon. Friend on interest rates. At the moment, they are at 5 per cent.; in 1992-93, when the right hon. Member for Witney (Mr. Cameron) was advising the then Chancellor of the Exchequer, they were at 15 per cent. That was a shameful episode, from which the country took years to recover. We are not going to get into that position again.

Mr. William Cash (Stone) (Con): This morning, the Prime Minister spoke about his defence of the Union. He is now faced with a referendum in Scotland. I remind him that in 1997, during the Scottish referendum Bill, he did not vote, or abstained, on a three-line Whip when I tabled an amendment calling for a United Kingdom referendum. About 400 of his colleagues voted against my amendment. Does he now agree that there should be a referendum of the United Kingdom with respect to the Scottish question?

The Prime Minister: There was no support for the hon. Gentleman's amendment in 1997, as he confirmed by having 400 people vote against it. But I have to tell him that no legislation is coming forward for a referendum in Scotland now or in the immediate future. It is not coming forward in Westminster and it is not coming forward in Holyrood in the immediate future, as far as I can see. So the hon. Gentleman's question is posed on a misunderstanding: there is no proposal for a referendum now or in the immediate future.

Mark Durkan (Foyle) (SDLP): I thank the Prime Minister for his statement and for the advance procedure in which we are engaged today. I will not dwell on the questions that some of us might have about the worth and workability of an immigration impact fund. However, when it comes to the new Bill to protect our seas and shores, will the Prime Minister's Government use the British-Irish Council to work with all the other Administrations on these islands so that all the Governments and Chambers with responsibility for a common marine environment adopt a compatible, co-ordinated and coherent approach?

The Prime Minister: I am grateful to the hon. Gentleman. Yes, that will form a discussion in the British-Irish Council. The Minister responsible for that, the Secretary of State for Wales, will take that forward.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): May I say on behalf of my party and the Scottish National party that we were rather disappointed not to have been given an advance copy of the statement? If the Prime Minister seriously wants to engage, providing advance copies is a prerequisite.

Several things in the Prime Minister's statement will no doubt be useful when we look at the detail. However, given the global downturn and the credit crunch, will he consider some form of equitable lending Bill that outlaws illegal lending? While I am on the subject of poverty, may I ask him again to reconsider the civil service job cuts in Wales, the vast bulk of which will fall within objective 1 areas, undermining all the good work that has been done there to try to raise gross domestic product?

The Prime Minister: I am sorry if the hon. Gentleman did not receive the statement in advance, and I shall look into that; I shall also look into what happened to prevent Members from having the statement early enough for them to be able to look at it.

I hear what the hon. Gentleman says about lending and what he wants to be done, and I shall consider what he has said. As for civil service jobs, we have to recognise that new technology is making possible major changes in how occupations are constructed. That was the purpose of the Gershon report, and now a second Gershon report is to be done. We have to catch up with the changes in technology that are taking place, and I believe that we can make major changes. I hope that the hon. Gentleman will recognise that although jobs are being lost in certain areas of the civil service in Wales, overall a substantial number of additional people are in work as a result of the other policies of the Labour Government.

Dr. Stephen Ladyman (South Thanet) (Lab): When banks get into trouble, directors and shareholders tend to make decisions in their own interests, rather than those of depositors. Will my right hon. Friend say whether the new banking Bill will include a power, similar to that in the United States, that will allow an independent authority to override the shareholders and insist that decisions are made in the interests of the people who have their money in the bank?

The Prime Minister: I shall certainly look at what my hon. Friend says and pass his comments on to the Chancellor. The purpose of that particular clause of the banking Bill is to make sure that there is adequate and full financial protection for depositors in the event of a banking crisis or failure. As we dealt with Northern Rock, we found that more had to be done to make sure that depositors were properly protected. We raised the ceiling of protection and at the same time gave wider guarantees, and the purpose of the Bill is to put those into legislation.

Sir George Young (North-West Hampshire) (Con): At the beginning of his statement, the Prime Minister made it clear that the draft legislative programme would be debated in the House and the country, and I welcome that. However, will he reflect on whether it then makes sense in November, when we have the Queen's Speech proper, to spend another five days debating a legislative programme that we will already have debated? Would it not make more sense to reinstate into Government time debates that we used to have on public expenditure and the economy, which have mysteriously disappeared from the programme?

The Prime Minister: I hear what the right hon. Gentleman says. Last year and this year we published the Government's legislative programme in advance, and that is unique. We are allowing for an early debate about its merits so that a full consultation can take place. As the right hon. Gentleman rightly says, that raises questions about the nature of the Queen's Speech debates that follow.

As far as debates on the economy are concerned, we welcome those at any time, because the choice is between a policy that has worked for 11 years and one that failed when it was last tried.

Clive Efford (Eltham) (Lab): My right hon. Friend's statement on assistance for people buying houses through shared equity schemes and for people to enter the housing market is welcome. However, I stress to him that even with that assistance, house buying is out of the question for many of my constituents in London. If we are to provide affordable housing for young families who are trying to set up their own homes to bring up their children, we will need more affordable rented accommodation. Will he bear that in mind?

The Prime Minister: My hon. Friend is absolutely right. He has brought this issue to my attention on many occasions. One of the purposes of the £200 million fund is to purchase unsold new homes and then rent them to social tenants, which would, in the short term at least, increase the amount of rented accommodation. He is absolutely right that our plans

for increasing affordable housing over the next few years involve a substantial increase in rented homes, and that is the right thing to do.

Sammy Wilson (East Antrim) (DUP): I welcome the Prime Minister's statement. I am sure that everyone would wish to see a successful policy implemented that will steer us through the current global economic crisis. However, examination of the detail does not seem to live up to the headline that he has claimed. On the housing market, does he agree that the funding he announced will result in about 1,000 new houses being bought and about 2,000 people being helped through shared equity schemes? Will he explain how, given that it takes three or four years to turn round failing schools, he can claim that by 2011 there will be no failing schools in this country?

The Prime Minister: It is an ambitious programme to turn round all underperforming schools, but we are determined to do it. I do not think that a child who is not benefiting from a good school should have to wait longer than is necessary to get the best schooling possible. We have set an ambitious target, and it is one that we want to achieve. I hope that there will be support for that in all parts of the House.

As for the hon. Gentleman's comments on housing, the two additional proposals about extra resources for a purchasing scheme and a shared equity scheme are on top of many other initiatives that we have announced before. An open market homebuy scheme and a second shared equity scheme are already allowing thousands of people to take the first step on the housing ladder. Those policies are on top of the huge amount of money that is spent on social housing by the Government as part of the public expenditure plans. If we are going to deal with the problems of the housing market, it is important that interest rates remain low. What really did the damage in the early 1990s—I know that the Conservatives do not want to hark back to this, because there were 200,000 repossessions—*[Interruption.]* I do not think that they have learned from the past—that is the problem. What really did the damage in the 1990s was that interest rates—

Mr. Speaker: Order. I say to the hon. Member for Beverley and Holderness (Mr. Stuart) that he must not heckle the Prime Minister or any other hon. Member who is addressing this House. If he does so, he is defying the Chair, and that is a very serious matter.

The Prime Minister: It is important that interest rates can stay low, and that demands that we bear down on inflation. Even facing huge increases in world oil prices, as is happening in every country, inflation is currently at 3 per cent., while it is 4 per cent. in the United States and about 3.5 per cent. in the rest of Europe. We will continue to bear down heavily on inflation so that we can keep interest rates low. That is the best thing that we can do to help potential home owners.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): Is the Prime Minister aware that my constituents will very much welcome the protection that he is giving to consumers, particularly in his announcements on banking and on fuel bills? On banking, the Government have been supportive, and it is perfectly right that consumers should be protected. The leader of the Liberal Democrats did not seem to hear the part of the statement where my right hon. Friend referred to fuel bills. It is right that he should do so, and may I say that he has the moral authority to ask the energy companies to make their contribution—for example, in terms of their competitiveness and accountability?

The Prime Minister: My right hon. Friend has been a great campaigner on behalf of people who have been affected by poverty. Obviously, high fuel bills are a determinant of poverty and that is why we wanted to increase the winter allowance, which was announced in the Budget, why the low income households deal has been done with the utility companies, and why we will not hesitate to take further action to protect people against high fuel bills. It is in the interests of the country that people are protected at a time when oil prices have trebled.

Paul Rowen (Rochdale) (LD): According to the National Audit Office, the chances of an unemployed person getting a job when coming off the jobseeker's allowance programme vary between one in five and one in 40 depending on their age, sex and where they live. What will the new proposals do to help people in my constituency, for example, where we have lost 4,500 jobs in the past five years and unemployment is on the up? What is the Prime Minister going to do to help those people?

The Prime Minister: Employment is still rising—that is why there are 600,000 to 700,000 vacancies in the economy. Our desire is to help people who are unemployed or moving between jobs to fill the vacancies that are available. The hon. Gentleman will know that in his constituency there is still a high number of vacancies, as there is across the region. Through the welfare reform Bill, we want to make it an obligation on people to undergo a skills test and then for them to be advised as to whether they need to acquire further skills, because we know that the number of unskilled jobs in the economy is falling but the number of skilled jobs is rising. We want to help his constituents and all other unemployed constituents to get the skills that they need for the future.

Anne Snelgrove (South Swindon) (Lab): My right hon. Friend's proposals mean that Swindon will be an even more prosperous community in future. We are a proud industrial town and we have a proud industrial heritage derived from the railways. Would his proposals to protect historic buildings help the mechanics institute in Swindon, which is in private hands, and is a crumbling but beautiful building that we seek to protect? Will he help us by ensuring that people who are private owners of such buildings are included in that protection?

The Prime Minister: My hon. Friend has been most innovative in citing the new Bill as a means by which we might support what is obviously an historic building of great value in her constituency. We will certainly look at what we can do. Swindon is a community that has benefited from the expansion of investment over recent years. That is why there are more people in jobs there

[The Prime Minister]

than there have been previously, and why people in Swindon will think twice about a Conservative Government who caused so much unemployment.

Mr. Peter Lilley (Hitchin and Harpenden) (Con): Is the Prime Minister aware that his conversion to Conservative policies would be welcome—there is, after all, more joy in heaven over one sinner that repents—if only he understood them. How does he reconcile his welcome proposal for "directly elected representatives to give local people more control over policing priorities and responsiveness" with the very next sentence, which proposes statutory, national, top-down legislation defining how police authorities should employ their resources and ensure their visibility and responsiveness? Is not the difference between karaoke Conservatism and the real thing that he can recite the words but he does not know what they mean?

The Prime Minister: It is pretty clear that the right hon. Gentleman has learned nothing from his years in opposition. While it is right that people are elected at a local level to discharge representative functions in their area, it is also right in certain circumstances to set down minimum national standards. I hope that he will continue to support the setting of a minimum national standard in respect of policing as in other matters.

Mr. Gordon Prentice (Pendle) (Lab): Is the NHS constitution a mission statement or will it give people new rights that can be exercised in the courts?

The Prime Minister: I think that when the NHS constitution is published and subject to debate my hon. Friend will find that it does give patients new rights. I have mentioned access, safety and care—clearly, people want those things when they use the national health service. For the further details, he should wait for the statement by the Health Secretary.

Mr. John Hayes (South Holland and The Deepings) (Con): Why should we believe the Prime Minister on apprenticeships and lifelong learning given his history? When Chancellor, he predicted that by 2006 there would be an average of 320,000 apprenticeships—in fact, there were 235,000—and on lifelong learning the National Institute of Adult Continuing Education reports this week that in just two years the number of adult learning places has been cut by 1.4 million. Does not the Prime Minister realise that in anticipating the future we do not need a crystal ball when we have his dismal record book?

The Prime Minister: I am grateful to the hon. Gentleman for allowing me to point out that apprenticeships were dying out under the previous Conservative Government. There were barely 70,000 in the country when we came to power. If the figure was 235,000 a year or two years' ago, that represents a trebling of apprenticeships under Labour.

Mr. Kevan Jones (North Durham) (Lab): May I warmly welcome the extension of rights to temporary workers, which adds to the protections offered by the minimum wage, the extension of maternity pay and rights at work? Does my right hon. Friend agree that although that is a priority for this Government, it is something that we would never have seen under a previous Tory Government or see even under a future one?

The Prime Minister: My hon. Friend is absolutely right. On all the major advances in rights, including the minimum wage, the social chapter and maternity and paternity pay, we have had very little support from the Conservative party. That is totally in line with the history of the Conservative party that opposed the national health service in the first place.

Mr. James Clappison (Hertsmere) (Con): The Prime Minister has spoken of a migration policy based on an Australian-style points-based system. A fundamental feature of the Australian system is an annual limit on migration. Does he have any such proposals for a limit on migration?

The Prime Minister: I do not think that any party has an annual limit on migration, and no political party has proposed one. We are saying that we reserve the right to set a limit for unskilled and semi-skilled workers, but if skilled workers have a contribution to make to the country, they should be allowed in. Any business that the Conservative party talks to—I know that it wants to put a cap on this figure as well—will tell it that it wants to be able to draw on the skills of the world when it is necessary to do so, and I would have thought that that is the sensible way forward.

Paddy Tipping (Sherwood) (Lab): Did the Prime Minister share my concern that neither Opposition party leader noted the valuable initiatives in his statement about protecting the natural environment? The marine Bill is much appreciated and widely anticipated. It also contains measures to extend access to the countryside and the coastline, something for which working people have campaigned for 100 years and which a Labour Government have delivered.

The Prime Minister: I was surprised that neither the Conservative nor Liberal party welcomed this—*[Interruption.]* The right hon. Member for Witney could not list all the things that we were suggesting. This is an important part of legislation about the environment, and his party says it cares about the environment. Perhaps it should be consistent in its support for the environment.

Point of Order

1.20 pm

Mr. Kevan Jones (North Durham) (Lab): On a point of order, Mr. Speaker. During his response to the Prime Minister, the right hon. Member for Witney (Mr. Cameron) accused the Prime Minister of distributing speeches in advance to the Press Gallery. I have seen that practice going on for several years. Could you, Mr. Speaker, clarify the position through your good offices? It is a practice that has grown up over time, and we need some clarification.

Mr. Speaker: I am going to look into the matter, and I will make a statement to the House to see whether we can rectify it.

Management of Dementia in Care Homes

1.21 pm

David Taylor (North-West Leicestershire) (Lab/Co-op): I beg to move,

That leave be given to bring in a Bill to regulate the prescription of anti-psychotic drugs for people with dementia in care homes; to require the introduction of protocols for the prescribing, monitoring and review of such medication; to make dementia training, including the use of anti-psychotics, mandatory for care home staff; to require care homes to obtain support from specified external services; and for connected purposes.

One third of all people over 65 will be suffering from dementia when they die. Their condition will touch the lives of millions more families and friends, who will provide care and support to the victims of that cruel and relentless disease. Care homes have a large and increasing amount of responsibility for caring for our population of dementia patients. As the all-party parliamentary group on dementia, of which I am a member, has observed, two thirds of the care home population suffer from a form of dementia. Dementia sufferers in care homes are more likely to be in the advanced stages of the disease.

Our recent inquiry and report, "Always a Last Resort", into the prescription of anti-psychotic drugs to care home residents with dementia reached some startling conclusions that I feel the Government must take into account before publishing their national dementia strategy later this year. I must pay tribute to the Alzheimer's Society for its support and to the hon. Member for Rugby and Kenilworth (Jeremy Wright) who chaired the inquiry and guided our deliberations with élan and verve. The team also included my hon. Friends the Members for Conwy (Mrs. Williams) and for Blackpool, South (Mr. Marsden), as well as Baroness Thomas of Walliswood and Baroness Greengross from the other place.

The report reached a number of conclusions that informed its five subsequent recommendations to the Government on the issue and my Bill seeks to implement those recommendations. First, we noted the consensus among patient and professional organisations, the regulators and the care home sector that over-prescribing is a massive problem. The evidence testified to the significance of external behavioural symptoms, not only resulting from the condition, but from wider and more complex environmental problems.

In the awful psychological limbo of dementia, communication with the outside world is unavoidably basic. Too often and too quickly it seems that anti-psychotics are prescribed to manage such behavioural symptoms, banding together types of behaviour that can differ in their seriousness. Witnesses repeatedly stated the importance of not trivialising the challenging types of behaviour demonstrated by care home residents with dementia, such as aggression, which can have serious consequences for the individual and the care home environment. However, in many instances quoted to us, anti-psychotics were prescribed to treat behaviour that is neither distressing nor threatening, such as restlessness or being vocal—often basic expressions of need.

[David Taylor]

There is justified concern that care homes resort to the use of anti-psychotics as a response to this behaviour, misinterpreting its cause. A mandatory course of training in caring for dementia patients would enable staff to discriminate better between the types of behaviour exhibited by residents with dementia. Indeed, a lack of dementia care training for staff, high staff turnover and inadequate leadership in a care home setting can partly explain the current excessive and inappropriate use of anti-psychotics.

With scant time or training to provide alternative treatments, care homes have a default switch to "quick", more accessible methods of managing behaviour that is broadly and often inaccurately, categorised as "difficult". As the Royal College of Nursing points out, inappropriate prescribing of anti-psychotics can be reduced by ensuring an appropriate environment, activities, and the correct staffing levels and skill mix. It clearly follows that care homes themselves need better support from external services to improve the quality of care provided to residents with dementia. That would reduce the widespread use of anti-psychotic drugs through cutting the number of new prescriptions and ensuring that residents with dementia have access to the sort of prescribing process that we expect from our own GP.

As Help the Aged states, care staff are often in the best position to recognise when a treatment is not working for a patient, so we need to develop the link between care home staff and local GP surgeries. That demonstrates with particular clarity the benefits to be gained from training care home staff in dementia treatment. Not only would staff be able to recognise and treat appropriately behaviour in dementia patients that might currently be referred to GPs or treated with anti-psychotics, but alternative treatments that have genuine benefit to dementia patients would also be used more effectively and successfully.

Our report found that people with dementia and their carers are being excluded from decision making, a direct contradiction of the provisions of the Mental Capacity Act 2005. The present system permits care homes and some external providers to prescribe without fully assessing and discussing the individual's situation, including the risks and benefits of the drugs—a situation that would be both unthinkable and illegal anywhere else in the health or social care system. Of course, there are some circumstances in which the use of drugs is appropriate to treat dementia sufferers. Nevertheless, the use of anti-psychotics should always be the course of last resort—as in the title of our report—taken only in times of severe distress or critical need.

Anti-psychotics are powerful drugs that GPs do not prescribe lightly. They can have destructive side effects, such as increased risk of stroke. The joint National Institute for Health and Clinical Excellence and Social Care Institute for Excellence 2007 guidelines are recognised as both effective and appropriate guidance, but there is significant evidence to show that they are not working in practice, with obstacles to implementation. As one would anticipate from excessive use of and over-reliance on anti-psychotics, inappropriate prescribing is widespread in the care home sector. It is estimated that these drugs are wrongly prescribed in 70 per cent. of cases—an incredible figure.

Even dementia patients with very mild behavioural symptoms are being prescribed lengthy courses of anti-psychotics, with no regular checks to establish whether the patient is deriving benefit from such a serious course of treatment. Urgent and immediate action is needed to correct that bad practice through the implementation of existing guidance. It is of concern to me, however, that the Commission for Social Care Inspection washed its hands of that scandal as being "outside their remit". It is important to acknowledge, as our report does, that more appropriate ways of dealing with challenging behaviour exist and have been deployed to good effect in some care homes. The use of individually tailored care plans and the promotion of care home based activities, for example, should be used in every care home, as every care home will have dementia patients among its residents.

Essentially, the national dementia strategy for England must have plans to reduce the present number of prescriptions, and there are five steps that the Government can take to end the "chemical cosh" approach to elderly care home residents with dementia, which are the requirements spelled out in my Bill: dementia training to be mandatory for all care home staff; care homes to be properly supported by external services, including GPs, community psychiatric nurses, psychologists and psychiatrists, with regular visits to the care home and its residents; the use of anti-psychotics for people with dementia must be included in Mental Capacity Act training for all care home staff; protocols for the prescribing, monitoring and review of anti-psychotic medication for people with dementia must be introduced; and finally, the regulation and audit of anti-psychotic drugs for people with dementia should be compulsory.

It is now almost five years since June 2003, when I introduced a related piece of legislation—my ten-minute Bill advocating the establishment of an older people's rights commissioner. That has been overtaken by the Equality and Human Rights Commission, whose overarching equality scheme has emerged in the last few weeks. I hope that the EHRC will give high priority to the frail elderly in our population, who far too often have no one to speak for them, who are being disgracefully and unfairly treated when at their most vulnerable with some type of dementia.

We cannot continue to speed the decline of dementia patients through poor management with expensive and often inappropriate anti-psychotic drugs in care homes. We know that the number of people with dementia in the United Kingdom is expected to reach 1 million in 2025. Last year, care homes spent £60 million on anti-psychotic drugs, even though they were not appropriate forms of treatment in most cases.

As the dementia population continues to grow, we must equip care home staff with the skills necessary to identify different forms of behaviour among dementia residents. To do that, we should ensure that the funds saved from accurate and appropriate drug prescription are ploughed back into the continuing care scheme, in order to provide individualised care for all care home

residents, particularly those in need of the most care, and understanding and support.

The Under-Secretary of State for Health, my hon. Friend the Member for Bury, South (Mr. Lewis), who has responsibility for care services, has said that he wants to bring dementia out of the shadows. I hope that the Bill and our report will pierce the Stygian gloom and illuminate one of the bleakest and darkest recesses of that dire and degenerative chamber that faces one in three of us in this House. There is much good practice out there in dealing with the behavioural symptoms of dementia in a non-pharmacological manner. We need to spread and entrench that in all care home settings. That is currently happening at far too slow a rate and demands urgent action now.

The 1,000 or more people in each of our constituencies with dementia—750,000 people nationally—deserve better. My Bill, like our all-party group report, aims to flag up some suggestions on the way ahead for the crucial national dementia strategy in a few months. In the interests of those hundreds of thousands of our fellow citizens, I commend the Bill to the House.

Question put and agreed to.

Bill ordered to be brought in by David Taylor, Jeremy Wright, Mr. Eric Illsley, Mr. Gordon Marsden, Mrs. Betty Williams, Mr. Paul Truswell, Mr. Gordon Prentice, John Bercow, Lynne Jones, Bob Russell, Mr. David Drew and Colin Burgon.

MANAGEMENT OF DEMENTIA IN CARE HOMES

David Taylor accordingly presented a Bill to regulate the prescription of anti-psychotic drugs for people with dementia in care homes; to require the introduction of protocols for the prescribing, monitoring and review of such medication; to make dementia training, including the use of anti-psychotics, mandatory for care home staff; to require care homes to obtain support from specified external services; and for connected purposes: And the same was read the First time; and ordered to be read a Second time on Friday 17 October, and to be printed [Bill 109].

Opposition Day

[12TH ALLOTTED DAY]

Burma

Mr. Deputy Speaker (Sir Michael Lord): I must advise the House that Mr. Speaker has selected the amendment standing in the name of the Prime Minister.

1.32 pm

Mr. Andrew Mitchell (Sutton Coldfield) (Con): I beg to move,

That this House is gravely concerned by the immense suffering and damage caused in Burma by Cyclone Nargis; notes that 200,000 people may have died and that two million people lack access to healthcare, clean water and sanitation, food and shelter; salutes the work of the Department for International Development's staff and British NGOs, including Save the Children and Merlin, in responding to the disaster; is further deeply concerned by the restrictions placed on the international humanitarian relief effort by the government of Burma; asserts that the international relief effort is motivated solely by humanitarian concerns; calls on the government of Burma immediately to grant unrestricted access for the international humanitarian effort, including the delivery of aid supplies, and the admittance and free movement of aid workers; further calls on the UN Secretary General to visit Burma immediately to make clear the united desire of the international community to secure access for the international relief effort; further calls on China, India, Thailand and other countries with influence over the Burmese regime to make every possible effort to persuade the Burmese government to allow the international relief effort full access; prefers that humanitarian action should be supported by the government of Burma and believes that this approach is more likely to be successful but concludes that the international community has a responsibility to protect the Burmese people and should consider all options for getting help to those who need it, including using direct aid drops.

As the House debates the situation in Burma today, we are equally aware of the terrible earthquake and awful loss of life in China, particularly among children. However, it is hard not to draw comparisons between the responses of the Governments of China and Burma to the terrible disasters that have hit their countries. The Chinese Prime Minister led the humanitarian relief effort to the earthquake in his country. The full power of the state has been used to rescue and protect the citizens of China, but the position in Burma could not be more different. The regime has not only proved unable to handle the challenges it faces, but actively turned its back on helping its own citizens. Indeed, it has willingly and systematically blocked an unprecedented global humanitarian coalition—a coalition motivated not by politics, but by a desire to help those who are suffering.

Britain's citizens, through the Disasters Emergency Committee, have raised some £6 million to help save lives. I welcome the funds released in the name of the British people by the Department for International Development. I hope that the Secretary of State will update the House on how much of the £5 million he pledged last week has been released to organisations on the ground and on how it is being spent.

Members of the Burmese diaspora throughout the world are responding by sending money to members of their extended families in Burma. Earlier this week, the

[Mr. Andrew Mitchell]

American Department of Treasury eased financial sanctions against Burma to let individuals send money to friends and family there. Will the Secretary of State assure the House that everything possible is being done to assist members of the Burmese community in Europe who want to send money home? Could the European Union do more on that? Will he update the House on the aims of the forthcoming visit of the European Commissioner for Development and Humanitarian Aid, Louis Michel, who is due in Burma for talks tomorrow?

Night is now falling in Burma. The situation in the Irrawaddy delta is almost unimaginable. Hundreds of thousands of people will spend another night without shelter. We hear reports of massive makeshift camps for survivors, where tens of thousands of people gather on high ground, waiting in the hope of assistance. Today, 11 days after Cyclone Nargis hit, hundreds of thousands of people lack the basic necessities for human survival—food, clean drinking water, shelter and any form of basic medicine—and another cyclone is feared in the area.

What we are seeing in Burma is a double tragedy. The cyclone was obviously a natural disaster for which no one can be held responsible. However, we are now seeing a second tragedy unfold, as relief is barely trickling through to those who desperately need it. I know that the skilled staff of the Department for International Development are doing all that they can. Their disaster assessment team arrived in Rangoon earlier this week. We look forward to hearing from the Secretary of State on what it found. The team is led by Rurik Marsden, the head of DFID in Burma, and Britain's outstanding and experienced ambassador, Mark Canning.

British NGOs and their local partners are doing extraordinary work. Save the Children, whose efforts I saw for myself during my visit to Burma last year, has some 500 staff and 35 offices throughout the country. It is led by Andrew Kirkwood and has managed to reach 100,000 people. The British charity Merlin and others are doing all that they can.

There has been some late, limited improvement in access to aid. An American plane was given permission to land earlier this week and two United Nations High Commissioner for Refugees truck convoys have managed to cross the border from Thailand. I am advised that by 11 o'clock today seven or eight planes carrying aid had landed in Rangoon, among which I understand is one British plane. The World Food Programme reported some easing of access to incoming supplies. I am informed that there has been some progress with the granting of visas. However, that limited progress is nowhere near enough. The Burmese Government continue to cut their people off from the lifelines being offered them. The World Food Programme estimates that it has been able to set up only 10 per cent. of the logistics required for the response and has provided only 20 per cent. of the required food. There is no expectation of a visa waiver.

Dr. Julian Lewis (New Forest, East) (Con): Although this was not made entirely clear when the subject came up at Prime Minister's Question Time, my understanding is that before the tragedy in China, China and Russia were the two countries at the United Nations standing in the way of UN action to force the Burmese Government to give better access. In the light of the second tragedy—the one that has hit China—is there any prospect of a renewed effort to mobilise the United Nations being more successful?

Mr. Mitchell: My hon. Friend's understanding is the same as mine. I have no doubt that the Secretary of State will want to update the House on the continuing discussions that are being held under the United Kingdom's chairmanship of the Security Council in New York.

John Battle (Leeds, West) (Lab): The hon. Gentleman did not extend or develop his point about the parallels between the tragedy in China and the one in Burma. The Chinese have demonstrated that they understand the need for experts in humanitarian aid to be on the ground immediately, in the place where they are needed. The key issue is not aid, but aid plus people. In the light of their experience, perhaps the Chinese could be encouraged to tell the Burmese to allow the experts in.

Mr. Mitchell: The hon. Gentleman, who knows what he is talking about in this matter, makes an extremely good point. I hope that it will be heard clearly by those making Britain's contribution to the discussions in New York.

I was talking about the situation on the ground, and my understanding is that the authorities still insist that NGO workers should not operate outside Rangoon. Indeed, we have heard today that those restrictions are reported to have been tightened, and foreign NGO workers in the delta will now be required to remove themselves within 48 hours. I hope that the Secretary of State will be able to comment on that. If he, understandably, does not have full details of the issue, I hope that he will urgently seek to find out what is happening.

Over the past year, the Burmese Government have sought further to weaken and downgrade United Nations structures in Burma, not least by kicking out Charles Petrie, the able UN head in the country, and by denying visas to key UN personnel. Meanwhile, the price of rice, which was already high due to world conditions, has rocketed, and the price of fuel has increased by 500 per cent., further hindering the relief effort.

The view of the House on the nature of the Burmese Government is well known, but that is unquestionably a matter for another day. Now is not the time to pursue that point. Our position bears repeating. Our motives for wanting to get aid through to those who most need it are not political. The sole aim of the international humanitarian workers on the ground is to save lives. The international relief effort is motivated by simple, common humanity. Our clear preference is for aid to be delivered with the co-operation and active support—or at least the passive acquiescence—of the Burmese Government. It is right that, to date, most of the world's efforts have been focused on securing that outcome.

The international community has learned from bitter experience what has to be done in these circumstances. The UN has conducted a comprehensive needs

assessment to identify what materials and skills are most needed, and the world is responding generously. On this point, the Secretary of State's predecessor, the right hon. Member for Leeds, Central (Hilary Benn), should be given credit for instigating the central emergency response fund at the UN. The British taxpayer should also be credited for being the largest contributor to it. Will the Secretary of State tell the House how much money has been drawn down from it so far to assist in this emergency?

Unfettered access to the people who need help is now required. The UN Secretary-General has expressed his frustration at the slow pace of the aid effort. As we made clear last week in the statement to the House, we believe that the Secretary-General should travel to Rangoon today to see the situation for himself and to remonstrate with the military junta and demand action on behalf of the international community. I was pleased to hear, during Prime Minister's questions today, that the Government have adopted that idea.

Everyone knows that time is running out for the Burmese people, so we now need to consider every available option to get help to those who most need it. That is why my right hon. Friend the Member for Witney (Mr. Cameron) said earlier this week that only a defined and limited amount of time should be allowed to pass before the international community takes direct action to reach the people whom humanity demands we assist. If it becomes clear that the Burmese Government remain unco-operative despite continued, concerted pressure from the international community, while people are dying from disease and exposure, the moral imperative to save lives will be overwhelming. The test of our policy must simply be: what will help the people of Burma the most?

The Conservatives are well aware of the complexities and difficulties inherent in attempts to provide aid from the air. Reaching the most vulnerable, ensuring that the aid gets to the people who need it the most and is not seized by the strongest or by the military, and simply finding a suitable place to drop the aid are all very real challenges. However, if we face a choice between getting aid through, even in this imperfect way, and aid not getting through at all to the people who desperately need it and who will die without it, we will have a clear moral imperative to act.

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): The hon. Gentleman will appreciate that he is making a very serious point. I have not met any representative of an NGO who takes the view that he is expressing. The NGOs realise that the best way to deliver humanitarian aid is by land and by water. Has he really thought through the implications for the personnel who would be expected to deliver the aid if, at this comparatively early stage—despite the seriousness of the problem—we were to involve ourselves in air drops?

Mr. Mitchell: The right hon. Gentleman is absolutely right about the difficulties that would accompany such action, but he must bear it in mind that we are not at an early stage. Without any aid or support at all, hundreds of thousands of people in Burma could die. Although the aid agencies and NGOs are sceptical about the case that I am putting, it must nevertheless be considered. If we cannot get aid through by any other means, we should get it through directly.

Mike Gapes (Ilford, South) (Lab/Co-op): Following on from the previous intervention, will the hon. Gentleman acknowledge that certain things cannot be dropped from the air? Safe water systems and other equipment would be badly damaged if they were dropped in on a pallet. The real solution would still require people on the ground who were able to get the resources in by other means.

Mr. Mitchell: The hon. Gentleman makes a fair point, to some extent. We are not suggesting dropping water from the air; no one has suggested that. Water purification tablets and equipment could be dropped in that way, however. There are many people stranded on the ground who are starving and who are going to die, and we need to reach them. The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) referred to access by sea, and we should also consider that method. The UN has called for a sea corridor to be established to assist the aid effort. Will the Secretary of State update us on what progress has been made in that regard?

Tony Baldry (Banbury) (Con): Are we not in danger of getting into a false argument on this matter? I was in Ethiopia during the famine in 1985. Because of the desperate situation, it was necessary to deliver a lot of the aid by air. RAF Hercules planes, working with Russian cargo freighters, did fantastic work getting food and other supplies into difficult parts of Ethiopia. That was an example of an airlift being used to the best advantage. This is not a false dichotomy. Given the scale of the disaster in Burma, we are almost certainly going to need air support at some stage. My hon. Friend has rightly pointed out that there comes a time at which the international community has to say, "We have a responsibility to intervene if the Burmese Government are not willing to look after their own people."

Mr. Mitchell: My hon. Friend makes an extremely good point. I seek to carry the House with me when I say that no one believes that delivering aid directly, whether by sea or by air, is easy. However, the House must consider what we should do if we cannot get aid through in any other way.

The Secretary of State for International Development (Mr. Douglas Alexander): I am keen for the hon. Gentleman to clarify the position of his Front Bench on this issue. My understanding is that the Leader of the Opposition set yesterday as the deadline when contemplating air drops during an interview on "The World at One", but that position now seems to be shifting, if the hon. Gentleman is saying that they should be contemplated for the future. Who is correct: the Front-Bench spokesman or the leader of his party?

Mr. Mitchell: I strongly urge the right hon. Gentleman not to abuse his position by trying to make party political points on this matter. I heard the interview that my right hon. Friend gave yesterday, and the point that he made is precisely the point that I am making. If, after

[Mr. Andrew Mitchell]

a period of time—which my right hon. Friend rightly argued should be defined—the aid is still not getting through, the international community must address the issue of getting it through directly.

Mr. Nigel Evans (Ribble Valley) (Con): Does it not illustrate just how callous the Burmese regime are when the small trickle of aid that has finally got through is halted by the Burmese junta and repackaged to make it look as though it has come from the junta itself? Surely the important thing is that we get the food and aid through to the people who need it most as quickly as possible.

Mr. Mitchell: My hon. Friend is entirely right.

I was referring to the issue of access by sea and to the UN sea corridor, which has been called for to assist the aid effort. I invited the Secretary of State to update us on any progress that has been made in that regard. The House would also like to hear what steps are being taken in consultation with Bernard Kouchner, the French Foreign Minister, for Britain to join up with the French vessels that are currently approaching Burma. What plans do the Government have to use HMS Westminster in the relief effort? Will the Secretary of State set out exactly what supplies the ship is carrying and what plans have been made to use them?

In 2006, amidst much self-congratulation, the leaders of the international community in New York embraced a responsibility to protect people whose Governments failed to do so. The UN Security Council referred to the "intentional denial" of humanitarian assistance. The responsibility to protect focuses on genocide, war crimes, ethnic cleansing and crimes against humanity.

Lawyers might say that the situation in Burma does not currently fit the technical definition that triggers the responsibility to protect. Conservative Members say that it should and we say further that the international community, through the UN, must revisit this failure to protect as part of the reform of the international architecture so that regimes cannot obstruct and frustrate with impunity the common humanitarian responsibility of the international community. For now, there is one thing and only one thing that matters—the saving of lives, which will surely be lost in their thousands unless international aid reaches those in such peril in Burma tonight.

1.51 pm

The Secretary of State for International Development (Mr. Douglas Alexander): I beg to move, To leave out from "House" to the end of the Question, and to add instead thereof:

"notes with horror the devastating impact of Cyclone Nargis upon the people of Burma; recognises the vast scale of humanitarian assistance needed urgently to prevent further loss of life; is appalled at the unacceptably slow pace at which the Burmese authorities have so far allowed in international expertise for the relief effort, and at their lack of capacity to distribute aid to the affected areas; calls upon the Burmese authorities to allow immediate and unfettered access for both the delivery of aid and for its distribution inside Burma; strongly welcomes the UK Government's initial £5 million pledge to the relief effort for emergency items; strongly supports the UK Government's exchanges with key international partners in order to bring about a concerted international effort for access for humanitarian assistance; in this regard, welcomes the visit to countries in the region by Ministers from the Department for International Development and the Foreign and Commonwealth Office; urges countries in the region to increase their efforts to persuade the Burmese authorities to allow in unfettered international assistance and to ramp up the delivery of aid; and strongly supports continued efforts of the United Nations to secure access and ensure aid is delivered to those in need."

Let me begin by associating myself with the statement of sympathy offered by the hon. Member for Sutton Coldfield (Mr. Mitchell) to the people of China in light of the terrible earthquake that has afflicted the country. I will address the hon. Gentleman's points in the course of my remarks, but let me start by updating the House on the latest assessment of the situation in the affected areas of Burma. Then I will share with the House the efforts we are making to provide humanitarian relief, before detailing our political and diplomatic efforts to secure further access for aid and, indeed, for humanitarian workers.

As the hon. Member for Sutton Coldfield described, the situation in the disaster zone of the Irrawaddy delta is rapidly deteriorating—largely, and tragically, because of the inadequacy of the Burmese regime's response. People are dying now not because of a natural disaster, but because a disaster has been turned into a man-made catastrophe. The state media in Burma are reporting that some 28,500 people have died, 1,400 are injured and more than 33,000 are missing. However, we believe the true figures to be far greater.

I spoke only this morning to Rurik Marsden, the head of the Rangoon office of the Department for International Development, and some agencies in the field are now estimating that the number of dead and missing is rising to more than 200,000 people. At least 1.5 million people are in need of assistance, and for 300,000 of those the need is desperately urgent.

The likelihood of widespread infectious disease as a consequence is increasing fast. The initial risks are diarrhoea and water-borne disease. One aid agency to which we have spoken reports that one fifth of the children it has reached already have diarrhoea. In time, there will be an increased risk of the spread of malaria due to the large amounts of standing water following the cyclone.

There have been some signs in recent days that the amount of aid reaching Burma is increasing. As of Monday, just 35 flights had arrived in the course of the preceding week. In contrast, two US military flights arrived in Rangoon this morning, along with eight aid flights, and we expect a total of 23 flights to arrive in the course of today. One of the eight aid flights to arrive this morning was carrying UK assistance—36 tonnes of plastic sheeting, which is enough to provide shelter for many thousands of people. That shipment was consigned directly to the UN World Food Programme—not, of course, to the Government of Burma—and distribution within Burma will now be taken forward.

Four further UK aid flights are expected to fly out this week, with shelter and blankets as well as flat-bottomed boats to help those most in need. We will also supply experts, both in Bangkok and in Rangoon, to ensure the smooth running of relief flights into Rangoon, and I have also requested the Ministry of

Defence to direct HMS Westminster to the region to assist in any appropriate humanitarian response. That request has been approved, and HMS Westminster is now on its way to international waters off the coast of Burma.

Jeremy Wright (Rugby and Kenilworth) (Con): The Secretary of State will recognise that much of what he is describing is precisely reflected in the motion tabled by my right hon. Friend the Member for Witney (Mr. Cameron). Given that the right hon. Gentleman has moved an amendment to the motion, from which we can take it that the Government will be voting against the Opposition motion, will he explain in the course of his remarks precisely what it is in our motion that he disagrees with?

Mr. Alexander: As I made clear earlier before I embarked on my substantive speech, there is some confusion about the Conservative position. The Conservative party leader declared that there was a deadline at the close of play yesterday, whereas that deadline is not set out in the Conservative motion; indeed, its existence appears to have been contradicted by the hon. Member for Sutton Coldfield. In such circumstances, I do not think it unreasonable for the Government to table an amendment, which I hope will secure the support of all hon. Members.

Mr. Evans: I too am a little confused about what it is in the motion tabled by my right hon. Friend the Member for Witney (Mr. Cameron) and supported by Conservative Members that the Government disagree with—other than the fact that our motion

"salutes the work of the Department for International Development's staff and British NGOs",

whereas the Government's amendment replaces that with praise for

"Ministers from the Department for International Development".

Mr. Alexander: The confusion is among Front-Bench Conservative Members. Only this afternoon, the hon. Member for Sutton Coldfield singularly failed to back his own leader's call for setting a deadline, ending yesterday, for the Burmese regime. Perhaps Conservative Front Benchers will clarify that in the concluding speeches. The responsibility for the confusion rests entirely with them.

Mr. Andrew Mitchell: The Secretary of State offers the House a most unusual—*[Interruption.]* As my hon. Friend the Member for Cotswold (Mr. Clifton-Brown) says, the right hon. Gentleman's explanation is pathetic. What the motion says is very clear. It does not deal with the issues that the Secretary of State has raised. As my hon. Friends the Members for Rugby and Kenilworth (Jeremy Wright) and for Ribble Valley (Mr. Evans) both made clear from the Back Benches, the motion we tabled is perfectly reasonable, so will the Secretary of State identify which aspects of its wording he disagrees with in order to explain why he is whipping his party to vote against it this afternoon?

Mr. Alexander: I have been clear that the confusion rests with Conservative Members; they failed to back up their own leader who in the course of an interview yesterday—as confirmed by the Conservative Front Benchers—talked about yesterday as a deadline. That position appears to have been resiled from by Conservative Front-Bench Members today. If that is a matter of dispute within their ranks, it is for them to defend and explain it.

Tony Baldry *rose—*

Daniel Kawczynski (Shrewsbury and Atcham) (Con) *rose—*

Mr. Alexander: I have been generous in giving way and I am keen to make a little progress—*[Interruption.]* Before abuse is hurled across the House, it may be appropriate for the Conservatives to deal with the confusion—*[Interruption.]* With the greatest respect—*[Interruption.]*

Mr. Deputy Speaker: Order. There are too many sedentary interruptions. This is an extremely important matter and many people will be watching the House today, so we really should address the central issue before us.

Mr. Alexander: I would be glad to return to the central issue as you direct, Mr. Deputy Speaker, which is the complex picture—

Several hon. Members *rose—*

Mr. Alexander: I am keen to make a little progress, but I will be happy to give way again in due course.

A complex picture is emerging in relation to access for international agencies. The hon. Member for Sutton Coldfield asked about reports emerging today of further constraints on access for international NGO workers within the delta region. I can confirm that we have received indications that that direction has been offered within Burma by the Burmese regime. Similar directions offered have been circumvented on the ground in recent days, but only time will tell whether this will result in the removal of international aid workers. I sincerely hope not.

From my discussions with British NGOs working on the ground, it is clear that a number of them have been able to secure access to the affected areas recently, and I hope that that will continue. This is obviously a worrying development and we will monitor it closely. In the course of the morning, I met British NGOs working on the ground and they offered different accounts of the level of access that they were able to secure to affected areas.

I am sure that there is consensus among Members across the House in commending the considerable efforts of UN agencies, international NGOs and British agencies to deliver aid to those in need, often in extremely difficult circumstances. The World Food Programme reports that it has dispatched 426 tonnes of food to affected areas and distributed enough food to reach nearly 74,000 people. The International Federation of Red Cross and Red Crescent Societies now has two water purification units in Rangoon and expects two more by the end of the week. When all four are operating at full capacity, they will provide minimum daily water rations for up to 200,000 people.

Pete Wishart (Perth and North Perthshire) (SNP): I am still looking at the motion and the amendment. In view of the wording, can the Secretary of State offer any reasons why my hon. Friends and I should support the Government's amendment, as opposed to the Conservative motion? I cannot see any difference.

Mr. Alexander: At the hon. Gentleman's request I shall return to the subject of the Conservatives' lack of clarification of their policy on responsibility to protect, given that divergent opinions have now been offered by their Front-Bench spokesman—the hon. Member for Sutton Coldfield—and the leader of the Conservative party.

Mr. Simon Burns (West Chelmsford) (Con): The right hon. Gentleman is beginning to get into the Prime Minister's mode of failing to answer a specific question. May I make the question a little more simple? Can the right hon. Gentleman tell me which part of the Opposition motion he has a problem with, and which part he will urge his colleagues to vote against?

Mr. Alexander: The Opposition motion refers to the responsibility to protect, which reflects an enduring apparent inconsistency on the part of the Conservative party. In recent days the party leader has said that a deadline should be set for the regime—the deadline was yesterday, and it has now passed—but today, when the Opposition Front-Bench spokesman had an opportunity to suggest when such a deadline should be reached, he was unable to confirm that he adhered to a position that involves very serious consequences in relation to whether or not there should be immediate air drops.

Mike Gapes: I have read both the Opposition motion and the Government amendment. The phrase "responsibility to protect" appears in the motion, but not in the amendment. Let me try to clarify the position. Gareth Evans, the former Australian Foreign Minister, has written that dangers will be posed in the international community if we use the term "responsibility to protect" so loosely that it undermines the necessity of such action when it is sanctioned by the United Nations in the context of crimes against humanity, such as genocide. Is that the reason for the Government's amendment?

Mr. Alexander: My hon. Friend brings his considerable experience in the Foreign Affairs Committee to bear on these discussions of international relations. I think that it would send the wrong message to the regime in Burma if we suggested the endorsement of a deadline which has already passed, and which is the subject of confusion in the Conservative party.

I am certainly happy to stand by the terms of the Government amendment, which I think offers a judicious way forward. It recognises the need for continued international pressure, pays due acknowledgement to the work that is under way, and makes clear our continued determination to secure access by all appropriate means.

Mr. Andrew Mitchell: When the hon. Member for Ilford, South (Mike Gapes) quoted Mr. Gareth Evans, he should not have quoted selectively. Mr. Evans wrote in his article:

"But as the days go by, with relief efforts impossibly hindered, only a trickle of the government's own aid getting through, and the prospect of an enormously greater death toll looming acutely with just a few more days, they"

—that is, the arguments that the hon. Gentleman says Mr. Evans supports—

"are sounding less compelling, and at least need revisiting."

That is the case that Conservative Members have made.

As for the responsibility to protect, I urge the Secretary of State to return to a bipartisan approach. The issue is currently being debated. The British ambassador to the United Nations has said that he does not think the responsibility to protect is relevant, while the Foreign Secretary said in an interview last night that it should indeed be considered. Rather than making cheap political points, the right hon. Gentleman should focus on the needs of the Burmese people at the moment.

Mr. Alexander: I think the hon. Gentleman doth protest too much. It is for him to account for the disparity between the position that he set out today and what was said by his party leader on "The World at One". These are serious issues, which is why I am keen for an approach to be adopted that is clearly set out to the regime in Burma, and why it is important not to retain the kind of inconsistency that still haunts the Conservative party. Has the deadline for responsibility to protect passed, or has it not?

Mr. Tom Clarke: I regret that the House appears to have been invited to choose between a motion and an amendment. We can make up our minds later on how that came about, but may I suggest to my right hon. Friend, who has put a specific question, that the non-governmental organisations surely have a say in the matter? The Opposition motion ends with the words "using direct aid drops". As my right hon. Friend may be aware, Jane Cocking of Oxfam has said:

"The biggest risk is that aid air drops will be a distraction from what is really needed".

She has also referred to the huge importance of diplomatic efforts. Does that not demonstrate that my right hon. Friend is being entirely responsible?

Mr. Alexander: I recognise the significant contribution that can be made by NGOs, given both their knowledge of what is happening on the ground and their well-established understanding of the need to deliver aid in an effective way. That is why I agreed with what the Prime Minister said during Prime Minister's Questions today. Of course we take no option off the table, and of course we continue our discussions with the Security Council. That hardly comes as a revelation: it was said by the Foreign Secretary last night, and by the Prime Minister at the Dispatch Box today. It is fundamentally different from suggesting that a deadline has already passed and that air drops should therefore follow immediately.

I think it right to make it clear that there continues to be pressure from the international community, that we continue to examine all options with our partners in the Security Council and the international community, and that in the meantime we are unstinting in our efforts to convey aid to the people who require it. That is the Government's approach, and the approach of the amendment.

John Battle: The Government should be commended for moving quickly and offering material aid, but as the Select Committee on International Development made plain in its report on humanitarian responses, we cannot focus solely on such aid. We must focus on getting people to Burma to ensure that aid is delivered properly. One of the problems with air drops in such circumstances is that the aid would be dropped on water rather than land, which was not the case in Ethiopia. We should concentrate on access, and the need to persuade the Burmese to admit independent experts from the United Nations and the NGOs to ensure that aid reaches people on the ground, because no one is in a position to deal with that now. That should be the focus of the efforts of Members throughout the House.

Mr. Alexander: I entirely agree, which is why I am not convinced of the case that a deadline of yesterday should have been set. We are seeing a significant increase in the number of flights. As I have said, there have been more than 30 over the last week, and 27 are due to enter Rangoon today. That is why I feel that the sensible approach is to continue the dialogue with the British NGOs—I met representatives only this morning—and to continue to make all possible representations both at the United Nations and internationally, which we are doing. At the same time, we should proceed with the work of our assessment teams on the ground.

Now is the time to take a considered approach, and to make what I accept are difficult judgments on the most effective way of securing aid on the ground. It is for others to account for their own position, but I stand by the terms of our amendment.

Tony Baldry: Will the Secretary of State give way?

Mr. Alexander: I have been generous in giving way, and I want to make a little more progress before taking further interventions.

As Secretary-General Ban Ki-Moon said on Monday, it is clearly still the case that not nearly enough aid or aid workers are reaching those in need. The United Nations staff on the ground are grievously overstretched, and the Burmese Government continue to deny visas to foreign aid workers. As a result, the United Nations has been able to reach fewer than a third of the total number of people at risk, estimated by the United Nations secretariat to be some 270,000.

Since the onset of the tragedy, the British Government have been clear that the Burmese regime must allow international agencies unfettered access and freedom to travel to the worst-affected areas. Let me describe the political and diplomatic actions that we have been taking in pursuit of that objective. As I told the House last week, we have already committed £5 million for humanitarian relief, and we stand ready to provide more assistance in due course. Our ambassador in Burma, Mark Canning—to whom I spoke this morning—is raising the question of access directly with the Burmese authorities, and I have personally raised my concerns with the Burmese ambassador here in London. However, as chair of the United Nations Security Council, we are also pressing for unfettered humanitarian access. The UN Secretary-General is galvanising the international response, and for some days we have been encouraging him to visit the region as soon as possible. That is not a new position of the British Government; indeed, I argued for it several days ago. The Prime Minister spoke to the Secretary-General yesterday, and pressed him to call a high-level meeting to discuss the crisis. I understand that the Secretary–General is to convene a meeting later today.

We and others, including Burma's regional friends such as China, India and Thailand, all agree that the Burmese Government must open up to international assistance. I have spoken to the Chinese ambassador in London, and our ambassador in Beijing is lobbying the Chinese Government directly. As the most important friends of the Burmese regime, they must ensure that the aid begins to flow and the experts are allowed to start their work. The Foreign Secretary is in dialogue with his Chinese, Thai, Indonesian, Malaysian, Australian, American and French counterparts. Lord Malloch-Brown and the Under-Secretary of State for International Development, my hon. Friend the Member for Dewsbury (Mr. Malik), are today on the ground in Bangkok, both assessing the co-ordination of the regional effort and meeting the Thai Prime Minister to press the case for action.

Over the weekend, I requested the European Union presidency and Commission to convene a meeting to galvanise the EU's efforts in response to the crisis. This British initiative met with support, and yesterday I was in Brussels to meet European Development Ministers. The conclusion of that meeting reinforced the statements made by the United Nations in support of increasing access, and the European Development Commissioner, Louis Michel, is now travelling to the region to press the views expressed by the Council yesterday. In recent days, I have also been in touch with John Holmes, the UN emergency co-ordinator, Josette Sheeran, the executive director of the World Food Programme, and Henrietta Fore, director of USAID.

As has been made clear in this debate—and as was raised in Prime Minister's questions—some are advocating direct action and the application of the responsibility to protect doctrine. As I have stated, we rule nothing out, and we must do all we can to resolve this crisis. We continue to argue vigorously in New York for UN Security Council engagement, and we are supporting the continued efforts of the Secretary-General to resolve this crisis.

Tony Baldry: I thank the Secretary of State for giving way, because this is an important issue. Britain chairs the Security Council. This emerging norm of the responsibility to protect has been developing for a long time within the UN. If we were to listen to the hon. Member for Ilford, South (Mike Gapes), the Chairman of the Foreign Affairs Committee, our understanding would be that the Government are deliberately not including this concept of the responsibility to protect in their amendment because they are in some way resiling from it. If that is the case, as we are chairing the Security Council, it is a very serious issue indeed. Will the Secretary of State therefore please explain what is the Government's understanding of the concept of the responsibility to protect?

Mr. Alexander: I was endeavouring to do so when that intervention was made. Let me seek to make a little more progress on the matter.

[Mr. Douglas Alexander]

There are very strong differences of view within the Security Council on whether it should play any role in this crisis, as there is an issue of national sovereignty in the minds of some of its members. There is also division within the Security Council on the applicability of the responsibility to protect doctrine to the present crisis. We have made it clear—the Prime Minister did so at the Dispatch Box today—that we will continue to consider all options, including using military assets to help deliver aid, as was the case in the tsunami response, and retaining the option of invoking the responsibility to protect. That is not a straightforward or easy option, and it could delay the delivery of aid, but if the Burmese regime continues to fail to help its own people, we will consider all options, including the options I have set out.

Mike Gapes: The UN 2005 millennium summit resolution defines narrowly the meaning of the responsibility to protect, and it does not include general humanitarian issues and other non-specific issues. Is it likely that the Security Council would agree to such action when there is already difficulty over the interpretation of the current narrow definition? Also, will the British Government in any circumstances support—or oppose—unilateral action by a group of countries, which seems to be what is implied by the Opposition motion?

Mr. Alexander: First, given my hon. Friend's knowledge of, and expertise in, foreign affairs, he will be aware that the Canadian commission that preceded the establishment of the responsibility to protect doctrine anticipated that there could be circumstances following a natural disaster where that doctrine might be applicable. There will, of course, be legal arguments and debate about such points, but some authorities have suggested the potential applicability of the responsibility to protect.

As I have made clear, there are at root two legal issues in the context of the discussions that have taken place in the Security Council on this issue. The first of those is whether the Security Council itself is the appropriate body to discuss this matter, because some have argued that it is not, given that this is essentially a matter that comes under the national sovereignty of Burma, while others have argued that there are broader concerns in terms of regional international security which make the Security Council an appropriate forum in which to discuss it. There has also been dispute and division within the Security Council on the applicability of the responsibility to protect. Notwithstanding that, given our position as current chair of the Security Council, we continue to engage actively with our partners on the Security Council and we seek to find consensus and a way forward. It is for the Opposition to explain the terms of their motion, but we are clear that, while we rule no option out, we will continue to pursue this matter within the Security Council and actively engage in discussions with our colleagues.

In addition to the political and diplomatic hurdles that I have described, it is also right to assess the effectiveness of any direct action in getting assistance to the people who need it. This morning, I met representatives of British NGOs working in the field, and received no request for immediate air drops. That reflects some of the sentiments in discussions that have taken place, and some of the difficulties in relation to air drops—which were, indeed, anticipated by those on the Opposition Front Bench. Air drops have proved successful in the past where it is possible to have an identified drop zone and aid workers are waiting to distribute the aid to the most vulnerable within the communities. If such aid workers are absent, not having been deployed to the drop zone, the aid can end up in the hands of the strongest rather than the weakest. Secondly, one would need to identify suitable drop zones in an area of the Irrawaddy delta that is now largely under water as a consequence of the cyclone, with large areas of standing water.

Therefore, as I have said, this is not an easy or straightforward option, and while we take no option off the table, it is interesting that the organisations that are currently making efforts to get aid to those who need it most are making no request to the British Government for such drops at present. Indeed, in recent days the World Food Programme has said that aid drops could be "dangerous and counter-productive" without the proper ground support available, and Jane Cocking, humanitarian director of Oxfam—with which I understand the Leader of the Opposition was in touch only yesterday—has said:

"The biggest risk is that aid air drops will be a distraction from what is really needed—a highly effective aid operation on the ground."

Let me be clear, however, that we will consider all options in getting aid to those affected, and continue to apply the highest diplomatic effort to ensure that international aid and aid experts are allowed to get to where they are most needed.

The UN Secretary-General has said that we are at a "critical point" in the response to this grave humanitarian crisis. It is, indeed, the case that the lives of many thousands depend now on the actions not only of the Burmese regime but of the international community. There is no difference in the world's willingness to help, compared with either the tsunami or the Pakistan earthquake. It is the military regime's chilling indifference to the plight of the Burmese people that has been laid bare. Yet we must balance our outrage at the Burmese junta's response so far with a clear-headed sense of what will actually make a difference on the ground. While we are not ruling out any action, we are working every available diplomatic channel to provide both unfettered access for international aid and aid workers, and an international community that speaks with one voice—and says that we must work together to avert any further human catastrophe following this natural disaster. I commend our amendment to the House.

2.18 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It is a pleasure to follow the Secretary of State. Like him, I join the shadow Secretary of State, the hon. Member for Sutton Coldfield (Mr. Mitchell), and others across the Chamber in expressing sympathy for the people who have lost family members and friends and who even at this moment have no idea what their future will be after this unimaginable disaster of the past 10 days.

I welcome the statement that was part of the Secretary of State's speech today, and acknowledge his intention to come back to the House and make a statement in his own time at some point this week. The official Opposition have however provided us with a good opportunity to air all the different issues and to examine thoroughly what has been going on and what can still go on. I welcome the shadow Secretary of State's decision to move this motion.

On the vexed issue of the motion, I have listened carefully to the contributions from both Front Benches and I wish to make it clear that we will support the motion. It is a shame that the Secretary of State cannot bring himself and his colleagues to support it. I recognise that they have some concerns about the language, but surely what matters is the message that this House sends to the outside world, rather than a dispute about who said what and when, and what represents a particular point of view. In the past few minutes, the Secretary of State has said that we rule nothing out, so I do not understand why the Government cannot accept a motion containing the words

"should consider all options for getting help to those who need it, including using direct aid drops."

The Secretary of State has helpfully updated us, although starkly so, about the situation on the ground—it is under water, tragically—in Burma. Some 200,000 people may have lost their lives, and that is a staggering figure—it represents nearly every person who lives in my part of the south of Scotland—and 1.5 million people are homeless or in need of emergency assistance, 300,000 or 400,000 desperately so.

As the Secretary of State and the shadow Secretary of State said, there are some urgent priorities: clean water, food, shelter and medical assistance. The World Food Programme estimated the other day that it was able to deliver only about one fifth of the 375 tonnes of food required each day and that instead of two to three aircraft landing each day, one needed to land every 45 minutes or so.

We should be encouraged, to a certain degree, by what the Secretary of State just told us. He said that about 25 to 30 aircraft are landing today. We must hope that that level will be maintained and that the aid can be used immediately and responsibly. It should not, as others have highlighted, be hijacked by the generals and their acolytes, and then be rebadged or simply not distributed.

Food prices in the region were already climbing astronomically—they have increased by 30 per cent. this year alone—and this situation can only worsen that trend. Let us not forget Burma's tragic recent history. The Saffron revolution of only a few months ago started on the back of fuel price increases and other problems in the country, as well as the fundamental flaws in the regime. The country was desperate before these past few days.

Dr. Gareth Price and Tamara Lynch of Chatham House—I declare an interest as, like the hon. Member for Banbury (Tony Baldry), I am a member of its council—have stated:

"It is pretty clear that the government in Burma focuses more on remaining in power (and self-aggrandisement) than on responsiveness to people's needs."

Those two people do not have an axe to grind; they are not party politicians or non-governmental organisations, but individual experts making a damning indictment. Their assessment highlights the fact that despite the arrangements made by neighbouring countries in the region facing the same risk of cyclones, Burma has had no cyclone warning system. It also has no system of building cyclone-safe houses. Although such houses have not protected Bangladesh in every last respect, they have brought about a major improvement there in recent years. Even the Burmese military—the much-vaunted 500,000 people who are the regime's elite—has been forced to feed off the land; vegetables are being grown beside airstrips and there are chicken coops behind the barracks.

Burma is a country with a twisted set of priorities that has never got things right, and in this moment of crisis, we have not seen a proper response. Indeed, we have seen the absolute obscenity of proceeding with a referendum on a constitution to which nobody can give any credence—it is simply designed to entrench the power of the military. Above all, we have seen the disgraceful and unbelievable response to the cyclone: the refusal of all outside assistance. That assistance ought to be making the difference in saving lives that are at risk.

At this time, we learn that the generals' preoccupation is that somehow outside assistance would strike at the heart of the regime's legitimacy and the country's national sovereignty. For that reason, the generals feel that they must reject the assistance, but I suggest that the regime has no legitimacy to lose. The very nature of the military dictatorship goes against every standard and norm that we would support. The reaction to the democracy protests both a few months ago and over many years, the treatment of Aung San Suu Kyi and the regime's complete failure to prepare for events such as these are sadly predictable. It is not outsiders who are undermining the regime's legitimacy; the regime itself is doing so.

That whole debate has enlivened the broader one that we are having internationally—we have also heard it here this afternoon—about the responsibility to protect. We are arguing over how formal that responsibility is and what it has meant in the past few years, but surely that fancy new phrase simply formalises the basic humanitarian instincts that we all have and to which we respond on occasions such as this, when we expect Governments, as a basic part of their duty, to protect the people who live in their countries. The responsibility to protect, as formalised and debated in recent years, has been clearly based around the ideas of the responsibility to prevent, the responsibility to react and the responsibility to rebuild. On all those grounds, the Burmese regime has failed, not just in the past 10 days, but over many years.

The International Commission on Intervention and State Sovereignty, of which Gareth Evans was a member, published a report in December 2001 and kick-started this debate more broadly at the United Nations. It stated:

"Where a population is suffering serious harm, as a result of...state failure, and the state in question is unwilling or unable to halt or avert it, the principle of non intervention yields to the international responsibility to protect."

So, we cannot pretend that this is not a legitimate area for debate, and we must be clear that in our

[Mr. Michael Moore]

deliberations we are examining where we can go using that new authority. I welcome the fact that the Foreign Secretary, the Secretary of State for International Development, the Prime Minister and others have recognised that it is a legitimate part of the process. I equally acknowledge that it is not straightforward, to put it mildly, to move the debate through our partners in the United Nations Security Council, and I hope briefly to discuss that in a little while.

We must not assume in this debate that that responsibility means an automatic rush to have military action, or military or another assertive form of intervention. Military action is an option, but it must only be a last resort and it is not what is contemplated in this situation. As the shadow Secretary of State made clear, and as the motion sets out, our instincts and objectives are humanitarian. Inevitably, military assets and military assistance will be necessary and useful in making the humanitarian intervention more effective, so we must be prepared to argue the case in not only this Chamber but the broader international community.

The international response has been patchy. We can be encouraged by the fact that in this country and many others there has been a good response from the public to the appeals made by the Disasters Emergency Committee and others. I am sure that hon. and right hon. Members on both sides of the House would encourage everybody who can to contribute to that assistance. We know that major NGOs, such as Save the Children and Merlin, which are mentioned in the motion, and others, are making strenuous efforts as we speak to minimise the cost to lives and the quality of lives in Burma.

Thailand, as a neighbouring state, has been as supportive as it can be and is hosting much of the international support network. China, we have seen in recent months, is more willing to play a quietly assertive role with the Burmese. We must hope that China will not stand in the way of the international community's making it plain to the Burmese that their attitude is not acceptable or sustainable.

As we sympathise with the Chinese about their terrible loss over the past couple of days following the earthquake, we must also congratulate them on the speedy way in which the Chinese Prime Minister and others have been at the scene of the disaster and on how they have encouraged others to contribute to what they are seeking to do. That lesson might have been very painful for them to learn, but I hope that they will see the logic of extending that lesson to their neighbour. India, too, surely has an important role to play, and has been sadly too quiet in its comments thus far.

On such occasions, we are used to turning to regional bodies and wondering what they are doing. I do not think that I am alone in being frustrated at the slowness of the response from the Association of South East Asian Nations countries, of which Burma is one. It is deeply alarming that it has taken them so long to gather. It was good to hear that they will have a mercy mission and that they will hopefully ratify that on the 19th, but surely this disaster needs not bureaucratic responses but political pressure, applied quickly and now, to make the Burmese change their minds.

I am pleased that the Secretary of State talked about bringing our European partners together and the fact that the commissioner is to visit the region. Perhaps the Minister who replies to the debate might also brief the House on the extent to which European funds and other forms of support have been offered by our partners. It is important to demonstrate that Europe can come together on these issues and be more effective than we are bilaterally. In particular, the UN reckoned a few days ago that $187 million of support might be needed—although the figure might have changed—but we have not heard thus far how much of that has been delivered. It would be helpful to know what will happen.

Ministers, officials and others are to be congratulated on the efforts that they have made so far and on their steadfastness. We know that they were working over the weekend to brief colleagues in the House as well as attending to the details of what was going on. We cannot criticise them on that level. We want to know if they believe that as a result of their actions, in Europe and elsewhere, the funding and logistical support will be in place for that moment when, we must hope, the Burmese change their attitude and allow things to move on.

In particular, may we have an assurance that the money that has been pledged is additional to that that was already in the budget for the region or for Burma—that it is not replacement or accelerated funding, which would otherwise have been given later in the year? It is important that we have that assurance, and a statement this afternoon would be helpful.

Mr. Douglas Alexander: I give the hon. Gentleman the assurance that he was looking for. The funds that we are providing for immediate humanitarian assistance to Burma are additional to the programme funding that we would otherwise have provided. That will continue to be the approach as we reflect on the flash appeal and the need for further assistance in the days and weeks to come.

Mr. Moore: I am sure that that is welcome on both sides of the House; right hon. and hon. Members will be pleased to have heard that.

We cannot imagine what it is like in Burma or China at present. It is incumbent on us all, however, to ensure that our support, our suggestions, the questions that we ask and the things that we do are dedicated to one objective: minimising further humanitarian suffering and death in that region. I am pleased to have had the opportunity to speak this afternoon and to support the motion.

2.34 pm

John Battle (Leeds, West) (Lab): I welcome this debate and the topic that has been chosen by the Opposition. It is a credit to us all that at a time when we have talked for weeks about the world economic crisis, the credit crunch and pressure on budgets in Britain, we respond generously as a country when we see a humanitarian crisis and people losing their

livelihoods and lives. We ought not to forget that in the arguments we have in this House.

I believe that the Government need to be congratulated on the fact that they responded quickly and have given an international lead in their response to the appeal and the crisis. That is good news. The hon. Member for Sutton Coldfield (Mr. Mitchell) was generous enough to acknowledge the work done by the former Secretary of State for International Development, my right hon. Friend the Member for Leeds, Central (Hilary Benn), in trying to sharpen up the UN humanitarian response. It had been a bit of a shambles, frankly, but some order was put into the system. We are trying to give a lead, and I am grateful to the hon. Member for Sutton Coldfield for his remarks.

In parenthesis, the debate is haunted by the fact that we have much to do to transform, reform and shape the UN and to turn it into a body that defends the universal common good, whether during humanitarian disasters or when countries inflict violence on their own populations. We have much to do to turn the UN into an international body that serves the general common good of our world. It is difficult when there is a need for consensus and we cannot reach one, and that is perhaps why we end up in the difficulties that we do.

It would be desperate if, in spite of the Government's good efforts and the financial commitments that people have given in appeals, as well as the Government's budgeting to ensure that there is money for aid in such crises, our response and the need to focus on the provision of humanitarian aid and the needs of the people of Burma were to degenerate into a debilitating political stand-off between the west and Burma, or a deadlock in the UN Security Council while thousands needlessly die. There is a danger that the response to the crisis might end up like that.

I know from my experience on the Select Committee on International Development over some years, and from my experience over the years of the management of disasters and crises elsewhere, that we ought to try to keep together meeting the need for materials—food, water tablets and sanitation equipment—and the deployment of professional, experienced people on the ground to ensure that aid reaches people in an orderly fashion and that there is some sense of process. What has happened in Burma is the worst disaster since the tsunami in 2004. We have all worked on the reports from this House on implementing the lessons from that disaster, so we must look back at what happened then and ask what we learned—we did learn from that disaster—as well as what we can do better. We should try to the best of our abilities to cajole the international community to get Burma on side to deal with the crisis properly.

Richard Horsey, from the UN humanitarian operations, has pinpointed four immediate needs: clean drinking water; emergency shelter; medical supplies and support, which are not easy to drop from the air in any circumstances; and food. Estimates have varied and I am grateful to my right hon. Friend for the figures that he gave. The latest reports from the ground estimate that the number of people dead and missing is now more than 200,000. At least 1.5 million people are in need of immediate assistance and more than 300,000 are in desperate need. This is not a small-scale emergency but a major emergency for the Burmese people.

The estimate that 300,000 people are in dire need means that a minimum of 150 metric tonnes of food a day must be sent into that country now. That is the equivalent of 10 standard relief flights a day for food alone. We heard today that since the cyclone hit, there have been about 35 flights. The scale on which food has been provided is completely out of kilter with what is needed. That is why this is an urgent debate about how to deal with the crisis, rather than just an attempt to nudge the UN in the right direction and to ensure that it gets its terms of reference right. Such urgency needs to be injected into that debate in the UK and internationally.

Today the UN is calling for an air bridge or a sea corridor. There were even hints that a floating warehouse in the Irrawaddy delta region could be used to channel in aid on the scale needed. I would like to know whether those practical proposals are being discussed internationally, both at the UN and with the Burmese authorities. Let us literally give the authorities a bridge—a way forward—through the difficulties. If the aid, and the personnel to manage the aid, do not get through, in not many days there will be starvation and disease on a scale that we have not seen before, as the second wave of the disaster hits the Burmese people.

I would like more clarification from my right hon. Friend the Secretary of State and the Under-Secretary of State for International Development, the hon. Member for Harrow, West (Mr. Thomas), on the following point. The regime still insists that it does not really need aid on the scale that is envisaged, and it seems to be insisting that it does not need practical assistance in delivering that aid, yet I get the impression that it does not even have the equipment to unload planes properly. Loads are passed from hand to hand; the people do not have the necessary equipment. I was under the impression that army checkpoints have been used in the delta region to prevent personnel from foreign non-governmental organisations from entering. I think that it is still difficult to get a permit to move out of Rangoon. My right hon. Friend the Secretary of State may have said that there has been an ease-up in the situation, which would be most welcome.

Mr. Douglas Alexander: In my discussions with the British NGOs this morning, it was confirmed that although some are finding it difficult to secure access to areas outside Rangoon, others are not. My right hon. Friend is right to recognise that there are difficulties with lift capability and unloading planes at Rangoon airport. That is one of the reasons why part of the money that we are providing will be spent on cargo lifting material to allow quicker offloading of the planes arriving at Rangoon airport. As for the level of access being secured by aid workers, the picture in the country continues to be generally confused. Some of those aid workers are positive, but some still find it extremely difficult to move around.

John Battle: I am very grateful to my right hon. Friend. When I was privileged enough to be in the Foreign Office, I learned that British officials are

[John Battle]

incredibly pragmatic, in the best sense of the word. They resolve problems in detail, and that is what we need now: hard-headed ways forward on issues. I welcome that approach. That is what came through in the International Development Committee's seventh report of the 2006 Session, which was on humanitarian responses to natural disasters. The Government responded to the report and we debated it in the House. The point that came through most strongly was that we cannot go ahead anywhere with haphazard, random, inefficient air drops in areas where there is still bad weather—and there is still bad weather in Burma; it is still raining. It is difficult terrain, and it is a flooded area. The drops will be lost and will not reach the people.

It is not just a question of getting the food there. The real issue is the need for people with humanitarian expertise. Skilled personnel from the NGOs and the UN are needed on the ground. We are not starting from scratch, having had no one there. World Vision, Merlin, Save the Children, Care International and the International Red Cross have had staff in Burma for a long time. The Burmese authorities have memorandums of understanding with all those NGOs to allow them to provide humanitarian aid; that has been the situation for a while. As I think the hon. Member for Sutton Coldfield said, Save the Children has had 500 members of staff in Burma since 1995. We are not starting from nothing.

Can we build on what we know is working? Can we extend those memorandums of understanding? I suggest that as a way forward, because we need professionals on the ground. We need to give reassurance, even to people in this country. If we make a flash appeal and want people to give, their first question will be, "How can we be sure that the money will reach the people who need it?"; otherwise, a lack of assurance may undermine the aid appeals and deter people from giving. That is why the central issue is access, and not good will, the amount of money concerned, or the commitments that the Government have given. We must negotiate access, so that we can properly assess the needs on the ground. That is what the experts are brilliant at doing. They can work out the need and manage the aid coming into the country to make sure that it reaches people in a proper, orderly, managed fashion.

Mr. Douglas Alexander *rose—*

Mr. Andrew Mitchell *rose—*

John Battle: I am more than happy to give way, first to my right hon. Friend the Secretary of State and then to the hon. Member for Sutton Coldfield.

Mr. Douglas Alexander: I am grateful to my right hon. Friend for giving way, and for his clear sense of priority in who he chooses to give way to. Will he accept the following assurance? I had a conversation with the director of Save the Children only this morning, and she was able to assure me that Save the Children continues to operate, fully supports the Disasters Emergency Committee appeal, and asks that I continue to communicate to the people of the United Kingdom, as I sought to do in interviews over the weekend, that the money that they are donating through the DEC is already making a difference on the ground in Burma.

John Battle: I am grateful for that, and that should be pointed out, because we want people to be generous in their help, as the needs are massive.

Mr. Andrew Mitchell: My aim in intervening was precisely the same as that of the Secretary of State. When I was in Rangoon last year, I saw the work done on the ground by Save the Children, and the excellent work being done in Burma by Andrew Kirkwood. Everyone who gives money to the DEC appeal can be absolutely confident that they have a really first-class NGO in Save the Children. Other NGOs mentioned in this debate are also doing very valuable work on the ground.

John Battle: I am grateful for that. On the DEC and the NGOs that gather around it, from my personal experience over the years I can say that I have absolute confidence that all our NGOs ensure that what the British people give them reaches the people. That is why the real issue is to encourage, exhort and convince the Burmese authorities to allow in world-class independent expertise, and the well-respected independent organisations that can help to manage and monitor the impact of humanitarian aid in Burma. I am not asking for us to go there; I do not ask our Prime Minister, or even the Secretary of State to go there. I am asking for independent people with experience of managing such situations to be allowed to do that work on the ground. I do not ask them to negotiate the politics or the future of Burma; I want them to get resources to the people.

May I make two further points? We need to address the immediate needs of the people. People are surviving by putting little plastic cups out to catch rainwater, because they have no water. Fifteen days post-disaster, the mortality rate for the under-fives goes up massively, and 30 days later there is crisis on an unimaginable scale, because the mortality rate rises then apply to the whole population. Disease spreads exponentially 30 days in. We are now at a crucial time.

However, even though this is an important moment, I ask my right hon. Friend the Secretary of State to think ahead to the medium and longer term. There are 2 million homeless people in Burma, and 3,000 schools have been destroyed. As was the case with the tsunami, the big money is not needed at the front end. In the case of the tsunami, the money came in well, through generous donations from people and Governments, but money was needed for the medium and longer term, when the media went away. We now need to get a focus on the reconstruction. I want to flag that up, even at this early stage.

Finally, I should like to follow up a remark—it was almost an aside, although an important one—made by the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), who speaks for the Liberal Democrats, concerning rice. Rice prices have risen by 30 per cent. in the past two months. As everybody knows, rice is the staple of the people of Burma,

particularly poor people. Tragically, the flooding and the cyclone have hit the Irrawaddy delta, which is the rice bowl of the whole of Burma. The World Food Programme estimates that Burma has less than half the rice that it needs to feed all its people, so there is a desperate need for food, both now and in the long term. That is because it is harvest time, but the harvest has been washed away, as have the stored grains.

Worse still, we are right in the middle of planting for the next harvest. How can people plant in fields of salt water? That is the problem. The tide has come in, and rice cannot be grown in salt water. There will be a food crisis in Burma for months to come. There is already a problem, but we need to address the issue of the failure of the next crop, otherwise within months we will be back discussing the issue in the House. In the best sense, I hope that we do debate the issue again in the House, but tragically we could be discussing mass hunger in Burma, and not just how to tackle the present humanitarian crisis.

2.49 pm

Tony Baldry (Banbury) (Con): It is always a pleasure to follow the right hon. Member for Leeds, West (John Battle), with whom I enjoyed working for a number of years on the International Development Committee. As ever, he spoke a considerable amount of sense.

Those of us who have witnessed humanitarian disasters know that the scale of the Burma disaster requires an enormous amount of professional logistic assistance and support to ensure that food, water and medical supplies get to the right people. That requires a great deal of expertise, which the international community has. The task cannot be accomplished by army personnel unloading cartons at airports. Getting sizeable amounts of water and food to large numbers of displaced people is a difficult logistical exercise.

There are, as we understand it, hundreds and hundreds of children who, tragically, have been orphaned. Looking after those children and ensuring that they do not become dehydrated or die of malnutrition is incredibly important. Someone has to take responsibility for that. The concern of many of us is that, to date, the Burmese authorities do not look as though they want to take responsibility. They did not have warning systems in place. For many days after the cyclone struck, there seemed to be very little, if any, response from the Burmese authorities, and their resistance to allowing the international community to come into Burma—their refusal to grant visas and so forth—is a matter for considerable concern.

It is heartening to hear from the Prime Minister and the Secretary of State that NGOs are slowly beginning to be able to get into Burma, but one has to recognise that the scale of the disaster is enormous. It will require large numbers of people and expertise in the very near future if a major humanitarian disaster is to be averted.

The right hon. Member for Leeds, West made another point that I wish to amplify. In the case of a drought, such as that in Ethiopia, it is hoped that the rains will fall the next year and people will be able to return to their homes and villages, plant crops again and restart. The entire topography of the Irrawaddy delta looks as though it has been changed for ever. Relocating and rehousing thousands of families and children would be a massive humanitarian and political challenge to any Government, let alone a Government who are inherently secretive.

To amplify a further point made by the right hon. Gentleman, we are seeing throughout the world from Burma to Somalia to Zimbabwe the impact of rising food prices. That gives enormous power to whoever controls the food. Allowing the army in Burma to control humanitarian food supplies substantially enhances the position of the Burmese authorities and army. The same happens anywhere. We had Foreign Office questions yesterday. From reading in the regional press about what is happening in Somalia, it is clear that the militias are seeking to control the food supplies. In terms of the broader conflict in Somalia, that puts the militias in an incredibly strong position. We should bear that in mind.

We must also bear it in mind that the architecture of international institutions such as the World Food Programme will probably have to change dramatically. For a long time the World Food Programme took surplus grain from countries such as Australia and the United States, kept it in reserve and made it available, when necessary, to countries such as Malawi. Serious structural deficits in world food supplies will require the World Food Programme to become a kind of hunger agency and to be much more proactive in trying to ensure that countries become more self-sufficient in agricultural production.

It is, for example, crazy that Sierra Leone, which used to be able to export rice and had some of the best rice production in west Africa, is still importing rice. There is no reason why Sierra Leone should not be growing rice again. It is not a difficult crop to start to grow, it takes only one year to get it going, and the conflict in Sierra Leone has been over for some time.

The Burmese cyclone demonstrates, tragically, yet again that when natural disasters hit, they invariably hit the poorest and the weakest worst. Whether it be the tsunami in Sri Lanka, the earthquake in Kashmir or the cyclone in Burma, because people are unbelievably poor they are less able to resist natural shocks. We must not forget that at the best of times Burma is a very poor country. Before the cyclone hit, about a third of Burma's population lived below the poverty line and infant mortality was extremely high. Before the cyclone hit, the World Food Programme estimated that about a third of the children under five were malnourished. The country was extremely fragile even before the recent disaster.

I am not necessarily suggesting that a cyclone is caused by climate change, but the point that I want to make to the House is that all those climate-related disasters hit the poorest and the weakest hardest, which is why, when it comes to the Climate Change Bill and the work that we are doing on climate change, there is a moral imperative to support some of the weakest people on the planet by ensuring that the Bill goes through and that we have effective legislation on climate change.

I shall not add to what the Secretary of State or my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), the shadow Secretary of State, said about the immediate future in Burma. Knowing both the Foreign Office and the Department for International Development, I am sure that with DFID's experience

[Tony Baldry]

over the years in disaster intervention it is doing an exceptionally good job. Like most Members of the House, I am sorry that there seem to be some unnecessary divisions across the Chamber.

I shall take this opportunity to try to tease out the Government's position on the concept of the responsibility to protect. That is an important issue. For some time now, the international community has been groping with the question of how to protect vulnerable people in countries where their own Governments cannot or will not protect them. On a number of occasions the Security Council determined that there was a threat to peace, even if the situation was internal. We saw examples of that in Somalia in 1992, Haiti in 1994, Rwanda, Zaire, Yugoslavia and East Timor, which the right hon. Member for Leeds, West had much to do with when he was a Minister at the Foreign Office.

There has been a tendency, however, for the international community to make it up, so to speak, as we go along. For example, Lord Hurd of Westwell, when he was Foreign Secretary, justifying the no-fly zones over northern Iraq in 1991, said that

"we operate under international law. Not every action that a British Government or an American Government or a French Government takes has to be underwritten by a specific provision in a UN Resolution provided we comply with international law. International law recognises extreme humanitarian need . . . we are on strong legal as well as humanitarian grounds in setting up this 'No Fly Zone'."

As has been said, in September 2003 Kofi Annan, when Secretary-General of the UN, established a high level panel on threats, challenges and change. It followed the Canadian example and endorsed that work in producing what was described as an "emerging norm" of responsibility to protect civilians from large scale violence. The panel's report, which the UN endorsed, makes two further points that I would like to cite. It stated:

"We endorse the emerging norm that there is a collective international responsibility to protect, exercisable by the Security Council authorising military intervention as a last resort in the event of genocide and other large-scale killing, ethnic cleansing, or serious violations of international humanitarian law, which sovereign Governments have proved powerless or unwilling to prevent."

It also states:

"There is growing recognition that the issue is not the 'right to intervene' of any State, but the 'responsibility to protect' of every State when it comes to people suffering from avoidable catastrophe—mass murder and rape, ethnic cleansing by forcible expulsion and terror, and deliberate starvation and exposure to disease, and there is growing acceptance that while sovereign Governments have the primary responsibility to protect their own citizens from such catastrophes, when they are unable or unwilling to do so that responsibility should be taken up by the wider international community".

I am concerned that the Government's amendment makes no reference to the responsibility to protect. We all know that parliamentary clerks in the various Departments will have pondered the wording of the resolutions carefully. I was concerned to see press reports that John Sawers, who—as many people will know—was an excellent Foreign Office diplomat for many years and is now our representative at the United Nations, had said that the doctrine of responsibility to protect applies only to intervention in response to genocide and war crimes. If that is the line that the Foreign Office is now taking, it is a much more restricted line than the Government took in the past. It is certainly a much more restricted line than the previous Administration took, and it would be helpful to understand what the Government mean when they talk about the responsibility to protect.

I understand if the Secretary of State's response is to say that this is not a dispute about the responsibility to protect, but a pragmatic difference of opinion about how we keep China and Russia onside in the Security Council, but I hope that he will make that clear. The amendment says that the FCO

"urges countries in the region to increase their efforts to persuade the Burmese authorities to allow in unfettered international assistance".

That seems to suggest that it is not a matter for the Security Council or the UN, but for us just to try to help regional partners put pressure on Burma. If that is the situation—let us not forget that the UK chairs the UN Security Council—we would be giving way too easily.

I also wish to flag up the concern that at some stage we will all have to engage more closely with China so that we better understand how it sees its role in the international community and the international community's role in humanitarian disasters. So often—as in Darfur and now in Burma—the Security Council is semi-paralysed because France, the US and the UK take one view, which is broadly the responsibility to protect, and Russia and China take a different view. China and Russia are often preoccupied by access to natural resources and their own internal political agenda, but we have only the UN to act as the voice of the international community as a whole, and if the Security Council is paralysed, it will make the expression of that voice incredibly difficult.

Mr. Douglas Alexander: The hon. Gentleman makes his reasonable point well, and in the same spirit I wish to reiterate the position taken by the Foreign Secretary last night on "The World Tonight", set out again by the Prime Minister at PMQs today and rehearsed in my earlier contribution to the debate. We retain the option of invoking the responsibility to protect. The disagreement reflected in the debate betrays some genuine confusion among the Opposition on the issue of the responsibility to protect, but it also reflects our continuing determination to raise these matters at the UN. That was the position that I adopted at the European Council of Development Ministers yesterday, and we have set it out publicly and continue to argue for it at the UN. The hon. Gentleman rightly recognises that there is no consensus with our partners on that issue in New York, but we continue to put the case to them.

Tony Baldry: I welcome the Secretary of State's confirmation of that line and I am glad that we have that on the record. There was some ambiguity, and I would hate there to be any suggestion in the international community that Britain, which has been one of those working hardest to encourage the sense that we live in one world with a mutual responsibility for fellow citizens, was resiling in any sense from that general principle. It is important that that is clearly on

the record. No one underestimates the complexity of this issue, or of any other—including Zimbabwe and Darfur. We are not children and we all understand that we have to have a pragmatic approach as well as a principled approach.

My wider concern in this debate is that it is one thing for some of the members of the Security Council to be anxious that we do not interfere unnecessarily in matters that should be the sovereign responsibility of member states, but the suspicion must be—in Darfur or in Burma—that the self-interest of those members is uppermost. The international community cannot function on that basis. That may mean that we have to try to expand the Security Council to bring in other member states—which has been discussed for a long time and is unfinished business—but we need to ensure that the UN and its institutions match the needs of the 21st century.

Dr. Julian Lewis: I apologise that a commitment to the Royal British Legion meant that I missed part of the Secretary of State's speech, but, as I understand it, the point that I raised in an earlier intervention still has not been addressed. Whereas it was thought a few days ago that China was blocking action being taken on the Security Council, that surely ought no longer to be the case, now that China is reacting to its disaster in the way that the Burmese authorities should have reacted to their disaster. What efforts is Britain making at the UN to put China to the test about why it will not support similar measures being taken in respect of Burma that it welcomes for itself?

Tony Baldry: My take on that—and I would be interested to see whether it finds support elsewhere—is that China sees the world in terms of spheres of influence. China sees Burma as being within its own sphere of influence, just as it sees parts of Africa in the same way. Burma's main trading partner is China, which accesses a lot of coal, timber and other resources from Burma. China was anxious about the international community internationalising the involvement in Burma, so China, sadly, has taken a very different position in the Security Council from that to its own earthquake catastrophe, where it has been glad to see international support.

Mr. Douglas Alexander: It is fair to place on the record that I first contacted the Chinese ambassador here in London before the tragic earthquake that now afflicts the country, and I made clear to her our strong desire that China use its considerable influence over the Burmese regime to secure the unfettered access that is the desire of Members on both sides of the House. She in turn, before the earthquake, made it clear that that was the Chinese Government's position, and that she would pass our representations back to Beijing, but assured me that efforts had already been made by Beijing to make representations to the Burmese Government. As I say, further contact is being sought both through our permanent representative in New York and direct ministerial contact, but it is right to recognise that even before the soliciting of international aid by the Chinese Government following the earthquake, the Chinese ambassador made it clear to me that Beijing had made representations to the Burmese regime, encouraging efforts to open up in the face of the terrible cyclone that affected the country.

Tony Baldry: That is welcome from the Secretary of State, but he will also have to note that today's report in the *Financial Times* by Harvey Morris at the United Nations states:

"South-east Asian states moved to take the lead in the Burma relief effort yesterday after China, the military regime's closest ally, rebuffed western attempts to raise the plight of 1.5 million victims of cyclone Nargis at the United Nations Security Council."

It adds that

"the Security Council, meeting in closed session yesterday, consigned"—

because of China's intervention—

"the crisis to the heading 'any other business'."

The Chinese ambassador in London is an incredibly nice lady—

Mr. Andrew Mitchell: A very tough lady.

Tony Baldry: Tough and nice. But China's actions in the Security Council are not entirely consistent with the line that she has taken.

Mr. Alexander: Other partners on the Security Council object to the Security Council being an appropriate forum for reasons of national sovereignty and the invocation of the responsibility to protect doctrine. In that sense, it is for others on the Security Council to account for the position that they have taken. The emphasis that we place on China, India and ASEAN partners results from the fact that, historically, significant influence has been wielded in relation to Burma by both India and China, and of course influence continues to be exerted by neighbours in the immediate region. For us, it is not an either/or between encouraging China, India and ASEAN partners to exert their influence on the regime and continuing to work to use the mechanism of the United Nations and its various bodies. It is important that we send a clear signal, and some partners on the Security Council, because of a particular view of the status of the Security Council, can find themselves in the position of objecting to the position that we, as the British Government, would support.

Tony Baldry: I have no quarrel with the Secretary of State on any of that except that I express the concern that there are members of the Security Council who view the Security Council in a way that will limit its role in the future. It is the only international institution of its kind that we have, and we will have to return to how we ensure that the UN functions effectively and properly. All sorts of bits of reparation and repair work might have to be done. The whole matter of the UK, the US, the Iraq invasion and the coalition of the willing has done some damage, but, bluntly, the truth is that the Security Council, through no fault of the UK and its chairmanship, has not stepped up to the mark in this crisis in the way that one would have hoped and expected. It is as simple as that.

I am conscious that many hon. Members wish to speak, not least the Chairman of the Foreign Affairs Committee, who I am sure will add to comments about

[Tony Baldry]

the responsibility to protect, and I am glad that the House has had the opportunity to debate the issue in the main Chamber in prime time. I hope that the Secretary of State will undertake to update the House regularly, because—I entirely endorse and echo what the right hon. Member for Leeds, West (John Battle) said—this will be a long-running tragedy that will need an enormous amount of international effort. We all know that one of the real tragedies of such events is that they understandably endure for a period of time on the television screens and news broadcasts, and then they are simply forgotten, and large numbers of people feel forgotten and abandoned. We should, if we do nothing else during the course of the debate, make it clear to the people of Burma that they will be neither forgotten nor abandoned.

3.15 pm

Mike Gapes (Ilford, South) (Lab/Co-op): I agree with much that has been said and I will not repeat those points, but I want to pay tribute to the non-governmental organisations that are today doing vital work in Burma, but also in other parts of the world, saving lives and improving the conditions of hundreds of thousands, if not millions, of people. That work goes on, day by day, regardless of whether newspapers and television programmes are showing any interest in it. It is important that members of the British public know that those organisations are not corrupt, that they are efficient and that, as has been said, money that is given gets through directly.

I concur with the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) who talked about the situation with the vile brutal regime in Burma. It is important that we understand that as well as not doing enough, or actively impairing humanitarian efforts, it has also devoted its television channels to broadcasting smiling, dancing women, telling people to go out and vote; it has postponed its referendum on its fake constitution in the area that is now under water by just a few weeks, seemingly in the belief that it can then run some falsified referendum in a few weeks' time; and it is still pursuing its brutal repression of the ethnic groups in the rest of its country. This, after all, is a very complicated country, where there is a brutal military regime at the top, which does not have the support of the people, and where Aung San Suu Kyi and her National League for Democracy, 20 years ago, won a democratic election—then she was put under house arrest, which she has been unable to leave. It is important to place that on the record today.

The hon. Member for Banbury (Tony Baldry) referred to the impact of climate change. Sadly, that issue, which we are confronting today, will have to be confronted more and more in this century. Rising sea levels and extreme weather conditions impact on coastal peoples causing natural disasters, with a world population that is now far more urbanised, and with many people and living in flood plains or on the coast. We need international mechanisms whereby we can intervene quickly and effectively in such cases.

However, we do not live in a world of world government. We do not live in a world where the United Nations General Assembly or the United Nations Security Council can decide something and then it happens. There are almost 200 countries in the world, some with corrupt and incompetent Governments, some that are failed states, and some where the Governments are not incompetent, but rather are very effective at maintaining their power despite the wishes of their people or of the rest of the world. It is extremely frustrating when we know that intervention and assistance could make a huge difference to those millions of people, yet we do not have the means to intervene. There is therefore a real question to be confronted about how we strengthen international institutions and the rule of international law.

The motion in the name of the Conservative party uses the phrase "international community" in its last sentence. I would ask what we mean by "international community". We have had a bit of a debate about the differences between the motion and the Government amendment. The Government amendment, interestingly, does not use that phrase. It talks about the United Nations. I am trying to tease out whether we are saying that the existing UN system is not able to deal with these issues. Does that mean that we should move towards a league of democracies that would act outside—my Scottish friends would say "outwith"—the international community? That issue is flagged up in an article in today's *Financial Times* by the foreign policy adviser to Senator John McCain, Mr. Robert Kagan. I am very worried about that development, because we do not strengthen the ability to act, particularly in countries such as Burma, if we do not have the support of the growing major power in Asia, which is China, or of India. If we rely simply on the Australians, the New Zealanders, the Canadians, the United States and European Union countries, that will not be effective.

Sadly, reference has been made to opposition within the UN Security Council to taking responsibility. That is not just China. It is also Russia and South Africa—a non-permanent member of the Security Council that seems to have taken a totally traditionalist attitude to non-interference in the internal affairs of other countries. That is the traditional Communist party view from the 1970s, which seems to be influential in the Foreign Ministry of the Republic of South Africa. It is understandable, but it is not right, because in the world today we need the growing economic and political powers, the so-called BRICS—Brazil, India, China and South Africa—to work for the development of international institutions that work. They should not take a traditionalist view that would stop the more effective international organisations that we need to deal with such issues working.

Even if we all agreed, however, we would still face a very difficult situation because we know that intervention is not always easy, and there are unintended consequences. Reference has been made to the no-fly zones in connection with the Kurds in Iraq. I think that John Major's Government deserved enormous credit for establishing that. It may have been said that it was in accordance with international law, but it is doubtful whether it was. Kosovo, too, comes to mind. Some people have said that the invasion in 1999 was illegal but legitimate. That was done with no UN Security Council authorisation or resolution, and we are still dealing with the consequences of that today with the developments in the Balkans, Serbia and the greater western Balkans.

If there were to be intervention by the "international community", however defined, without a UN Security Council resolution, it would be contrary to the conditions laid down within the Canadian-sponsored commission, the UN Secretary-General's high-level panel and the UN General Assembly resolution of 2005. It was made explicit in 2005 at the General Assembly that the principle of the responsibility to protect would be based on, first, each state having the responsibility to protect its population from genocide, war crimes, ethnic cleansing and crimes against humanity, not from humanitarian disasters. Secondly, the principle is that if a state fails to discharge its responsibility, the international community has a responsibility to use peaceful means to protect the population, and it can also, on a case-by-case basis, as a last resort, and through the Security Council, issue a binding resolution or authorise the use of force if

"national authorities manifestly fail to protect their populations".

There is perhaps an argument that by failing to assist in coping with this disaster, the regime in Burma is manifestly failing to protect its population.

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): Or worse.

Mike Gapes: Or worse. But the principle is that the Security Council has to issue a binding resolution. The Chinese and the Russians have at least to acquiesce in it. If not, any intervention would not be authorised by the UN system. That is important.

Then we get to the question of practicalities. There was an interesting article by Bronwen Maddox yesterday in *The Times* pointing out that even if there were a debate on these matters, the question of legality is irrelevant if the intervention would not improve the situation on the ground. We have heard the arguments about what the NGOs feel about whether air drops can be an effective way to send in the things that are needed. Even though there is a great desire, as there always is in such issues, for something to be done, we have to judge whether what is being proposed will make the situation more difficult to comply with, or whether it will assist.

This is a difficult issue because, as has been recognised, we are not dealing with just a few days' or a few weeks' humanitarian assistance. There would have to be a huge commitment, perhaps lasting several years, particularly in areas that have are now under water and have been made impossible for human habitation, from which the populations have to be moved somewhere else and given a new start. That will require, presumably, the co-operation of the Government of the country concerned, or at least their acquiescence, while people come in and in effect take over and create a kind of safe haven. It might be argued that that was done with the northern no-fly zone in Iraq to protect the Kurds, and with the southern no-fly zone to protect the Shi'a population.

Actions have consequences, so the term "responsibility to protect" needs to be clearly defined. Gareth Evans, the former Foreign Minister of Australia, who heads the international crisis group and who chaired the UN panel, is right to say that there are dangers in eroding the definition of what we mean. However, as Opposition Front Benchers pointed out, he also said that there might be circumstances in which such action was necessary. That is similar to the call of the French Foreign Minister, Bernard Kouchner, for the international community to act.

I will support the amendment. I believe that the Opposition tabled their motion with good intentions, but language such as "responsibility to protect" needs greater clarity. Otherwise, we may find that we undermine an important principle of dealing with humanitarian issues such as war crimes, stopping ethnic cleansing and other matters to which the UN resolution refers.

In the next few weeks, I believe that the Chinese Government will have a decisive influence. I met the Chinese ambassador yesterday, and China is clearly exercised about its perception by the world—whether in the context of Tibet, Darfur, the Olympics or other issues, including the terrible earthquake and its consequences. The Chinese Government have moved into the 21st century in dealing with matters internationally. The Chinese Prime Minister did not do what President Putin did over the submarine Kursk, but went quickly to the area of the disaster. The Chinese Government openly and quickly publicised what was going on, and are prepared to accept international assistance, although they have the capability—and are showing that they have it—to help their people and deal with that enormous disaster.

I hope that such a reaction will translate into Chinese foreign policy and influence some of China's traditional allies. However, the experience of South Africa shows that Foreign Ministries are sometimes the last redoubts of the conservatives. When domestic reforms happen, people are shunted off to Foreign Ministries—I do not believe that there are any parallels in this country—

Dr. Julian Lewis: Stalinist.

Mike Gapes: The hon. Gentleman is shouting at me, but I will not take an intervention.

The position in Burma today is a tragedy for the people, added to the other tragedies and oppressions that they have suffered. I hope that it means that the world will continue to focus on that country, not only on the immediate disaster but on allowing the people of Burma to have a democratic representative Government so that, in the case of future disasters, they have a Government who care for their people and do their best for them.

3.31 pm

Mr. Nigel Evans (Ribble Valley) (Con): It is a pleasure to follow the Chairman of the Foreign Affairs Committee. He commented on China, which has become a world superpower, and its new position brings new responsibilities. It has some geographical responsibility for Burma, and it must show leadership, talk to the junta that operates there and ensure that the physical and other aid that is needed can get into that country.

When we consider what is happening in Burma after the cyclone and look at the photographs of babies and young children floating in the water or lined up on river banks, it makes us want to cry. When we consider that

[Mr. Nigel Evans]

the junta in charge of that country will stand idly by and prevent humanitarian aid from getting into the country, one simply despairs.

The last time I spoke about Burma in the Chamber a few months ago, I condemned the hideous regime for its reaction to the outpouring of ordinary people, led by the monks, in response to their despair at the poverty that already existed in that country. Now, Burma has been hit by a natural disaster and its Government intervene to prevent the aid that the rest of the world wants to give from getting into the country. People have died and will continue to die because of their Government's reaction. It is desperate to contemplate why the regime acts in that way.

Whole families are being torn apart. Fathers, mothers and children are dying, orphans are being created and, if the Burmese Government do not relent, disease will break out. Hundreds of thousands of further deaths will ensue if action is not taken now. The junta stands before the world court, and is condemned as guilty of genocide. The actions that it is now taking means that it is as good as murdering its own people. Those actions are a crime against humanity, and in the history to be written in years to come, future generations yet to be born will look at what happened and ask themselves poignantly why the rest of the world did not do more to help and save the Burmese people.

In this Chamber we have already heard the horror stories: not only has the junta acted to stop the aid coming in, but it decided that its rogue referendum would still go ahead. What did that mean? It meant that resources that should have gone to help the people who were dying went towards the holding of the referendum. Vehicles that should have been used to help the people get to safe ground were used to distribute ballot papers. I find it absolutely stunning that the junta carried on with that referendum.

We know that a trickle of aid is getting through, but it will not be enough to help the people who need the food and medicines. I heard that the junta was repackaging the aid coming from the United States simply so that its people might not think that it was coming from another country. It makes me despair to think about those starving Burmese people; the last thing that they were going to do was to read the packaging—they wanted to eat what was in the packaging.

I understand that India gave Burma 41 warnings about the cyclone, starting on Saturday 26 April. The junta did nothing. It took a three-day public holiday and then closed its overseas embassies, causing even more delays for foreign aid workers who needed to get visas. Recent reports indicate that the junta has put only $5 million into helping the victims of the cyclone. However, two years ago the Burmese leader, Than Shwe, spent $300,000 on his daughter's wedding and she received wedding presents from regime members amounting to more than $50 million.

Rather than diverting its huge army to help alleviate the disaster, the regime has stepped up its attacks on the Karen people since the cyclone. Ben Rogers, of Christian Solidarity Worldwide, has said:

"This is a regime guilty of every possible human rights violation, amounting to crimes against humanity, and possibly a case of genocide. The Generals have presided over campaigns involving the widespread, systematic use of rape as a weapon of war, forced labour, forced relocation, and the destruction of over 3,200 villages in eastern Burma since 1996. Over a million people are internally displaced as a result of military offensives against civilians. And all this was going on before Cyclone Nargis."

The regime has only one care: self-preservation and control. As long as it perceives an international presence in Burma as a threat, it will continue to refuse access and to manipulate the aid. The Burmese junta's intransigence in the face of the catastrophe makes a strong case for the responsibility of the United Nations to protect. I understood fully what the Secretary of State said about nothing being ruled out, and I am delighted that he said it. At some stage, if things carry on as they have been, we are clearly going to have to take further action of a different kind. Otherwise, the people who desperately need the food and aid will not get it.

It is clear that China and Russia, as members of the United Nations Security Council, and India and Burma's other Asian neighbours can and must now exert some influence on the Burmese regime.

John Battle: I appreciate the hon. Gentleman's passion and anger about what has been going on in Burma, but the situation is not new. I worry that he has used the word "despair" about seven times, because I am looking for some hope in this situation. I want to put my point to him in these terms. I am anxious for aid workers to get into Burma. I hope that the hon. Gentleman's priority is not to have a UN discussion on whether genocide has taken place. I also hope that he would rule out military intervention. I say that as someone who has opposed military intervention on every occasion in this House—including in respect of Iraq—because it causes more damage than good every time. I hope that the hon. Gentleman is not saying that at the back of his mind he imagines a military intervention in Burma. That would not be the answer at all. The answer is to get in professionals from the non-governmental organisations and the UN. However, without a UN agreement, I do not see how he can follow his argument through.

Mr. Evans: I will tell the right hon. Gentleman how. I make no apology for using the word "despair" seven times—I would use it 27 times if I had more time—or for using passion in my speech. I am sure that he feels anger and passion about what is going on in Burma, which has been going on for many years but is exacerbated by what has happened with the cyclone. His Secretary of State said that he ruled nothing out, and I take him at his word. All of us in this Chamber want the food and humanitarian aid to get through to that country however we are able to do it. We need to get that aid through. We do not want disease and pestilence to break out, leading to several hundred thousand more people dying. We are all agreed about what we want to do.

John Battle: How?

Mr. Evans: We have a pecking order of preferences. We want, surely, to use the influence that we have in the United Nations and with Russia and China to

encourage them to use their influence on Burma to open the doors to the aid that the rest of the world wants to give it in order to save lives.

I do not think that I need say any more than that, because we are all agreed that we must try to save the people who are in this plight. The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) said that it is difficult for us to imagine what it is like in Burma today. Indeed, it is almost impossible for us to imagine how those people are living and the conditions in which they are operating, but we know that we must give them help in some way, shape or form.

Sammy Wilson (East Antrim) (DUP): Does the hon. Gentleman agree that given the brutality of the current regime in Burma, limiting the level of intervention in the way that has been suggested may only encourage it in its intransigence, and that it is therefore important that there be no limit to the level of intervention if it is deemed necessary and deemed to be the only way of helping people who have been left to their own devices?

Mr. Evans: The Secretary of State said that he is going to rule nothing out. The last thing that we want to do is to come back to this Chamber in one month's time, or even two months' time, with nothing having happened, the aid still trickling through, and the regime taking part of that aid away and selling it to other countries. Given that it is even selling rice to other parts of the world when its own people are starving, it is obscene and perverse to say that we are going to carry on with our contractual commitments. I seek assurances from the Government that they are using every effort possible to ensure that we make advances and breakthroughs—the people of Burma deserve nothing less.

3.43 pm

Mr. Stephen Crabb (Preseli Pembrokeshire) (Con): As the last Back-Bencher to contribute to the debate, let me put on record how regrettable it is that there is an alternative motion on the Order Paper. This afternoon we had a really good opportunity to strike a strong, united and compassionate position in this House on the desperate plight facing the people of Burma, and we have fallen short of that. We like to pretend that what we say in this place matters, but sometimes we behave as if it does not and as if nobody in the outside world is watching. But people in south-east Asia will pay attention to what we are saying, and it is important that we send a strong signal from this House to the regime in Burma.

The hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) made an outstanding speech in which he rightly observed that even before Cyclone Nargis struck Burma last week the Burmese people were suffering under a humanitarian disaster. That is why 27 aid agencies are already there and Save the Children has 500 personnel on the ground, and why I and several colleagues who sit on the International Development Committee have been calling for many months and years for more DFID aid to go into Burma.

The actions of the regime over the decades towards the people—the military crackdowns, the burnt-out villages, the campaign of ethnic cleansing against the Karen, Chin and Shan peoples of Burma—has led to a humanitarian disaster, and in the past week Cyclone Nargis has added another layer of catastrophe to the suffering of people there.

John Battle *rose—*

Mr. Crabb: Forgive me, but I will not give way.

I welcome the new money that the Secretary of State pledged, and I welcome the fact that he clarified that it is additional money. I have a couple of brief points; I do not intend to go over ground that other speakers have gone over already. Earlier on, there was a discussion about air drops, and I sensed a false argument. No one is saying that all the aid should be dropped from the air, or that we should drop water from the air. However, it is not the case, as was suggested by the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), that all the NGOs are against air drops. Oxfam and Save the Children have certainly expressed concern about air drops, but one of the directors of the United States Agency for International Development has said that unilateral air drops should be considered as a lever of policy.

On the misappropriation of aid, a couple of speakers have already referred to aid being commandeered by the regime, re-badged, and then either sold on the black market or used inappropriately. During the past 48 hours, I read that some of the high-energy biscuits that arrived on one of the first World Food Programme flights had been taken to a military warehouse. I was not clear about to what use they had been put, but my hon. Friend the Member for Banbury (Tony Baldry) hinted at it when he said that aid is a powerful tool for the junta in Burma. The concern is that because the regime relies so heavily on the support of the military, the 400,000 Burmese soldiers and their families will be prioritised in the disbursement of aid. One senior person from an NGO has expressed to me concern that low quality alternatives are being substituted for high quality, high nutrition biscuits before the aid is distributed to the mass of the population. Indeed, CARE Australia has put on record its concerns about the quality of rice being disbursed, which is very mouldy and of poor quality. There is a need for high quality, nutritional aid.

On the United Nations, the Secretary of State referred to the discussions that the Prime Minister was having with Ban Ki-moon. I am afraid that I do not share the Secretary of State's optimism for what can be achieved at the UN. Indeed, Ban Ki-moon said that he had spent all weekend trying to get through on the phone to Senior General Than Shwe, with no success.

Mr. Virendra Sharma (Ealing, Southall) (Lab): Will the hon. Gentleman give way?

Mr. Crabb: Forgive me, but I am not going to give way. I have just three or four minutes left.

The fact that the senior general, the ruler of Burma, will not even pick up the phone to speak to the Secretary-General of the UN highlights the way in which the Burmese regime runs rings round the UN time and time again. We saw that from the way it played Ibrahim Gambari in discussions about political reform in Burma. We should be cautious about the

[Mr. Crabb]

amount of optimism we invest in UN processes. My hon. Friend the Member for Banbury rightly highlighted the need for serious reform of international processes and institutions with regard to how we respond to such disasters.

Mention has been made of the role that the Association of South East Asian Nations can play. It is easy to knock ASEAN; it did not behave as quickly as we would have liked and often dealing with it is a case of two steps forward, one step back—or one step forward and two steps back. That was certainly the case at the end of last year when many of us were initially optimistic that ASEAN would take a strong position on the political situation in Burma and the crackdown on democracy protestors, but in the end we were all slightly disappointed by the relatively weak stand that it took. However, ASEAN is important, and it is trying to assemble a mercy coalition to play some sort of effective role in the humanitarian effort in Burma. Rather than be critical of that, it is incumbent on Ministers and the Department to see what assistance they can provide to the ASEAN effort. The Secretary of State's Department is recognised as "top of the class" of governmental international aid Departments, and he should look at the assistance and advice that his Department can give to ASEAN's aid efforts. We want to see ASEAN play a much more productive and constructive role in Burma's affairs and this disaster perhaps provides an opportunity for it to do so.

I will not go into the responsibility to protect, which numerous other speakers have covered.

Genocide has been mentioned by the hon. Member for Ilford, South (Mike Gapes) and my hon. Friend the Member for Ribble Valley (Mr. Evans). In the early days of the disaster last week, even Liberal Democrat Front Benchers were talking about genocide, in the context of the regime's initial response. Genocide had been talked about in connection with the Burmese regime long before the disaster struck. Back in June 2006, the hon. Member for Cardiff, North (Julie Morgan) tabled a question asking the Minister responsible at the Foreign and Commonwealth Office whether the Burmese regime's acts against the ethnic peoples there amounted to genocide. On that occasion, the Government did not take a definite position. In October 2006, my hon. Friend the Member for Buckingham (John Bercow) tabled a similar question, again asking whether the actions of the regime in Burma amounted to genocide or an intent to commit genocide. Again, the Minister concerned did not quite take a clear position.

Many of us hold the view that the behaviour of the regime in recent years amounts to genocide and a clear intention to commit genocide. The regime has strong genocidal tendencies, as has been demonstrated again in recent days.

We cannot quite neatly separate the humanitarian issues from the political issues when we talk about the disaster in Burma of the past seven days. They are bundled up together. Indeed, I am delighted that the Under-Secretary of State for Foreign and Commonwealth Affairs is sitting on the Front Bench this afternoon, because I know that she takes a deep personal interest in the issue. Her presence serves as a reminder that the political issues are wrapped up with the international development issues.

Our hope is that we get a more effective and systematic humanitarian effort up and running. The aid getting through is nothing like enough to bring relief to the people of Burma. However, there is a bigger hope beyond that—that the tragic events of the past week will somehow lead to a new outlook, particularly on the part of the younger generation of Burmese rulers, who will come through when that group of ageing, corrupt and abhorrent generals finally has its day. As has been the case in other parts of the world, disasters have led to political reform. My hope is that once we get through the immediate humanitarian response, there will be a political sea change in Burma.

3.52 pm

Mr. Virendra Sharma (Ealing, Southall) (Lab): I apologise that I was not in the Chamber earlier. I was in another meeting and therefore missed many of the contributions from my right hon. and hon. Friends. I am sure that all issues have been covered, whatever I have heard so far.

As an immigrant from India, a neighbouring country, I understand the impact that the current disaster and previous political actions have had not only in Burma, but in neighbouring countries. I am glad that the Indian Government have taken initiatives to provide assistance to the Burmese people, although the current Burmese military regime has not accepted assistance and is creating blockages. It is important that the international community should not only take action to overcome the disaster and help the communities affected now, but ensure that political action is taken to bring forward a more democratic system in Burma; otherwise, the Burmese will continue to suffer not only from natural disasters, but from human disasters.

It is important that the international community should come together to ensure not only that assistance is given to the communities affected, but that the military regime over there is tackled. I am certainly glad to see that the Government have taken initiatives to offer support and will continue to work with hon. Members from all parts of the House to ensure that those people are helped. I will certainly support the Government on that point.

3.54 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I thank you, Madam Deputy Speaker, and the House for giving me the opportunity to sum up this debate.

Outrage has quite rightly been expressed at the climatic disaster that occurred on 2 May, Cyclone Nargis. We have heard speeches of despair and of outrage at what happened in Burma from my hon. Friend the Member for Sutton Coldfield (Mr. Mitchell), the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), the right hon. Member for Leeds, West (John Battle), and my hon. Friends the Members for Ribble Valley (Mr. Evans), for Banbury (Tony Baldry), and for Preseli Pembrokeshire (Mr. Crabb). Last, but by no means least, we heard the brief contribution from the hon. Member for Ealing, Southall (Mr. Sharma). It was very nice to have his support in the debate today.

Cyclone Nargis was a climatic disaster on a huge scale, the like of which has not been seen since the tsunami of 2004. The UN Secretary-General, Ban Ki-moon, reckons that 1.5 million people have been affected in one way or another, including 1 million who have been made homeless and—depending on whom one believes—up to 100,000 who have died in the Irrawaddy delta and the Rangoon region. Anyone who has seen the pictures—described in such graphic detail by my hon. Friend the Member for Ribble Valley—of bodies floating in the water cannot fail to be moved and to feel desperate to help.

As my hon. Friend the Member for Banbury has already made clear, the sad, poor, egregiously repressed people of Burma lived in appalling conditions long before this climatic disaster struck. One third of them already lived below the poverty line, and one third of children under five were already malnourished. As my hon. Friend the Member for Ribble Valley said, 1.5 million oppressed people had already been forcibly moved from 3,000 villages in the Karen region and adjoining states.

It is hard for us to understand the junta, led by the generals, stopping aid getting in to save its own people. The right hon. Member for Leeds, West made an extremely good point when he said that 10 days had already passed since the disaster, and that disease would spread exponentially if this situation continued for another 15 or 30 days. That is what will happen if we are not careful. The climatic disaster, which was unavoidable, could well be followed by a second, humanitarian disaster, which is completely avoidable. It would be a disaster of hunger, thirst and, above all, disease. Without sufficient medicine, if measles, cholera and other killer diseases start to take hold, it will be very difficult to stop them.

A plea should go out from the House today to the Burmese generals, to tell them that the aid workers do not want to go into their country for political purposes, and that they want to go in purely for humanitarian purposes. When the Minister winds up the debate, will she tell us exactly what the current position is regarding the Burmese Government's granting of visas? As my hon. Friend the Member for Ribble Valley pointed out, it is a disgrace that Burmese officials went on holiday for three days to avoid giving visas to NGO workers.

I agree with my hon. Friend the Member for Sutton Coldfield that it makes a welcome change to see the Chinese dealing with their own humanitarian disaster. Their Prime Minister was prepared to go to the site of the earthquake to see for himself what was happening and to reveal to the world what was happening. That is a welcome change from what would have happened in that vast country a year or two ago. I believe that the Chinese are changing. I also believe that they put pressure on the North Koreans to reach some kind of deal at the negotiating table. We know that many North Koreans were close to starvation, so it was not simply an issue of nuclear proliferation; it was a humanitarian issue as well. I believe that the Chinese Government recognised that fact. The fact that that the Chinese Government have, almost for the first time, given $5 million in aid to the appeal in Burma is also a welcome sign. In fact, that sum matches what little the Burmese Government have themselves given.

I congratulate our excellent ambassador in Rangoon, and thank him for all the work that he has done. I also thank the excellent and experienced DFID team. Of course, a good range of NGOs—Save the Children, Merlin, the International Red Cross and Oxfam, among others—are already on the ground, as we have heard. I praise what they have been able to do so far. It is not a question of whether enough money and aid have been given; rather, it is a question of allowing that aid to get into the country.

Much has been said—notably by the Chairman of the Foreign Affairs Committee and my hon. Friend the Member for Banbury—about the responsibility to protect. That doctrine, of course, was designed not for humanitarian or climatic disaster on this scale, but for genocide, ethnic cleansing and crimes of humanity. We need to debate very quickly within the UN how to get a UN aid effort into the country, co-ordinating the NGOs and other unilateral and multilateral aid. It would be much better if, instead of bickering over how aid should be got into the country, the generals allowed the UN to take a lead on this subject. I hope that Thailand's Prime Minister and the European commissioner, who I believe are both in Rangoon today, succeed in persuading the generals to open their doors, as it is hard to know how else we shall get a good lead on getting aid into the country.

However, as the Foreign Secretary has made out, we have to rule nothing in, and we have to rule nothing out. If the right hon. Member for Leeds, West is right, which I suspect he is, disease will become rampant in the next week, 10 days or so. Is the world going to stand by and allow that to happen? I ask the Under-Secretary to clarify what precisely the UN is going to do if that situation develops. She is trying hard to get a UN resolution, which must be the preferred route, but what are the UK Government going to do if, in a week or 10 days' time, we still do not have it? What alternatives will she consider? That is a really important question for her to answer. It is also important that we ask neighbouring countries—our friends, China, India and Association of South East Asian Nations countries, which could put considerable pressure on the regime—to do more. It is wholly unacceptable for these people to be left to die.

As the hon. Member for Berwickshire, Roxburgh and Selkirk said in what I thought was a statesmanlike speech, only a trickle of aid is going in at the moment—two or three planes a day when what we need, as he said, is 35 planes a day. That is the scale of the aid needed. Will the Minister tell us whether she is establishing any form of forward bridgehead, which has been done in other humanitarian disasters? It seems to me possible for us to establish in some place a forward bridgehead of all the essential supplies rather than have them coming in from all over the world. They should be accessible in one place—perhaps one that is acceptable to the Burmese junta, such as Bangkok. We should consider what more we can do in that respect.

We also need to consider how to put Burma back together for the longer term. Once again, the right hon. Member for Leeds, West made a very perceptive point about that. Speaking as a farmer, I understand only too well how the sediment of the Irrawaddy basin has been washed away, altering the pattern of rice and other

[Mr. Geoffrey Clifton-Brown]

crop growing in the area for a very long time. The ground will become saline for many months to come, so the people will simply not be able to feed themselves. In view of the fact that 40 per cent. of Burmese rice comes from the Irrawaddy delta, a big effort will be required of the World Food Programme to deal with the problem, as the hon. Member for Ilford, South (Mike Gapes) said. We need to think about that now. How can we get a sufficient volume of food in? Assuming that we can solve the first wave of the problem by letting in humanitarian aid, medical supplies and emergency food and water, how are we going to deal with the second ongoing wave and keep the Burmese population alive and flourishing?

In conclusion, this is a humanitarian disaster that could yet get substantially worse. It is a harrowing experience to watch people die on our television screens every night. We, the UK Government and the world community must summon every effort we can muster from wherever it might come to try to stem this disaster. We have to impress on the Burmese regime that it is in their own and their people's interest to stop this crisis and allow aid in. I very much look forward to hearing what the Minister has to say about how our Government are managing to procure that situation.

DEFERRED DIVISIONS

Madam Deputy Speaker (Sylvia Heal): I now have to announce the result of a Division deferred from a previous day, on a Question relating to immigration.

The Ayes were 51, the Noes were 354, so the motion was negatived.

I shall also announce the result of a Division deferred from a previous day on a Question relating to local government. The Ayes were 240, the Noes were 158, so the motion was agreed to.

[The Division Lists are published at the end of today's debates.]

Burma

Question again proposed, That the original words stand part of the Question.

4.5 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): This has been an important debate, which has attracted a good deal of passion, argument and discussion, because Members rightly feel strongly about the situation in Burma. Their concerns are shared throughout the House, and were expressed extremely well by, for example, my right hon. Friend the Member for Leeds, West (John Battle), the hon. Member for Ribble Valley (Mr. Evans) and the hon. Member for Preseli Pembrokeshire (Mr. Crabb).

Let me reassure the House that the Government's response to Cyclone Nargis is, and will continue to be, driven first and foremost by the need to provide help for the people of Burma. That means that our priority is the delivery of drinking water, food, shelter and medicine, and it means making every effort to minimise the spread of disease following the initial devastation caused by the cyclone itself. The Government have therefore earmarked £5 million for disaster relief. That is a starting figure, which we will review as more aid gets through, and—as my right hon. Friend the Secretary of State has confirmed—it is in addition to aid that Burma is being given on an annual basis, which has recently been doubled.

Richard Burden (Birmingham, Northfield) (Lab): Given the scale of the suffering in the Irrawaddy delta, the focus must obviously be on how to convey aid and relief to that area. However, as a number of Members have pointed out today, Burma was already suffering major humanitarian problems affecting hundreds of thousands of internally displaced people and others, many of them in areas not adjacent to the Irrawaddy delta. Can my hon. Friend give some reassurance about the levels of aid and the mechanisms that will allow it to reach those other areas? The spread of disease and other problems there will be equally great in a few weeks, if not in days.

Meg Munn: I can give my hon. Friend that reassurance. When I was in Thailand I spoke to people about the aid going to camps on the border. My right hon. Friend the Secretary of State has also visited the area and the camps, and has given a commitment that we will keep the situation under review.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Will my hon. Friend give way?

Meg Munn: I need to make a bit of progress.

HMS Westminster will arrive off the Burmese coast tomorrow. We do not yet know what role the ship and its crew will play in delivering humanitarian aid, but it is sensible to move it closer to where help is needed. Aeroplanes are now arriving with help funded by the United Kingdom Government. The problem is that the Burmese regime is controlling the time at which each international flight can land in the region.

One Member—I cannot remember who it was—asked earlier about contributions from the European Community. The European Community Humanitarian Office is contributing €2 million, and the European Commission has pledged €5 million. Germany, Italy, the Netherlands, Norway and Spain have already made commitments, and I am sure that other European countries will do so as well.

I think that most Members on both sides of the House recognise that Burma is facing one of the biggest humanitarian challenges since the tsunami. My right hon. Friend the Secretary of State has described the gravity of the situation. We agree that a disaster of this degree requires the attention of the whole international community: individual states, individual NGOs, but above all a United Nations-led civilian mission. We are all extremely frustrated and appalled by the attitude of the Burmese Government in denying the international community's relief workers access to the areas affected by the cyclone. The crucial question for this debate is how, faced with the intransigence of the Burmese regime, we can best proceed in order to help the Burmese people. As the Government have already stated, we are not ruling out any particular action at the moment.

Dr. Julian Lewis: On behalf of Members who have been present for all or most of the debate, may I ask why the Government feel it necessary to oppose the Opposition motion, given that there is such unanimity of view across the House?

Meg Munn: If the hon. Gentleman will just wait, I will come to that point.

We have a desired option: to convince the Burmese Government to think again and open their country to the humanitarian workers who have the expertise to co-ordinate the aid effort. The first duty of any Government is to protect the people whose interests they are supposed to represent. Instead, we hear that the Burmese leadership is refusing even to take the telephone calls of the UN Secretary-General—a Secretary-General who is pledging help. The international community is committed to helping any country, of any size or importance, when its people suffer a humanitarian disaster. The Burmese army simply does not have the experience, knowledge or logistical capacity to co-ordinate a relief effort of this magnitude. Indeed, few countries would have that.

Mark Lazarowicz: Is it not a scandal that in the midst of this crisis the Burmese regime proceeded with its sham referendum? Does my hon. Friend agree that it was a sham referendum, a sham consultative process, and not the kind of action that will build the democratic civil society that Burma needs if it is to be able to deal with the problem it currently faces, and its other underlying problems over the long term?

Meg Munn: I completely agree. We said at the time that the referendum was a distraction. It should not have gone ahead, and the fact that it did gives the clearest sign that that Government are dangerously distant from the reality of what is happening in their country. We have, of course, always had our concerns, but a referendum conducted in those conditions has to be of dubious credibility.

Let me say a little more about what our Government are doing to persuade and lobby on this issue. We know that preventing deaths through persuading the Burmese authorities to work with the international community to deliver aid and assistance is the best way forward. We point out in all our contacts with the Burmese regime and other Governments in the region that this is a humanitarian situation, and that it is not political—that at present we are interested not in the political situation, but in giving humanitarian aid.

John Battle: Will my hon. Friend give way?

Meg Munn: I am sorry, but I need to make progress.

The crucial factor in any natural disaster is the response of the Government. If a Government care, make plans and organise a response, people will survive; if not, they will die. That is why we continue to back the plan to persuade the Burmese Government to provide unfettered access for aid workers, whether through the UN or through countries in the region, as my right hon. Friend the Member for Leeds, West has said. My noble Friend Lord Malloch-Brown and the Under-Secretary of State for International Development, my hon. Friend the Member for Dewsbury (Mr. Malik), are in the region seeking to persuade people there. We are convinced that the most effective way to deal with this tragedy and to save lives is to persuade the Burmese authorities to accept the help coming from the rest of the world, and to do so through intensive and urgent diplomatic activity, and particularly through targeting countries with influence over the regime.

China has been mentioned, and it is in a key position both to influence the Burmese regime to open up and to facilitate practical support on the ground. China has publicly called for aid to be let into Burma, but it can do much more to persuade Burma to allow more international workers on the ground and direct distribution of aid to the delta region. The Foreign Secretary spoke to his Chinese counterpart yesterday, pressing on the subject of the regime's unacceptably slow response. China and other UN Security Council members have been asked by the UK to discuss the serious situation in Burma.

The Association of South East Asian Nations Foreign Ministers will meet on Monday, and we have been lobbying them to help improve this situation and to put pressure on Burma to increase the number of visas granted. There has been some increase, but not as much as is needed.

The Opposition raised the issue of a forward bridgehead. We have discussed with countries such as Thailand what they can do to address such issues. I do not want to spend too long on the subject of air drops, which has been discussed. We have not ruled anything out, but I think that hon. Members, particularly my hon. Friend the Member for Ilford, South (Mike Gapes), have set out the problems that might result. The scale of the disaster requires a full international civilian operation, like the ones we saw after the tsunami and the Pakistan earthquake, and for that we need the co-operation of the Burmese authorities. That must remain the principal focus of our efforts.

The "responsibility to protect" was raised by the hon. Member for Banbury (Tony Baldry) and by my hon. Friend the Member for Ilford, South in particular.

[Meg Munn]

There is no doubt that the Burmese Government have a responsibility to act now to help save the lives of hundreds of thousands of Burma's people who are suffering after the cyclone. As we have said, we rule nothing out. We will continue to argue vigorously in New York for UN Security Council engagement.

Let me be clear why we tabled our amendment. It focuses on what we are seeking to achieve:

"to secure access and ensure aid is delivered to those in need."

That is why the amendment should be supported, and I ask the Opposition to consider the matter carefully. The motion risks suggesting that the UK will pursue the responsibility to protect above all else, rather than our actual focus, which is on any means that will secure the outcome that we all seek.

Unfortunately, the situation for Burma remains extremely grave. A great deal is being done by international organisations, our ambassador on the ground, the Department for International Development and non-governmental organisations, and we must all place on record our thanks to them. However, until there is a response from regional actors and ASEAN putting pressure on the regime, we will not get the outcome that we want to see.

There has been a great deal of agreement in this debate; everybody wants to see the Burmese Government open up their country so that help for the people who desperately need it most can get through. I ask hon. Members to support our amendment.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 181, Noes 252.

Division No. 185] **[4.17 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Brake, Tom
Brazier, Mr. Julian
Breed, Mr. Colin
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Featherstone, Lynne
Field. Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Goldsworthy, Julia
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lamb, Norman
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Ottaway, Richard
Penrose, John
Price, Adam
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Matthew
Teather, Sarah
Thurso, John
Tredinnick, David
Turner, Mr. Andrew
Vaizey, Mr. Edward
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Crispin Blunt and Mr. Richard Benyon

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Bell, Sir Stuart

Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Cawsey, Mr. Ian
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Ruane, Chris
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, Mr. Michael
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wyatt, Derek

Tellers for the Noes:
Mr. Frank Roy and Mr. Sadiq Khan

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith, pursuant to Standing Order No. 31 (Questions on amendments), and agreed to.*

MADAM DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House notes with horror the devastating impact of Cyclone Nargis upon the people of Burma; recognises the vast scale of humanitarian assistance needed urgently to prevent further loss of life; is appalled at the unacceptably slow pace at which the Burmese authorities have so far allowed in international expertise for the relief effort, and at their lack of capacity to distribute aid to the affected areas; calls upon the Burmese authorities to allow immediate and unfettered access for both the delivery of aid and for its distribution inside Burma; strongly welcomes the UK Government's initial £5 million pledge to the relief effort for emergency items; strongly supports the UK

[Meg Munn]

Government's exchanges with key international partners in order to bring about a concerted international effort for access for humanitarian assistance; in this regard, welcomes the visit to countries in the region by Ministers from the Department for International Development and the Foreign and Commonwealth Office; urges countries in the region to increase their efforts to persuade the Burmese authorities to allow in unfettered international assistance and to ramp up the delivery of aid; and strongly supports continued efforts of the United Nations to secure access and ensure aid is delivered to those in need.

Vehicle Excise Duty

4.30 pm

Mr. Philip Hammond (Runnymede and Weybridge) (Con): I beg to move,

That this House notes with concern the increases in Vehicle Excise Duty (VED) imposed in the Budget; notes that between 2006 and 2010 revenues from graduated VED will have more than doubled; observes that the majority of motorists who currently pay graduated VED will now pay more; deplores the Government's decision to abolish the exemption from higher graduated VED rates for cars that emit more than 186g of carbon dioxide per kilometre and were registered between March 2001 and March 2006, and the fact that this was not stated clearly at the time of the Budget; considers that these changes will hit those on low incomes hardest and be a further burden on hard-working families already struggling to cope with soaring living costs; further notes that, although graduated VED revenues will total £4.4 billion by 2010-11, carbon emissions from motoring are expected to reduce by less than one per cent. as a result of the new VED regime; believes that any increases in environmental taxes should be offset by tax reductions elsewhere; and calls upon the Government to abandon its planned increases in VED.

With the greatest respect to the Financial Secretary, we are disappointed that yet again the Chief Secretary has not been deployed to defend the Government's policies. Perhaps she is too busy working on plans to undo them.

The Chancellor's Budget is unravelling before our eyes. The purpose of the debate this afternoon is to give it another little shove. Yesterday we witnessed the unprecedented spectacle of a Chancellor coming back to the House of Commons just 10 weeks after a Budget to unravel his income tax proposals for the current year. I remind the House that we had already seen major U-turns on the taxation of capital gains and on non-domiciled UK residents, where the Chancellor conjured up £550 million that he does not have to buy off criticism of his inept handling of those two measures.

Yesterday we saw an unprecedented emergency mini-Budget, with the Chancellor wielding the nation's credit card yet again to buy his way out of trouble with a temporary fix for the ghastly mess that he had inherited from his predecessor, in the form of the doubling of the 10p tax band, making 5.3 million low-earning families worse off—with another £2.7 billion that he does not have.

So we are making progress. We have established that the Chancellor can rewrite his Budget, even though he said that he could not. We have established that he can make in-year changes, even though he told us that it was impossible. We have established that the long-accepted principle that major tax changes are announced only in Budget or pre-Budget reports has been scrapped, and that the Chancellor can in fact reverse taxation policy whenever it is convenient and politically expedient for him to do so. Let us look this afternoon for the next candidate for a U-turn.

Martin Salter (Reading, West) (Lab): Does the hon. Gentleman agree that Conservative policy on vehicle excise duty is also unravelling before our eyes? Some eight months ago we had a quality of life policy document from the Conservatives, which was launched in a hail of publicity in September 2007. It proposed

that the increase in the vehicle excise duty differential between the top and bottom bands of emission performance be capped at a maximum of £500. A few months later we have on the Order Paper a motion that goes in exactly the opposite direction. Whose policy is unravelling?

Mr. Hammond: It is the Labour party's policy that is unravelling. As the hon. Gentleman well knows, the document that he cites was a report to the party from a policy review body. It was never accepted as policy of the Conservative party. It is a menu, it contains some valuable ideas, and in due course my right hon. Friend the Member for Witney (Mr. Cameron) will announce to the public which of those policy areas he wishes to adopt as Conservative policy for the next general election, always bearing in mind the constraints within which we will operate and the mess that we will have to tackle when we assume office in a year or two.

Mr. Jim Devine (Livingston) (Lab): Is the hon. Gentleman saying that we will not hear the Conservatives' alternative economic strategy in this debate?

Mr. Hammond: I always find that it is best to get all the Whips' questions out of the way early. So far, the only new ideas that the Government have had on taxation policy have been those that they have stolen from the Conservative party, so I understand the hon. Gentleman's concern that, if we do not announce a stream of new policies over the next few months, the locker will be bare when the Chancellor makes his pre-Budget report in November or December.

I was suggesting that we should turn our attention to the next candidate for a Budget U-turn, but there are not many policies left on which the Chancellor has not backed down. However, one more needs his urgent attention in this new-found listening climate. The Chancellor will have noticed that 18 Labour Members have signed the early-day motion tabled by the hon. Member for Blyth Valley (Mr. Campbell), which calls on the Government to reconsider the changes announced in the 2008 Budget to vehicle excise duty, which will take effect in April 2009.

Martin Salter *rose—*

Mr. Hammond: I believe that the hon. Member for Reading, East is one of those Labour Members—

Martin Salter: It is Reading, West, which is the preferable part of the town. Does the hon. Gentleman accept that the early-day motion criticises not the thrust of the policy but its retrospective nature? That is the nub of the debate.

Mr. Hammond: To Conservatives, Reading is Reading, and it is a very sweet word.

I am not entirely sure that the hon. Gentleman is right about the early-day motion, but I accept that he wished to draw attention to the retrospective effect of the changes that the Chancellor proposed. Indeed, the thrust of my argument will be about the retrospectivity element. It is not the only problem with the changes, but it is the biggest.

Helpfully, the hon. Member for Blyth Valley explained in the Newcastle paper *The Journal* his reasons for attacking the VED changes. I shall not try to do the accent, but he said:

> "It's like the 10p tax, it's going to hit the poor. I don't know where we're going hitting the working man at every corner."

The hon. Gentleman is right, because for many, driving is a necessity not a luxury. That is easily forgotten by metropolitan policy makers living in an area served by the country's best public transport infrastructure. Even in such circumstances, Ministers demonstrate every day—and I do not criticise them for this—how for some people, because of their job, a car is a necessity, even for the shortest journeys.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): I hear what the hon. Gentleman says about the metropolitan understanding. I come from a rural island constituency and I know that many people have large vehicles. They are certainly not Chelsea tractors, and are often second-hand and not in the best nick. Those people will be badly hit, and they are already paying £1.35 a litre for diesel. One suggestion I made during consideration of the Finance Bill was that if someone was in receipt of the single farm payment it should put them in a particular category, so it would be easy for the Government to charge them a different level of duty. Even if the Government intend to pursue the main thrust of the policy, exemptions can be made.

Mr. Hammond: With the greatest respect to the hon. Gentleman, I suspect that I should not revisit the details of that debate, although the Conservative spokesman on that issue did suggest that we have considerable sympathy with the thrust of the Scottish nationalists' argument. However, he also drew attention to some of the serious practical problems with that solution.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): Is not this yet another example of politicians saying that they are in favour of environmental policies and green taxation in general, but when it comes to the particular, finding a reason why a policy is not any good? This week, American scientists have pointed out that the carbon dioxide concentrations in the atmosphere are 40 per cent. higher—higher than anyone expected. Have we not got to get serious and get real and all of us, across the parties, recognise this and act on it?

Mr. Hammond: The hon. Gentleman makes what on the face of it is a fair enough point. I will come shortly to the specific issue of the environmental effects of the policy, and if the hon. Gentleman wants to intervene on me again at that point, I will be happy to take his intervention.

Mr. Greg Knight (East Yorkshire) (Con): Will my hon. Friend reflect on what he just said, because I do not think that the last intervention was a fair point at all? Has he seen the study by Professor David Newbury of Cambridge university, which concluded that if motorists were to pay the cost of the effects that they have on the environment, they would be paying tax at the rate of 20p per litre of fuel, yet motorists are paying

[Mr. Greg Knight]

tax at 65p a litre of fuel? Therefore, there is no justification on environmental grounds for these vehicle excise duty increases.

Mr. Hammond: My right hon. Friend makes an equally fair point. I think that the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) was seeking to say that changes to environmental taxes at the margin, whether or not the overall burden of taxation is justified, might be expected to have a beneficial environmental effect. I shall seek to show in the course of my remarks that that is not the case, even on the Government's own figures. It is only right to invite the hon. Gentleman to come back once I have set out my case.

Mr. John Redwood (Wokingham) (Con): Is my hon. Friend of the opinion that the Government expect to get more revenue out of this, that it is a tax-raising device, and that that shows that they do not believe that it will work, because if they are getting more revenue it means that people will still be buying the larger vehicles?

Mr. Hammond: The Government clearly expect to receive substantially more revenue from these changes, but I shall come to the environmental benefits issue shortly.

Encouragingly, we also heard yesterday from the hon. Member for Wolverhampton, South-West (Rob Marris), sowing the seeds by taking up the opportunity of the Chancellor's announcement of his climbdown on the 10p rate to inquire when he will announce a climbdown in respect of vehicle excise duty. I do not know whether the hon. Gentleman sees himself as assuming the mantle of the right hon. Member for Birkenhead (Mr. Field) in relation to an issue that I predict will become an equally big problem for the Government in the not-too-distant future.

Hon. Members who are perhaps uneasy about the Chancellor's vehicle excise duty policy should not be disheartened by any protestations from the Treasury Bench that we may have heard or that we might hear later on today that there will be no turning back, that the line is fixed, that the measures are right and will be implemented in full, because that is precisely what the Chancellor said about the doubling of the 10p income tax rate until he was forced into a humiliating U-turn by a combination of public anger and panicking Labour Members.

The message from the Chancellor's and the Prime Minister's conduct over the 10p rate to those on the Labour Benches who have already spotted this time bomb ticking away under their marginal seats for next April—such as Reading, as I am helpfully reminded—is that no matter what the protestation of inflexibility, the Government are now for turning. Let us be under no illusion. The measures announced by the Chancellor on vehicle excise duty in the 2008 Budget are a ticking time bomb under his successor for 2009, just as surely as his predecessor's 2007 Budget was primed to explode under him.

Mr. MacNeil: I note that this matter will come to a head in 2010, just when we expect to have the next general election. I heard the cheering when the Chancellor made his announcement on the 10p income tax, but I imagine that the situation in 2010 might be very different. Only five Back-Bench Labour Members are present today, but by 2010 there might be 50 or even more.

Mr. Hammond: By later on in 2010 the Labour party might struggling to muster five. The hon. Gentleman has suggested a Machiavellian proposition that I must confess I had not thought of. Perhaps the Chancellor's swingeing increase in vehicle excise duty is set up so that he can abolish it in 2010 just before a general election and get the same kind of reaction that he was obviously hoping to achieve yesterday. I will leave such Machiavellian considerations to members of the Scottish National party.

The announcement in the Budget speech on vehicle excise duty was significant enough—the creation of a new and complex regime of vehicle excise duty with 13 bands, raising the duty payable on many family cars, and all of it dressed up as an environmental measure aimed at gas guzzlers and nothing whatever to do with filling a bankrupt Treasury or taxing ordinary motorists. That was the clear message.

As far as the measure's green credentials are concerned, in fact, the percentage increase in duty on a Nissan Micra is larger than the percentage increase on a six litre Hummer or a Porsche Cayenne. In truth, this is an old-fashioned revenue-raising measure. At a time when families are struggling to make ends meet, the Chancellor has hit them with a more than doubling of VED between 2006-07 and 2010-11, from £1.9 billion to £4.4 billion. That is at a time when the average motorist is already contributing more than £1,800 a year on average in tax.

Vehicle excise duty on a Ford Mondeo estate, whether owned in Worcester or otherwise, will go up by 32 per cent. between 2007-08 and 2010-11. VED on a Renault Espace, a largish family car, will increase by 43 per cent. That is bad enough when taken at face value, without having to read between the lines. Conservative Members have become wearily resigned to the fact that the Budget Red Book—let alone the Budget speech—never tells the whole story, but the Treasury has plumbed new depths of cynicism with its presentation of the VED changes. The Red Book assures its readers on page 96:

> "As a result of these reforms, the majority of motorists will be better or no worse off in 2009."

What it did not say was that, because of the unannounced reversal of the exemption from the highest bands of VED announced in the 2006 Budget for vehicles registered before March 2006, more than 1 million families will see their car tax double over the next two years.

We have only discovered the truth because my hon. Friend the Member for Putney (Justine Greening) looked at the numbers and the Government's rhetoric and realised that, even by their usual standards, there was a gap. Between 2006-07 and 2010-11, graduated VED is shown in the Government's figures to rise from £1.9 billion to £4.4 billion, more than doubling in four years—an increase that she realised could not be

accounted for by the announced changes alone. She discovered through a series of parliamentary questions that that unexplained increase was accounted for by an unannounced stealth tax on existing cars registered before March 2006, which, but for their age, would be in band G now and which are heading for bands L or M in the new system.

Thanks to my hon. Friend's forensic accountant-trained mind and her fierce tenacity, and to the momentum generated by the campaign launched by *The Daily Telegraph*, the truth, kicking and screaming, has finally emerged into the light of day and is beginning to penetrate the public consciousness. The Treasury now admits that the statement in the Budget Red Book was

"not as clear... as it could be."

Albert Owen (Ynys Môn) (Lab): The hon. Gentleman talks about a gap, yet the Conservative motion talks about off-setting by "tax reductions elsewhere". Where are the Conservatives going to get that money from, because that certainly would be a huge gap?

Mr. Hammond: I will make a deal with the hon. Gentleman. When he comes here and tells us where the Chancellor has got the money from to back down on capital gains tax and on non-domiciles, and to fund his U-turn on the 10p tax rate, then we will explain it to him. He can jolly well answer the question.

The public and Labour Members woke up to the problem of the 10p rate only when the increase was upon us. We hope to do Labour Members a favour through today's debate and ensure that the response on vehicle excise duty is a bit quicker because—I stress to Labour Members—the sooner one defuses a bomb, the less danger one is in.

By 2010, 81 per cent. of the 19.6 million cars that pay graduated vehicle excise duty will pay it at a higher rate than now. That means that four out of five motorists will lose out—some 12.5 million losers will be worse off as a result of a change, which was presented as a tax on gas guzzlers that would benefit the majority of ordinary motorists. I stress the figure of 12.5 million—far more than twice the number of losers from the disastrous decision to scrap the 10p income tax band. For at least 1 million of those losers, the cost will be at least £220 a year of extra VED by 2010, and 3.7 million motorists will lose £90 a year or more—not far off the average loss from the abolition of the 10p tax rate.

Richard Burden (Birmingham, Northfield) (Lab): The hon. Gentleman is being expansive in his criticisms of the Government's decision. I understand that he is not in a position to say precisely what his party would do if it was preparing a Budget. However, what is the strategic framework within which he would consider VED or other duties? Does he believe that VED should play any role in incentivising or disincentivising customer choices when buying cars? Does he believe that fuel duty should play any role in combating climate change? If so, what is that role? If not, what does he suggest instead?

Mr. Hammond: The hon. Gentleman makes a fair point. We have made it clear that we believe that green taxes have a role to play in changing behaviour. However, if he reflects for a moment, he will realise that VED can play such a role only in respect of cars not yet purchased. I shall develop the argument that there is a problem in imposing that tax on the existing stock of cars because people are effectively locked into decisions that were made many years ago.

Conservative Members believe that green taxes have a role to play, but if we want to carry a sceptical public with us, we must make it clear that they are introduced for environmental reasons and are not disguised stealth taxes. Politicians should acknowledge the public's scepticism. It is why my right hon. Friend the Member for Witney has committed himself to a ring-fenced family fund, into which the proceeds of additional green taxes will go. It will be audited externally and used to reduce taxes that are otherwise paid by families. That is the only way in which to retain the public's confidence and get them behind the green taxation agenda.

Bob Spink (Castle Point) (UKIP): Earlier, the hon. Gentleman mentioned losers. Does he accept that many losers will be disabled people on low, fixed incomes? I received an e-mail from one of my constituents today who must drive a large car to accommodate his wheelchair. He is deeply worried about how to afford the tax. Does the hon. Gentleman share my concern that we must find a way of ensuring that such people are protected?

Mr. Hammond: The hon. Gentleman is right. I expect that we shall hear examples from several hon. Members of constituents whom the measure will disadvantage.

Mr. Greg Knight: Will my hon. Friend give way?

Mr. Hammond: Perhaps I will hear one now.

Mr. Knight: My hon. Friend is being generous in giving way. He makes a compelling case against the increases in vehicle excise duty. Is not the position worse than he outlined? At the same time as the increases, the Government are leaning on and forcing many local authorities to consider introducing road charging in city centres.

Mr. Hammond: Indeed. Furthermore, if my right hon. Friend goes to Nottingham city centre, he will see that parking charges have been introduced. My right hon. Friend is right: the motorist is under assault from many directions.

Mark Lazarowicz *rose—*

Mr. Hammond: I want to make a little progress. I said that I would give way to the hon. Gentleman again, and I will. However, in view of his earlier intervention, perhaps he will let me make the environmental point; I will then give way to him.

Let us be clear: the abolition of the pre-2006 exemption for older vehicles that would otherwise fall into higher VED groups is nothing but a cynical,

[Mr. Philip Hammond]

revenue-raising stealth tax. It is a retrospective measure that cannot affect behaviour as a prospective measure might. Its burden will fall disproportionately on the poor, who are more likely to own older cars; on those in rural areas, who are more likely to own higher-rated vehicles; and on those with large families, who are more likely to have bigger cars.

There is a double whammy for those caught in the trap. Industry experts have confirmed—it has been in all the major papers—that these VED rises will slash the value of older cars that fall into the higher bands. CAP, a data provider to the used car trade, says:

"When people find out that it could cost half a car's value just to tax it each year, its value will plummet. Many of these cars...will be reduced to their scrap value. The sad thing is that perfectly usable cars will be scrapped...Poorer families who need a bigger car to transport children...will find their car has lost up to £1,000 of its value. They face an impossible choice because many will struggle to pay the higher road tax but won't be able to afford to buy a more fuel-efficient car with a lower road-tax rating."

In other words, those people will not be able to respond as the economic model worked up in the Treasury predicts, because they will not have the money.

There is a long-standing bar room joke, which I am sure all Members will have heard from time to time; it seems to come around every time there is a surge in petrol prices. It is something about doubling the value of a car by filling its tank. The combination of a doubling, in some cases, of vehicle excise duty and the slashing of the capital values of larger, older cars means that sticking an annual licence disc in the windscreen will literally double the value of some cars. Even medium-sized cars will be severely affected. Data from CAP show that a Hyundai Lantra 1.6 litre automatic registered in 2001 has a trade value of £850. Under the new vehicle excise duty regime, that car's road tax will increase to £430 a year in 2010.

Here is the rub: far from changing behaviour and encouraging lower carbon output, this measure will lock low-income families into the worst possible position. By reducing the capital value of the vehicle that those families own, the Chancellor will trap them in what is effectively the motoring equivalent of negative equity. They will be unable to change their vehicle because its value will have collapsed, yet they will be forced to pay the Chancellor's punitive taxes to stay on the road.

I should like to quote one of the many e-mails that we have received. This one is from a motorist in Merseyside:

"Many of us are stuck with the car we have. Those who drive older cars are in the main the retired or low-income groups. The arrogance of the remarks"—

that is, the Chancellor's remarks—

"suggesting if we don't want to pay the tax we should buy another car is beyond belief. We can't afford another car. Please don't let this one go, I can tell you people are furious about this, it's on a par with the 10p tax. This can bring Gordon down. He knows it's the low-earners who will be hit and it doesn't deter him."

I could quote many more examples showing the anger and frustration felt by owners of larger, older vehicles, who see themselves being trapped for ever by this stealth tax into paying higher taxes and being unable to escape because of the erosion of the value of their vehicles.

Rob Marris (Wolverhampton, South-West) (Lab): As has been adverted to, I have been concerned about this issue for some time. It has nothing to do with the forensic skills of the hon. Gentleman's accountant friend, the hon. Member for Putney (Justine Greening); I raised the issue in the Finance Bill debate. The retrospective nature of the measure is clearly in table 8A of the Red Book. The hon. Gentleman is absolutely right that the issue is about future behaviour. That is why two years ago, I tabled an amendment to the Finance Bill to put up vehicle excise duty substantially for future purchasers of new gas guzzlers. The hon. Gentleman's motion says that

"any increases in environmental taxes should be offset by tax reductions elsewhere".

It behoves him to say a little more about that. In terms of the taxation that we raise, the idea of ring-fencing is very dodgy, because we need to spend money from taxation on adapting to climate change. The Government are already doing things with general tax revenue, such as building up coastal defences, increasing flood defences, work on wildlife habitats, and so on. Ring-fencing green taxes for green issues is not a simple position to take.

Mr. Hammond: There is a germ of truth in what the hon. Gentleman says. In an ideal world, one would not hypothecate. The reason we have taken the step of deciding, in effect, to hypothecate additional green taxes to reduce taxes on families is simply to respond to the high degree of public scepticism about this agenda. The public are sceptical about things that the Government have done and, more broadly, about politicians now claiming to be raising green taxes when, time after time—we have another example before us today—the public are really facing an ordinary stealth tax to fill the Treasury's coffers. That is why we have taken this exceptional route of ring-fencing and auditing the additional proceeds.

Mark Lazarowicz: Will the hon. Gentleman give way?

Mr. Hammond: I will make a little progress, if the hon. Gentleman will allow me, and come back to him in due course.

The reality for many poorer families is very far from the Whitehall theory of the Chancellor's Budget statement that the new VED structure will encourage drivers to choose the least polluting car. Many Labour Members and, indeed, many Conservative Members will recognise how divorced that concept is from the reality of the everyday lives of many of their constituents. "Oh, my car tax has just doubled, so I'll get rid of the car and nip out and buy a nice little economy model from the showroom"—that is not how people's lives work. The Government will tell us, I am sure, that this is all about encouraging green behaviour. Perhaps they would like us to take a more strategic view. We know, after all, that this Government are prepared to take tough, long-term decisions and accept the short-term political pain that they get from

ignoring the anger of the poorest when they lose out from Government policies. The Government have clearly demonstrated that when they say that a line in the sand has been drawn, that line in the sand has been drawn. Perhaps they would argue that a little bit of pain is worth while—even, perhaps, if 1 million or so owners of older vehicles are placed in the impossible position of being unable to trade up to a more environmentally friendly car, or if 80 per cent. of motorists are faced with higher VED alongside the higher costs of petrol, food, household energy and everything else. Perhaps the Government will say that it is all worth while in order to reduce the impact of vehicle-based emissions on our environment—that it is the right thing to do.

Unfortunately, however, that generous interpretation —that image of a resolute, principled Government determined to press on with what they know to be right in the face of short-sighted opposition—is fatally undermined not only by the short-term political manoeuvring that we have become used to as the Prime Minister twists and turns to try to save his own skin, but by the Government's own figures on the impact of the measure. In a written parliamentary answer to my hon. Friend the Member for Putney on 21 April 2008, the Treasury first claims that the 2008 Budget reforms of vehicle excise duty are forecast to result in a rising carbon saving over time, and then admits that the changes are forecast to deliver a reduction of just 0.16 million tonnes of CO_2 by 2020. To put that into context, total vehicle-based emissions of CO_2 were estimated at 120.3 million tonnes in 2006—the last year for which figures were available. The expected benefit of this measure, as set out in the Treasury's written answer, is a less than one seventh of 1 per cent. reduction in vehicle-based carbon emissions over a 10-year period. Even taking into account not all vehicle emissions but car emissions alone, the saving is less than one quarter of 1 per cent. The Chancellor's claim that Budget 2008 reformed VED to strengthen the environmental incentive to develop and purchase fuel efficient cars is blown away by his own figures predicting almost no positive environmental impact at all.

Mr. MacNeil: Is not the whole global argument shown to be bunkum when we cross the Irish sea, and see that in the Republic of Ireland it costs £20 to fill the tank of the average family car? The current price of fuel per litre in the Republic of Ireland is lower than it was here a year ago. I would like to ask the Conservatives whether, if they were in power, they would revoke the proposals of the current Labour Government on vehicle excise duty.

Mr. Hammond: On vehicle excise duty, we believe that the Government must go back to the drawing board. They must go back to square one, take a blank sheet of paper and think the proposals through again. This is not the way to go forward.

Mark Lazarowicz: The hon. Gentleman's argument as to why the increase in VED has little environmental benefit is remarkably similar to the argument we sometimes hear from Government Front Benchers as to why a few airport extensions are no bad thing because the effect is only minimal.

Leaving that aside, I suggest to the hon. Gentleman that he raises important points, but if he is wants people to accept that his party is not just trying to jump on the bandwagon, he should at least make suggestions as to how we can bring down vehicle omissions more substantially. It is only fair to ask him to do that because if he just simply attacks this policy, while at the same time attacking congestion charging, car park charges and so on, we return to the point that politicians talk green in general, but when it comes to the particular, they oppose any specific policies.

Mr. Hammond: What we have to do if we want to carry the public with us is show that any green tax proposal has an environmental benefit. There must be a correlation between the burden that we are imposing on taxpayers and the benefit that we are generating for the environment. The restructuring of vehicle excise duty fails that test, suggesting that it will save 160,000 tonnes of CO_2 by 2020 in exchange for the imposition of a huge increase in vehicle excise duty on ordinary families throughout the country.

Ultimately, the Chancellor's fig leaf has been blown away, exposing yet another plain, old-fashioned stealth tax. The vehicle excise duty structure will leave most drivers worse off; it is dressed up and presented as a green measure and presented with all the self-righteous pompousness that the Government reserve for such matters. It is a tax hike that, according to the Government's figures, will have virtually no impact on CO_2 emissions, it will undermine further the public's confidence in the principle of green taxes and it will reinforce cynicism about the real motives of politicians talking about the green agenda. In other words, it is a measure that will damage, not enhance, the environmental agenda in this country, which is why we have made the pledge to ring-fence the proceeds of additional green taxes in order to reassure the public that green taxes are just that, not eco-stealth taxes.

We have long known that the Government do not care about rural Britain. The 10p tax fiasco confirmed that the Prime Minister does not care about low-earning families. This cynical tax hike hits poorer families and rural areas hardest; it is a metaphor for new Labour's tax policy. At a time when families—and not just families on the lowest incomes—are feeling the squeeze, when earnings are stagnant and prices are soaring, and when people are looking to the Government for a helping hand, the Government's response has been to kick hard-working lower and middle-income families through another major stealth tax rise that is set with a delayed fuse, timed to go off next April, with an aftershock the following April when the final increase for older cars kicks in.

This is the worst kind of stealth tax introduced at a time when families are least able to absorb it, and it has been introduced in an underhand way. The Chancellor has shown that where the political cost of an ill-thought-out tax measure is high enough, he can and will reverse it without regard to the niceties of Budgets and pre-Budget reports. It is up to those of us on both sides of the House who see the unfairness of this swingeing, bogus green tax increase, which disproportionately affects the poorest and which will set back the cause of genuine environmental taxation, to get the Government back to the drawing board on

[Mr. Philip Hammond]

their plans for VED. On the evidence so far, the way to do that is not by quiet argument, rational analysis of the weakness of the proposals or an appeal to the long-term interests of the country, but by encouraging public awareness now of what will otherwise be next year's 10p tax debacle. That is because short-term political cost and benefit seems to be the only currency that this short-term Prime Minister deals in.

Mr. Deputy Speaker (Sir Alan Haselhurst): I should announce to the House that the amendment in the name of the Prime Minister has not been selected.

5.10 pm

The Financial Secretary to the Treasury (Jane Kennedy): It is a pleasure to speak for the Government and to follow the hon. Member for Runnymede and Weybridge (Mr. Hammond) in this debate on vehicle excise duty. He presented a robust case for the prosecution, as is his wont, but I am delighted to have been invited to present the defence case.

I am responding as someone who has always enjoyed driving, appreciates the freedom that a car can bring and values the contribution that motor vehicles have made to our economy. However, I do not subscribe to the view that Labour is anti-motorist and that the Tories are the motorist's friend. We have learned from the hon. Gentleman today that if the Tories took office, they would repeal the measure. We noted that they voted against the measure in the votes on the Budget. I also invite voters and drivers to be aware that he dismissed the policy document to which my hon. Friend the Member for Reading, West (Martin Salter) referred, to which I shall turn in a moment, as merely a policy discussion document, from which policies may be drawn at a future date, when a manifesto is drafted.

Mr. Redwood: Does the Financial Secretary not recognise that I also chaired a policy review that made a lot of proposals for lower taxes? Why does she not refer to those as Conservative policy? The truth is, of course, that my right hon. and hon. Friends will make their decisions near the election. However, she grossly misrepresents our policy work if she does not refer to my work in favour of lower taxes.

Jane Kennedy: I have not been able to refer to any policies yet, but the right hon. Gentleman merely confirms the point that I was making.

Martin Salter: Does my right hon. Friend agree that the right hon. Member for Wokingham (Mr. Redwood) is being unnecessarily bashful? We regularly refer to the excellent document that he produced denying climate change and trashing the green credentials of his party leader. He should be given a wider hearing, and it is my right hon. Friend's job to ensure that he is.

Jane Kennedy: I could not have put it better myself.

Mr. Redwood: I am grateful to the Financial Secretary for giving way, because I cannot allow what the hon. Member for Reading, West (Martin Salter) said to stand without comment. There has been absolutely no trashing of either my party leader or the need to have greener and cleaner vehicles, but we want to encourage people, rather than clobber them.

Jane Kennedy: There we have it. I am always happy to give way to the right hon. Gentleman, but sometimes think that when he is in a hole, he should not dig any harder.

Overall, the Government's policies have had a palpable effect on the manufacturing of cars and lorries. In 1997, there was only one flat rate of VED for all drivers. In 2000, we decided to graduate VED, ensuring that the drivers of the most polluting cars paid the most road tax. That was fair then and it is right to maintain that position now. It means that VED reflects the car's emissions, as well as creating incentives for people to drive cleaner cars and supporting the development of such cars.

Manufacturers such as Jaguar and Land Rover, to name just two, which produce high quality cars at the excellent Halewood plant in the constituency of my hon. Friend the Member for Knowsley, South (Mr. O'Hara)—

Rob Marris: And the west midlands.

Jane Kennedy: And in the west midlands. Such manufacturers have responded to the pressure that purchasers are bringing to bear. They acknowledge that if they are to maintain their competitive edge, they have to continue to develop their product and engineer cars of high quality, but with an ever reducing impact on the environment. Just as technology has helped to achieve huge improvements in vehicle performance and safety, the motor industry is now addressing the greatest challenge yet—that of delivering environmental solutions.

Albert Owen: The Minister will know that I have made forceful arguments about giving manufacturers incentives to make their cars more energy efficient. Car use is absolutely essential for everyday living for many families in my constituency, and they are already burdened by paying extra fuel duty at the pump. The extra charge required for cars purchased between 2001 and 2006 will be yet another burden. Will the Minister reflect on the fact that certain areas of the country seem to suffer a double whammy when it comes to running cars?

Jane Kennedy: I acknowledge the force with which my hon. Friend makes his case today. Indeed, he has made that case consistently and we will listen to the points that he makes. I shall come to the question of fuel duty in a moment, if he will allow me to make some progress.

Mr. MacNeil: Given that there have been U-turns in the Treasury recently, has consideration been given to the possibility of a U-turn on this issue?

Jane Kennedy: I shall come in a moment to the point that was raised earlier, which was characterised as the burdens on motorists and the cost of fuel. I hope that the hon. Gentleman will allow me to make some progress so that I can reach that point, as I know that

my hon. Friend the Member for Ynys Môn (Albert Owen) would like me to address the point that he has raised.

Mr. Philip Hammond: I should like to follow up on the points that have just been raised. In the context of responses that the Minister and her colleagues have made in the past, will she confirm that the Treasury keeps all taxes constantly under review?

Jane Kennedy: I make that point so often that I felt that it hardly needed repeating, but the hon. Gentleman is absolutely right. I want to move on to the points that he and my hon. Friend the Member for Ynys Môn made about the costs that they described as a burden on rural drivers. I will come to that in a moment.

The Stern review concluded that urgent action was needed now to offset the most serious impacts of climate change. A challenge on this scale requires all sectors, including road transport, to make urgent and substantial progress in reducing CO_2 emissions. In the long term, and possibly by 2050 in the developed world, almost complete decarbonisation of road transport is a possibility.

When I was elected in 1992, the Conservatives were in government. I took part in a debate at that time on a White Paper, promoted by the Government, entitled "New Opportunities for the Railways". My hon. Friends will be interested to learn that that was a euphemism for privatisation. The debate was held on 29 October 1992, and in it I confessed to being a confirmed motorist, albeit

"a motorist with a very uneasy conscience; one who uses her car knowing full well what damage that causes to the environment and the congestion that it causes in cities."—[*Official Report*, 29 October 1992; Vol. 212, c. 1215.]

I have at least been consistent in the intervening years. Before I became an MP, and then a Minister, I was alive to the effect of cars on the environment. That is precisely the position that many motorists are in now, as they choose which car to purchase.

Mr. Roger Williams (Brecon and Radnorshire) (LD): Will the Minister give way?

Jane Kennedy: I should like to make some progress, as this is a short debate.

As I have said, VED was charged at a flat rate at that time. Everyone paid the same road tax, whether they drove a clean car or a polluting car. Indeed there was little choice, in many ways, as there was no such thing as clean diesel or cars capable of burning biofuels. The then Government put in place something called the fuel duty escalator. The right hon. Member for Witney (Mr. Cameron) was advising Chancellor Lamont on this matter at the time. The escalator delivered, year on year, a 3 per cent. increase in fuel duty above the rate of inflation. We abandoned it in 1999; as a result, current fuel duties have been raised. *[Interruption.]* This is part of the context of the debate and it is right and proper for me to reply to the questions I have been asked. We abandoned the fuel escalator in 1999 and, as a result, current fuel duty rates are 50.35p a litre. Had fuel duties gone up in line with inflation since 1999, they would be 61p a litre. Had they gone up in line with a 3 per cent. escalator, they would be 79p a litre. If we add in VAT, the average price of petrol would be 34p higher today.

The Conservatives are trying to sell the idea to voters in Crewe and Nantwich that they are on the side of the motorist, but the right hon. Member for Witney has not told those voters about the new Tory taxes, including the 10 per cent. showroom tax on new cars and up to £500 VED, as we have heard, on older cars. This is not yet rubber stamped as Tory party policy, as we have heard, but I believe that voters and drivers should take note. The man in charge of writing Tory transport policy, Stephen Norris, has said that under the Tories,

"you will pay more in green taxes, you will, for example, see the re-introduction of a fuel duty escalator, I'm quite sure."

He said that on Radio 4's "World at One" on 31 August 2006.

We have heard a great deal since the Budget about the impact of these changes, particularly the claim that low-income families will pay more. I would like to tackle that head-on. About 40 per cent. of low-income households that own cars bought since 1 March 2001—

Mr. Philip Hammond: Will the Minister give way?

Jane Kennedy: I will give way when I have finished my point. I am responding to a point that the hon. Gentleman made in the debate.

As I was saying, about 40 per cent. of low-income households that own cars bought since 1 March 2001 have tended to buy cars in the current band C. Those car owners will be better off as a result of this year's Budget changes, as their VED will fall from the current £120 to either £90 or £110 in 2009.

Mr. Hammond: The Minister said that she wanted to tackle this issue of VED head-on, so why does the Government amendment not mention VED even once?

Jane Kennedy: We were disappointed that the amendment was not selected. We consulted the House authorities yesterday. What we tabled in the Prime Minister's name last night took the views of the Table Office into account. The amendment was in order, and I am now responding—

Mr. Hammond: On a point of order, Mr. Deputy Speaker. Am I not right in thinking that if the amendment had been in order, it would have been selected?

Mr. Deputy Speaker: Not necessarily.

Jane Kennedy: I withdraw the comment about it being in order—*[Interruption.]* Well, let me return to the substance of the debate. Interested as we may be in those arcane arguments, I believe that the public are interested in the subject of the debate.

As I said, I reject the case of the hon. Member for Runnymede and Weybridge.

Mr. Redwood *rose*—

Jane Kennedy: Will the right hon. Gentleman allow me to return to the main point?

As I have said, 40 per cent. of low-income households that own cars bought since 1 March 2001 have tended to buy vehicles in the current band C. Those car owners will see their vehicle excise duty fall from the current £120.

Mr. Redwood: Will the Minister give way on that specific point?

Jane Kennedy: I have reached the same point again. I will give way to the right hon. Gentleman, but then I am going to make some progress.

Mr. Redwood: Does not the Minister recognise that if the emissions are between 141 g and 150 g in band C, there will be no reduction at all? She should not imply that there will be any reduction.

Jane Kennedy: I am not giving way to the right hon. Gentleman again. He really should let me get to the point that will specifically address his comment. Many drivers of family cars will be better off as a result of these changes. That applies to 24 of the most popular 30 models of cars in the country, including popular versions of the Ford Focus, Renault Clio, Vauxhall Astra and the Citroen Xsara Picasso. It is true that drivers of other versions of those models could pay more. The point of these changes is that motorists can reduce their VED by choosing a cleaner version of their preferred model, or a cleaner car of the same class, if they do not want to change to a cleaner class of car altogether. Encouraging a market in which drivers can exercise their choice does not mean that they must purchase a different type of car. According to the King review, the average driver could reduce his emissions, and of course his fuel bills, by 25 per cent. simply by choosing the most efficient car in his preferred class.

Over the years, since coming to office in 1997, the Government have been responding to the genuine concern expressed by the driving public as well as the travelling public about the damage that motor vehicles do to the environment. Human, social and economic costs arise from unmitigated climate change. Before the debate, I discussed with my hon. Friend the Member for Wolverhampton, South-West (Rob Marris) the flood damage that regions such as his have experienced, and the imperative necessity for revenues to build flood defences.

Justine Greening (Putney) (Con): May I briefly return the Minister to her comments about band C cars? The parliamentary figures that she gave me suggest that by 2009-10 most cars that are currently in Band C will move to band F rather than bands D and E. Owners of cars in bands D and E will pay the same or less, while those with cars in band F will pay more. That means that most band C drivers will pay more.

Jane Kennedy: I do not accept the hon. Lady's point, forensic though she may be. Most drivers will not be worse off in 2009-10. In fact, we expect about a third of drivers to be better off. The point of our proposals is that they will influence drivers' behaviour and choice of car.

Mr. Roger Williams *rose—*

Martin Salter: Will my right hon. Friend give way?

Jane Kennedy: If my hon. Friend will allow me, I will give way to the hon. Member for Brecon and Radnorshire (Mr. Williams) first.

Mr. Williams: The Minister has made a good case for a graduated system of vehicle excise duty, particularly for people who can choose which vehicle to drive, but people in some categories—especially small business people—need a vehicle of a specific size in order to carry on their trade, and the retrospective part of the Government's proposals will be particularly damaging to them. Does the Minister not recognise that this is really an attack on small businesses, and on people who are trying to start and build on their businesses?

Jane Kennedy: Perhaps I could respond to the hon. Gentleman's point together with that made by my hon. Friend the Member for Reading, West.

Martin Salter: I haven't made it yet.

Jane Kennedy: I was about to invite my hon. Friend to do so.

Martin Salter: I thank the Minister. It is a similar point. The Minister rightly spoke of allowing people to make choices in order to cut their vehicle excise duty by 2010, but that was predicated on the assumption that people would have enough money in their family budgets to change their cars before 2010. Many of the people whom the Minister and I represent do not have that disposable income. That is the nub of the problem.

Jane Kennedy: My hon. Friend and others are presenting a strong argument, and I hear what they say. The package that we presented in the Budget, and which I am explaining today—in defence against the attack by the hon. Member for Runnymede and Weybridge, who claims that the Opposition are the motorist's friend—specifically seeks to influence purchase choices when they are made. We already know that that is the way in which the market is moving.

Rob Marris: May I gently suggest that a better way of changing behaviour would be to introduce a prospective rather than a retrospective tax change, and to introduce not a "showroom tax" but something which I must say in all humility that I suggested three years ago—a three-year lead-in for new vehicles and the most gas-guzzling and vehicle excise duty of, say, £2,000 a year, so that people thinking of buying a car of that kind would know what they were doing? Furthermore, such a level of vehicle excise duty would substantially hit its resale value and influence prospective purchasers of new vehicles, whereas a showroom tax is such a small proportion of the price of those gas guzzlers that it is unlikely to have much effect on the purchase decision.

Jane Kennedy: I have been listening very carefully to the points that my hon. Friend and other Members have been making about retrospectivity. As Members

know, this will be legislated for in the Finance Bill of 2009, so there will be ample time for us to discuss the issue on many occasions before then.

The hon. Member for Brecon and Radnorshire made a point about small businesses. Small businesses using vehicles are no different from other users of such vehicles. I hear his point, but many families also have no choice in that they need a car to travel to work or to school. I do not believe that we ought to have a specific measure to help people in small businesses.

It has been claimed that moving existing cars bought after 1 March 2001 into the new VED bands in 2009 is some form of stealth tax. As has been pointed out, the Budget states—this quote comes from page 121 of the Red Book:

"With effect from 1 April 2009...VED for cars, registered on or after 1 March 2001, will be reformed to include six new bands."

There is not a lot that is very stealthy about that. How stealthy can it be, given that we are debating it today and Members raised it during the debate on the Budget and in Committee of the whole House? Indeed, I heard my hon. Friend the Member for Wolverhampton, South-West make his point on the matter in his usual forceful and thoughtful way in that debate.

Mr. Philip Hammond: So what did the Treasury official quoted in *The Times* mean when she said that this could have been clearer?

Jane Kennedy: The Budget was very clear that the measure includes existing cars, as is normal for VED changes. What I agree could be clearer is that cars bought between 2001 and 2006 and emitting more than 225 g of CO_2 per km will not be placed in higher bands straight away in 2009, but that change will be staggered over two years. That staging means less of a rise for drivers of existing polluting cars next year. This cannot by any means be described as a stealth tax.

Sammy Wilson (East Antrim) (DUP): Will the right hon. Lady accept that, although she says that the measure was made clear in the Budget, when the Chancellor referred to it he suggested that the majority of drivers would be no better or worse off, and did not mention the fact that millions of drivers would be paying between £50 and £90 per year more?

Jane Kennedy: My right hon. Friend the Chancellor was right to say that the majority of drivers would be no worse off, as I too have said in my speech this afternoon. The hon. Gentleman's point is not valid, because my right hon. Friend was accurate.

Justine Greening *rose—*

Bob Spink: *rose—*

Jane Kennedy: I want to make a few more points before the Liberal Democrat spokesman makes his contribution to the debate.

Bob Spink *rose—*

Jane Kennedy: I know that I have not given way to the hon. Gentleman, but this is a short debate and there must be time for Back-Bench speeches.

May I finally turn to the current costs of motoring? We understand, of course, the pressures that the current high petrol prices are putting on motorists.

Bob Spink: Will the right hon. Lady give way?

Jane Kennedy: Very well.

Bob Spink: I am grateful to the right hon. Lady for giving way; she is being characteristically charming. Does she agree that there is a competitive disadvantage for British hauliers compared with those from the European mainland, and has she considered making foreign lorries pay for using UK roads and for the environmental damage they cause, by means of what has been described as a "Brit disc"—another UK Independence party policy?

Jane Kennedy: No, I do not accept what the hon. Gentleman says, although he makes his point in his usual entertaining way.

We do, of course, understand the pressures that the current high petrol prices are putting on motorists. Those prices are being driven by high global oil prices. Fuel duty has fallen by 16 per cent. in real terms since 1999, and the cost of motoring has fallen in real terms by 11 per cent. since 1997 and by 13 per cent. since 1999. I understand, as representations are being made on the matter, that it might not feel like that to motorists, but we have to respond to the facts as they stand. I know that road transport underpins our way of life in the UK. It is a key enabler of the economy, and it helps families to make essential journeys to work and school. The key challenge that we face is to support increases in road transport use in a sustainable, environmentally responsible way.

At this point, I feel that I should say a word or two about the debate that took place last week on the Finance Bill. The hon. Member for Taunton (Mr. Browne) sought to explain how the Liberal Democrats would find £50 billion from environmental taxes—taxes on behaviour damaging to the environment—to fund a reduction in income tax from 20 to 16 per cent. The hon. Member for Runnymede and Weybridge was there, so he will remember that it was an entertaining sitting. The hon. Member for Taunton singularly failed, in half an hour of his contribution to the discussion, to explain how his party would raise that £50 billion, and the hon. Member for Runnymede and Weybridge did not challenge the figure.

What I find striking is the similarity between the position that the Liberal Democrats took in that debate and the position that the Conservatives have taken in today's debate. These vehicle excise duty changes are forecast to save 1.3 million tonnes of CO_2 by 2020. The incentives that they create will contribute to the projected increase in the total number of cars in bands A and B—the cleanest bands—by 650 per cent. by 2020. It is important for parties that come to this House to make a case such as the one that has been made today to demonstrate responsibility in their actions when considering such measures. As my hon.

[Jane Kennedy]

Friend the Member for Wolverhampton, South-West has said on a number of occasions, they should not fail, whenever the responsible position is put, to support the need for green taxes.

Albert Owen: The Minister is right to point out the hypocrisy of the Conservatives' motion, because they have not identified where they would tax elsewhere to fund the reductions that they propose to make. I do have a meeting with the Chancellor, and I have raised the issue of rural areas with him before. My area was crippled by the fuel escalator under the Conservatives, but now that there has been an increase at the pump, is it possible for the Treasury to examine ways of considering rurality when it deals with fuel duty and other such measures in future?

Jane Kennedy: The Exchequer Secretary to the Treasury, whose policy area this is, has greater oversight of the detail on the other ways in which the Government are working internationally to ensure that every step is taken and that the overall package of measures that seeks to reduce damage to the environment is a balanced one.

Adam Price (Carmarthen, East and Dinefwr) (PC) *rose—*

Jane Kennedy: I shall bring my remarks to a conclusion, because I have been speaking for a long time.

Mr. Philip Hammond *rose—*

Jane Kennedy: On a point of fact, I shall give way one final time.

Mr. Philip Hammond: I am grateful to the Minister, because she did say that it was important for hon. Members to act responsibly on these matters, and she also told the House that these measures would produce a saving of 1.3 million tonnes of CO_2. That is not a terribly large figure, but it is at odds with the answer that my hon. Friend the Member for Putney (Justine Greening) received from the Exchequer Secretary to the Treasury, which stated:

"Budget 2008 reformed the VED structure to strengthen the environmental incentive to develop and purchase fuel-efficient cars. The reforms take effect from 2009-10 and 2010-11. They are forecast to result in rising carbon savings over time as the number of low carbon cars significantly increases. In 2020 the changes are forecast to deliver carbon savings of 0.16 MtCO2."—[*Official Report*, 21 April 2008; Vol. 474, c. 1676W.]

Jane Kennedy: There is no difference whatever. The figure of 0.16 applies to 2020 only. The cumulative effect between 2009 and 2020, which is the figure that I referred to, will be 1.3. I believe that the package of measures that we have put forward will have the effect that the Government intend. Drivers will be incentivised to buy cleaner versions of their preferred model. As I have said, drivers of 24 of the 30 most popular cars in the UK will pay less or no more because of the Budget.

These are important changes for the environment. The Opposition motion distorts the position while remaining silent on their proposals for climate change, just as the hon. Member for Runnymede and Weybridge remained silent on that subject during his speech. Motorists should be wary of the Opposition's words. The motion is not worthy of support today.

5.40 pm

Dr. Vincent Cable (Twickenham) (LD): I approached the Conservative motion in my usual constructive way and found things in it with which I could agree. I agree that the change for existing vehicles was not introduced with great clarity. I am sure that it is in the Red Book, but not too many British families sit around reading the Red Book in the evening to find out what will happen to their taxation. I also agree with the Conservatives that it is wrong, in terms of retrospectivity and the social consequences, to attack existing vehicles rather than new vehicles. That principle is clear. I also agree with the basic approach that such is the lack of faith in environmental taxes that any future changes have to be included within a package that is offset against other forms of tax. I agree with the motion on those three key points.

In parenthesis—since the Financial Secretary chose to have a go at my colleague, my hon. Friend the Member for Taunton (Mr. Browne), who is not here—I am not sure what she meant by the reference to a £50 billion package. The package that I crafted, which has gone through our party conferences and has been published, would cost about £20 billion. The basic principle behind it was that we would want to cut taxes on hard-working families—I think that that is the expression—and that it would be funded by a combination of environmental taxes, increased capital gains taxes and the removal of some of the reliefs on high earners. People might not like the politics of it, but the numbers were fully checked out by the Institute for Fiscal Studies. Indeed, I presented a copy to the Prime Minister, and since he proceeded with the cut in income tax, he may well have read part of it, although he did not follow up my advice on how to raise the revenue.

Jane Kennedy: Let me make it absolutely clear. The hon. Member for Dundee, East (Stewart Hosie) suggested that the cost would be £57.5 billion over the years and asked the hon. Member for Taunton (Mr. Browne) whether he could make it clear

"what environmentally damaging things he would tax to find £57.5 billion".

The hon. Member for Taunton replied:

"I can indeed. Let me give the Committee a few examples".—[*Official Report, Finance Public Bill Committee*, 6 May 2008; c. 9.]

He then gave the example of removing higher rate tax relief on pension contributions, but failed singularly to bring forward any other measure.

Dr. Cable: I think that I understand the mystery. Twenty times three is fairly close to 57—I think that that is where the Financial Secretary has got her number from. Of course, the environmental measures were a combination of aviation taxation—I think that even the Conservatives are fairly sympathetic to the

point that aviation is under-taxed—and various specific proposals on VED. The environmental measures were clearly spelled out, costed and independently audited. I do not know why the Financial Secretary has a problem with it.

Let me return to the Conservative motion. Although I agree with elements of it, I disagree with the final phrase, in which it

"calls upon the Government to abandon its planned increases".

As I understand it—I might have misunderstood the legislation—the measures went much further than the changes for old vehicles. Was there not a package of measures that involved a new scale and a new structure for dealing with new vehicles? One can pick holes in particular details, but it seemed to me that much of that was reasonably sensible.

I ask the question that the hon. Member for Birmingham, Northfield (Richard Burden) asked earlier, as it was exactly right. What is the strategic framework within which the policy is located? If the Conservatives are attacking the retrospective taxation of old vehicles, do they go along with the argument—on which, until now, I thought there was a reasonable degree of consensus—that the differential for new vehicles should be widened? That view was not only set out in the quality of life policy group report, but argued on a cross-party basis by the all-party Environmental Audit Committee, chaired by the hon. Member for South Suffolk (Mr. Yeo). I think that many Conservative Members subscribed to the idea. The highest rate would have been of the order of £3,000, which is substantially more than the Government are proposing. I do not know whether that idea is being disowned or criticised now, but I always understood that the Conservatives supported it.

My second, related question is whether the Conservatives are questioning the whole basis of the idea of graduated VED as it relates to the environment. If graduated VED does not work—and there is a perfectly sensible, empirical debate to be had on whether it will work—what other signals could be used? There are other options. We could use more petrol duty, or road-user pricing. Do they want to shift the emphasis on to those options? There are of course problems with all those things, but VED probably involves fewer problems than some of them.

Are the Conservatives questioning the principle of using market incentives? That is what taxes are about: the use of a market incentive to change behaviour. There are people—not just environmentalists, but tough business people—who argue that we need to stop pussyfooting around with market instruments and should just get on with regulation. My former boss at Shell, Mark Moody-Stuart, was recently on the radio saying, "Let's stop all this silly nonsense about environmental taxes. It's all involved in giving money to the Government. We need draconian controls on vehicle emissions, and if car manufacturers cannot make cars with sufficiently low emissions, they will go out of business. You might want to toughen things further by tightening MOT controls, so that old vehicles simply go off the road." That is much tougher and nastier to people who own old vehicles, but that draconian approach would be the alternative to using market instruments. I do not know whether the Conservatives want us to move more in that direction or less in that direction, but that is the question that the hon. Member for Birmingham, Northfield, asked earlier. It is exactly the right question, and I have not yet heard the answer.

We got a hint of the answer when the hon. Member for Runnymede and Weybridge (Mr. Hammond) got a little carried away in a response to one of his colleagues, and started telling us about the motorist under assault. Most of us are motorists, and of course most of us are concerned about rising costs, but the concept of the motorist under assault needs to be examined a little. The Financial Secretary to the Treasury gave us a bit of a clue when she talked about real costs, and the overall cost of motoring in comparison with other modes of transport. What she said was quite true: in the past 10 years, the real cost of motoring, including everything—the private costs as well as the different types of tax costs—has fallen by 10 to 11 per cent. The cost may have increased in the last year—I do not think that those figures include the effects of petrol increases last year—but the figures are fairly neutral. Certainly the real cost has not risen in the past decade.

By comparison, in real terms, the cost of trains has increased by 6 per cent., and buses by 13 per cent. If we take a 30-year perspective, car costs have fallen in real terms by 10 per cent., and train costs have risen by more than 50 per cent. If we compare costs, it simply is not meaningful to talk about motorists being under assault, unless we mean the day-to-day irritation of higher fuel costs. In terms of the incentives structure, the system clearly remains heavily geared against public transport.

Before I say a little about my approach to the specifics of VED, it may be useful if I give a bit of historical context. It is often forgotten that vehicle excise duty was one of the many creations of the 1906 Liberal Government and of Lloyd George. He introduced it with two provisos, which were subsequently forgotten. First, he was very keen on graduated VED. It was to have been graduated by horsepower. That was not because of global warming, but there was an awareness, even then, of environmental costs. However, his recommendation that VED be graduated was subsequently forgotten. That is how VED was introduced.

Lloyd George also recommended that the receipts from vehicle excise duty should be ring-fenced. He was very conscious of the way in which the Treasury absorbs revenue, and specifically recommended that it should be set aside in a separate fund, which ultimately became the road fund.

The second historical point to which it is worth drawing attention is that in 1978 the vehicle excise duty almost disappeared, because the then Labour Government argued strongly that it was a bad tax. They wanted to get rid of it and convert it entirely into petrol duty. The serious analytical point that was made at the time was that if they did that, it would save emissions and fuel use, on a one-off basis, of about 10 per cent.

VED was saved for the nation by the Conservatives, who felt that it should not be abolished. They thought it was a good tax with all kinds of secondary advantages, including tightening up on the enforcement of insurance, so they kept it. That is why we have the debate today. The tax has gone a lot further since then,

[Dr. Cable]

with the introduction in 1998 of environmental differences. Those are its origins, which are somewhat strange, one might think.

In conclusion, I shall run through some key points in the motion, which require some attention from the Front-Bench spokesmen on either side. I begin with a simple factual question; it is not a policy point. I do not know the answer to it. In the motion the Conservatives imply that the introduction of differentiated VED has very little impact on CO_2 emissions. They say that there will be a 1 per cent. reduction. That may or may not be true. It may be what the Government are saying. Is it true? What is the evidence?

Mr. Philip Hammond: The hon. Gentleman may have heard the exchange earlier with the Minister, when we appeared to be in dissension, but as the right hon. Lady confirmed, we were saying precisely the same thing—that the expected change over 10 years as a result of the measure is less than one seventh of 1 per cent. of CO_2 output.

Dr. Cable: If that is true, ceteris paribus and ignoring other considerations, it is an extraordinary conclusion and it goes completely contrary to all the experience that we have had. I am interested and intrigued. If that is the case, we will need to rethink the policy. If it does not work, what is the point of continuing with it?

The evidence of the past few years is that differentiated VED produces substantial changes. Even over the past six years, the number of vehicles in the A, B and C groups has increased from 19 to 36 per cent., and the number of vehicles in the higher range—E, F and G—has fallen from 58 to 37 per cent. Not all of that is necessarily environmentally driven, but it is suggested that that is what has been going on.

The Carbon Trust, which advised the Environmental Audit Committee, produced remarkably high elasticities for the impact of vehicle excise duty on consumer choice. If all this is wrong, it is important that the Government present the analysis. All parties need to rethink what they are doing. There is no point in blindly pursuing a strategy that is not working. May we have the evidence and the basis on which the policy was arrived at?

Rob Marris: When the hon. Gentleman looks for the evidence underlying the changes to which he referred, I suggest that he examines the taxation regime for company cars, which changed markedly in those years and was a driver when prospective purchasers of company cars looked at what the income tax effect would be, perhaps more than the vehicle excise duty effect.

Dr. Cable: That may be part of the argument. In the opposite direction, I saw a study produced by the Environmental Transport Association, reporting that 42 per cent. of all motorists planned to switch to more environmentally friendly cars at their next purchase. That may be tax driven; it may be ethically driven. We do not know. Clearly, there is a mood to switch, and I do not believe those wholly negative results, but I believe in science and I would be interested to see where they came from.

On the policy, I agree. There is nothing much to add. The arguments against taxing existing vehicles are strong, in terms of both fairness and the underlying economics. There is no need to labour the point.

One question that the Conservative spokesman did not raise, which is worthy of mention and often posed by the farming community, is how we deal with the specific problems of working vehicles. The NFU argues that it can produce a workable definition of working vehicles. It is a technical point, but if it can do that, we should try to exempt them. There is no point treating real tractor-type vehicles on the same basis as Chelsea tractors, which would defeat the objective of the policy and undermine agriculture, and there is clearly work to be done on that point.

If we are looking to the longer term, both for the reasons that have been advanced in this debate and more generally, there is a strong argument for moving away from vehicle excise duty as the main instrument to attempting to change behaviour on the roads. Road-user pricing is probably the best long-term replacement, and my party supports that view. I shall not hold my breath, because I wrote essays on road-user pricing when I was an undergraduate 40 years ago, and it still is not with us. It has real problems of technology and privacy, but the technology is now much more advanced and I would welcome progress in that direction.

I was surprised that neither of the two speeches so far referred to the technological change required to produce the switch to low-carbon vehicles. We can play around with prices and taxes, but if the technology does not advance, we are unlikely to achieve very much. Fifteen years ago, I helped to produce scenarios for the oil company for which I worked, and we knew then that low-carbon emission vehicles were available. All the elements were in place—light materials, more efficient engines, more efficient batteries—and that was why the company did not anticipate some of the high prices that we have seen. It assumed that high growth in China and India was entirely compatible with relatively low oil prices because we would see all those energy-efficient vehicles on the roads, but it never has seen them. It has been a slow process and I wonder whether the Government should now consider some of the regulatory steps that need to be taken to push the revolution along faster.

Adam Price: The hon. Gentleman is making a typically thoughtful speech. Given that he agrees with some of the elements of the Conservative motion, but has problems—as I do—with the last clause, will he join the Conservatives in the Lobby tonight?

Dr. Cable: I was not inclined to do so, because of the aspect that the hon. Gentleman mentions, and it is interesting to hear further contributions on that subject.

The Exchequer Secretary to the Treasury (Angela Eagle): The hon. Gentleman talks about regulation and the context in which motor manufacturers make their engines. I am sure that he knows about the EU

directive that we hope will be in place by 2012 to regulate the emissions allowed from the tailpipes of cars, reducing them to 130g of CO_2 per kg. That is a significant stretch for current technology, but that is the regulatory context in which policy has to be set.

Dr. Cable: That is a helpful additional factual point. If we are to round off this discussion properly, we have to have some concept both of the targets for introducing new technology and the monitoring and enforcement of it. All those different elements have to accompany the tax changes, otherwise they will have no effect.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. We have about 40 minutes left for contributions from Back Benchers. I hope that hon. Members will bear that in mind.

5.58 pm

Richard Burden (Birmingham, Northfield) (Lab): It is a pleasure to follow the hon. Member for Twickenham (Dr. Cable). Some of what I intend to say takes up the themes that he articulated. Like him, I was disappointed to get to the end of the speech by the hon. Member for Runnymede and Weybridge (Mr. Hammond) no wiser about the Conservatives' proposals, as opposed to their criticisms. That is a shame, because VED raises real and complex questions about how we should deal with motor vehicle taxation. If we are honest, what we should all be trying to do is to reconcile a range of competing and often contradictory pressures and considerations.

How do we frame policies that ensure that the production and use of motor vehicles—not much has been said about production, but it is part of the issue—play their part in meeting the challenge of climate change? In doing so, we must also recognise the strategic importance of the UK motor industry and the specific aspects of the automotive industry in which we excel. That is sometimes an uncomfortable matter in a debate such as this because we are often talking about niche production, performance engineering and luxury car production, and how to ensure that the industry is not undermined. That also applies to jobs outside manufacturing but in the automotive industry, whether in retail, after sales and the used-car market.

How do we incentivise drivers to use their vehicles in a more environmentally sensitive fashion and how do we improve public transport alternatives to inappropriate car use? How do we persuade people that environmental performance is an important factor to be considered when they buy a new car or a used car?

How we do all that is a complicated issue, particularly when we have to feed into it the issue of ability to pay, particularly at a time of rising fuel prices globally, and how to recognise that for some people, whether in their work or where they live, owning or driving a car is not a luxury, but an essential component of mobility for themselves and their families.

The first issue to consider is that the increase in the number of VED bands in the Budget was generally welcomed across the board, a point that has not received much attention so far today. That was welcomed in that it delivered a less blunt instrument for classifying the environmental impact of different models in terms of influencing customer choice. The review led by Professor Julia King at Aston university in Birmingham talks about other ways in which the tax disc could be used to incentivise different forms of behaviour. For example, tax discs could be colour coded to show much more clearly the environmental performance of different vehicles. There are also lessons to be learned from experience gained from the colour coding of the results of crash testing regulations.

I have some particular concerns that I hope the Exchequer Secretary will address when she replies. The first is the new car/used car issue, on which I will strike a slightly different note. I worry about the so-called showroom tax that is to be paid on less fuel efficient cars bought from new. There is a year-on-year increase in fuel efficiency for virtually every new model. This year's model will be more fuel efficient than the same model produced last year, the year before that or the year before that. To increase the tax on a model simply because it is new, could have the perverse impact of making it more expensive to run even though it is more environmentally efficient than an older model. For the same reason, in principle there is not much logic in the argument that particular vehicles should be exempt from the taxation consequences of their performance simply because they are three or four years old if the objective is to incentivise different forms of driver and customer behaviour. It does not address the issue of ability to pay and the ability to buy different cars—which are real issues—but to say on environmental grounds that cars should be exempt because they are older does not stand up to close scrutiny. However, we must be careful in terms of the ability to pay. We must also be careful about the impact on residual values and on the used car market, which is an important part of the industry.

I am not sure that VED is the best way of incentivising or disincentivising driver and customer behaviour because VED is not related to use. If someone has a 1,300 cc car and they do not keep it well serviced, but use it every day, even for the shortest, most inappropriate runs, their impact on the environment and on CO_2 will be greater than if they had a niche sports car of the kind in which the UK excels, although most of us cannot afford such cars, and took it out only on rare occasions. Therefore, it seems that we need to relate incentives and disincentives to issues of use, not simply to issues of ownership. The hon. Member for Twickenham is right: that probably means doing something with fuel taxes or relating some form of road user charging to the environmental performance of models. I cannot think of another way of doing it. Those are the issues that the Conservative party must deal with if it is serious about using green taxes and including motor vehicles in that approach.

I would like to make some suggestions. One is on VED. The King review talked about colour coding to establish and to make clear the environmental performance of cars. We could also look at how to use VED and the tax disc to link up and to promote the use of public transport and the use of a particular car.

[Richard Burden]

There are lessons from the use of the Oyster card about whether buying a tax disc could also provide the individual with a passport to public transport as well as being applicable to the individual car. That is an area we could look at.

It is right that rigorous regulation requiring industry, including the motor industry, to improve performance should be important to the general debate on the environment. Indeed, the motor industry has done a lot already. The Society of Motor Manufacturers and Traders' sustainability report shows what has been done in production processes and in the recycling of vehicles, as well in terms of the performance of vehicles themselves. However, if we introduce regulation, it must be logical. That is why I hope that we will continue to keep a close eye on some of the EU regulations currently being shaped that enable manufacturers that produce lots of models, some with quite poor environmental performance, to be subject to fewer penalties, as long as they also produce other cars that have smaller engines. Such would be the impact because those penalties are measured across the car fleet of the manufacturer. A penalty is imposed on manufacturers not for producing less fuel efficient cars, but for being a smaller company producing less efficient cars. In other words, a company such as Fiat, the Italian company that produces Ferraris, would be hit less under that regulation, unless certain safeguards are built in, than Aston Martin, a British company based in the UK. Why? Because Fiat owns Ferrari and Aston Martin is an independent company. That would be the only difference. That is illogical.

At present the Commission is proposing an exemption threshold for companies producing fewer than 10,000 vehicles per year. Below that they would be exempt from some of the penalties. I know that the Minister and the Government are pressing for the retention of that exemption. I say hold firm on that one—it is important to the British niche vehicle industry.

Unfortunately, that exemption on its own does not meet the needs of another important British company: Jaguar Land Rover, on which thousands of jobs depend in my region in the west midlands and the north-west. It will face big penalties as a result of those regulations simply because it is becoming independent of Ford and is therefore not part of a bigger group. I ask the Minister to continue to work closely with Jaguar Land Rover to ensure that the EU regulations that come in do not have the kind of perverse effect that I have described.

Angela Eagle: I am happy to assure my hon. Friend that the Government are aware of the points that he makes and are keeping a close eye on the progress of discussions about the development of EU regulations in Europe. We are committed to getting down to 130 kg of carbon dioxide emissions per kilometre, but we certainly take my hon. Friend's points on board.

Richard Burden: I am grateful for that clarification.

I want to make two final points. The first is about the exemptions for classic cars. Although it is not a big issue in the overall scheme of things, it is important to the people involved. Classic cars are environmentally inefficient—cars produced many years ago did not perform well environmentally. Most classic cars are hardly used—they are taken out on high days and holy days to shows and exhibitions. Their tax treatment is illogical because they have to be in a specific age range if they are to be exempt from vehicle excise duty, which is related to a particular date. When the regulation was first introduced, there was a sliding scale—if a car was more than 25 years old, it would be exempt. The amounts of money involved and the nature of the classic car movement mean that we should revisit the matter and revert to a sliding scale of 25 years rather than picking an arbitrary date in the 1970s.

I want to consider technology, which the hon. Member for Twickenham mentioned. We need to get further ahead of the game in promoting vehicles' environmental performance. We need to redouble our efforts in areas in which we are already strong to make the UK a world leader in automotive-related transport and environmental technologies, whether for cleaning up diesel further, doing more with lightweight materials for use in vehicles, the use of intelligent vehicle systems or getting the mass production of fuel cells closer to reality. If we are to achieve that, and much has already been done, the Government must play their part.

If Conservative Members agree with environmental taxes in some circumstances but believe that they should be ring-fenced to reduce other taxes, do they rule out extra Government investment in those useful environmental objectives? A range of Government programmes already try to incentivise companies to invest in environmental performance, research, development and so on. I would like the proceeds of transport-related environmental taxation to be used not simply to reduce other taxes but to invest in the very things that will enable us to combat climate change as far as we are able. Conservative Members need to reconsider that point. Do they want to use environmental taxes only to reduce other taxes or do they want to invest in the technologies that I described? If the answer is the latter, they must find the money from somewhere.

I emphasise to my hon. Friend the Exchequer Secretary that we are doing much but we can do more, and I urge us to do more if we are to meet the challenge of climate change and allow the motor vehicle industry to play its full part in doing that.

6.13 pm

Mr. John Redwood (Wokingham) (Con): The Government made an odd decision to produce a policy that masquerades as green, but that, on their figures and admission, will make almost no contribution to their green objectives, while taking much money from motorists, especially those on lower incomes and owners of older cars that are less fuel efficient.

What do we know about the proposal? We have learned in the debate that the best that we can say for it is that there might be a saving of one seventh of 1 per cent. of total carbon after the full effect of the measures has been felt. That is well within the rounding error or scope for mistakes in estimating. That is presumably the Government's best case, so we must assume that the worst case is that there will be no

improvement. That seems borne out by the other forecast, which we are more inclined to believe: that the tax revenue will more than double as a result of the proposals. That shows that most people will continue to own their older and less fuel-efficient vehicles and have to pay the tax. It shows that there will not be a huge change in the variety of vehicles that people buy new; a lot of people will opt to buy the less fuel-efficient vehicles because they like such vehicles, which may suit their purposes and be necessary for people's businesses or the terrain over which they will be driven.

Bill Wiggin (Leominster) (Con): Will my right hon. Friend give way?

Mr. Redwood: I am afraid that I do not have time to give way. Other colleagues wish to join in this very short debate, and it would not be fair on them. My hon. Friend knows that I am normally very happy to give way.

The position is that there will be a colossal tax hit on people for no good green purpose. We have to conclude that on this occasion this is not a green tax, but a way of raising revenue. What is so sad is that all those who believe that the way to change behaviour in an environmental direction is to use taxation are building a strong feeling out there—on the doorsteps that we all saw in the run-up to 1 May, and on doorsteps in a by-election area that one could mention. People are saying that this measure is a cynical ploy by the Government and a new way of taxing us. There will not be any great green good as a result; the taxes are being used as an excuse.

I urge the Government, at this relatively early stage in the crisis that will undoubtedly occur in the next few months, as people realise what the issue is about, to think again. Not only are they very likely to have to back down because the politics of the proposal are so bad—they will feel that in the marginal constituencies—but they will discover that the proposal is bad for the green cause that they claim to espouse. The Government do not make proposals to curb their own carbon footprint by going a bit easy on the air conditioning and changing the heating systems in their offices. They do not make similar proposals on very old trains and buses, of which we have all too many in this country and which are heavy, fuel inefficient and do a lot of damage. Yet the motorist is always involved.

Why is that? It is because the Government have worked out that most people need a car, as they do not live on top of a railway station and do not have access to bus routes to all the places to which they wish to go. Most people need a car because they need to take things to work or carry their tools or equipment around when they are working. A lot of people need a car to take their children to school because it is the safest and easiest way and they then use it to go on to their own place of work, fitting everything into those difficult one or two hours early in the morning.

If Ministers wish to show that they have any connection with the world in which their constituents live, they should understand that the car is not a luxury but a working necessity for most people in this country, other than the privileged few who live in central London where there is good public transport. Ministers should understand that many have to struggle with out-of-date and old vehicles. Such people would dearly love to have new, fuel-efficient modern vehicles such as those that they see around them that belong to the rich. However, they cannot afford to change their cars today, because of penal taxes and the pressures on their incomes, and they will certainly not be able to do so once the swingeing tax increases come in through the proposals for a massive hike in vehicle excise duty.

Any Government with any political feel or any understanding of how people lead their lives and of the reality of the situation would back off from these proposals now. This Government, of course, usually play silly political games and try to claim that everything is about the Conservative Opposition and not them. That is not how the public see it; the public understand that the Government have the power—they make the proposals and decisions, and whether our lives are good or not is very influenced by the impact of their proposals.

It is extraordinary that the only point that the Government have made in the debate has been to ask how the Conservatives would pay for cancelling the penal element of these tax proposals. Well, how are the Government paying for £100 billion of liabilities that they have taken on to our books through Northern Rock? That is never explained. How are the Government paying for the recently announced £50 billion special assistance for the banking industry? That puts us all at risk. How are they paying for the £2.7 billion of tax reductions announced only yesterday to deal with their political difficulties?

The Government have blown their cover on this argument. They believe that anything can be added to the borrowing requirement; in the past nine months, they have added more than £150 billion to the contingent liabilities and borrowing of this country. How dare they say, then, that the Conservatives could have a problem in wishing to forgo a bit of prospective revenue in 2009-10, based on the laughable assumption that these proposals can stand and that a Government who wished to be re-elected would go all the way in legislating for them and imposing them on people? We have seen how electrifying the impact on the electorate was when the 10p band was taken away and millions of people on low incomes discovered that they were paying for the tax chicanery of the previous Budget. This is almost exactly the same—the only difference is that even more people will experience that hit in the wallet and the pocket-book. They will not need to read their pay cheque to discover what has happened to them—they will physically have to go into a post office or go online to pay this massive and swingeing tax. It will be extremely visible and "in your face".

The Government are trying to pretend that all people with normal cars will not experience any pain, but that is simply not true. In 2009-10, the duty on a vehicle emitting 162 g to 165 g—for example, a Citroen C5—will go up from £145 to £175, which is a 20 per cent. increase. On a 201 g to 224 g vehicle—say, a 2-litre saloon for the larger family—it will go up from £210 to £300, which is a whopping 43 per cent. On the really big supercars—the over 225 g models—it goes up by only 10 per cent. from £400 to £440. How can the Government argue that that is just or that it makes

[Mr. Redwood]

environmental sense? How can they say that they have any shred of credibility when they whack the people with the family saloon and do not produce such a big increase for the people with supercars who may be a little more tolerant of these large increases in taxation?

I believe that the way to change behaviour is to offer incentives and encouragement, just as we did to get to rid of lead in petrol when we made unleaded petrol cheaper. This Government are doing it wrong. They are trying to clobber people, and in this case the tragedy for them will be even bigger because there is no environmental gain at the end of it.

6.22 pm

Martin Salter (Reading, West) (Lab): Although I am critical of the Government's proposals, I will not join the Conservatives in the Lobby tonight, as they will not be surprised to hear. That is not just because this is an Opposition day debate but because of the sheer hypocrisy of their position. They accuse the Government's proposals for graduated vehicle excise duty of being dressed up as an environmental measure but solely designed to increase and raise tax revenue, yet when the Conservatives propose precisely the same policy it is apparently the work of environmental visionaries that we should follow and that should lead the debate.

I do not think that the right hon. Member for Wokingham (Mr. Redwood), for whom I have great affection, has claimed to be an environmentalist, but he has claimed not to be a climate change denier. That rings rather hollow if one reads his blog of 4 April 2008—my excellent researchers have fetched it for me. The opening paragraph begins:

"Anyone in power who believes that global warming is happening".

Those are not the words of someone at the forefront of the environmental movement. I remember the right hon. Gentleman saying, "Who believes it's happening?", as if it is not. I remember public quotes from him—I have not been able to dig them out so I will have to rely on my memory—about not being able to identify the 4x4s that are "allegedly" responsible for contributing to global warming. There is a deep brand of scepticism about the entire climate change agenda in parts of the Conservative party, and we need to recognise that.

That does not necessarily apply to the leader of the Conservative party, who has been very forthright about the subject. On the "Andrew Marr Show" on 7 October, he said:

"You can see the very strong commitment to the environment and yes, green taxes, as a share of taxes do need to go up. That's not necessarily popular, but I think it's right."

He is absolutely right—it is not necessarily popular but it is the right thing to do. The question for the Opposition, if they want to walk the walk and look like a Government in waiting, is this: when will it be the right thing to do and time to come off the fence? At the moment, the Conservative party has an interesting and comprehensive document—I will give it that. It is the quality of life document, which was put together by Zac Goldsmith and the right hon. Member for Suffolk, Coastal (Mr. Gummer), and it has three specific proposals that relate to the matters we are debating. It says:

"It is therefore necessary to be much more subtle in the way we design taxes so that they achieve their ends with the least possible pain...Fiscal incentives for environmental improvement can be highly flexible, applied to industry, as in the case of the Landfill Tax, or aimed at directly influencing consumer behaviour, such as the banded system of Vehicle Excise Duty."

The Conservative motion, unless I am reading it wrongly, effectively seeks to scrap the banded system of vehicle excise duty. The document goes on to commend purchase tax:

"In contrast, an emissions-related tax directly at the point of purchase would increase the price differential between clean and polluting new cars more steeply. Such a tax could be phased in over time as automakers respond by bringing a greater range of efficient cars to market."

It then recommends graduated VAT of between 5 and 17.5 per cent. on new vehicles.

On vehicle excise duty, the document could not have been clearer:

"We recommend more modest changes in VED, aimed primarily at influencing the used car market where annual running costs comprise a larger proportion of total costs. These levels of VED may also lead to slower depreciation rates for cleaner cars, thus indirectly influencing new purchase decisions. On this basis we propose increasing the VED differential between the top and bottom bands of emissions performance, capped at a maximum of £500."

That £500 figure is considerably more than the Government are proposing. There will come a time, as my hon. Friend the Member for Birmingham, Northfield (Richard Burden) said, when the Conservatives will have to come off the fence, grasp the bullet and adopt some policies rather than make interesting suggestions.

The motion shows that the Conservatives are prepared to will the end but not the means, and I look forward to a time when they come up with clear, substantial and coherent policy. I believe that the motion misses the point. It calls for the abolition of increases in vehicle excise duty instead of addressing the point of concern for those in my party and elsewhere in the country, which is the retrospective nature of the policy. For Labour MPs, it is the retrospective nature of the measures, with the abolition of the 2006 exemption, that is the nub of the argument.

I agree wholeheartedly with the graded vehicle excise duty—in fact, I was one of the Back Benchers who lobbied for the proposal when I first came to this place. It has made a difference by informing consumer choices. I agree with incentives to make green choices pay. I would go as far as loading purchase taxes quite heavily on new gas guzzlers, with bans of 4x4s from residential streets, if necessary, and higher charges for the most polluting vehicles. I have no problem with incentivising green choices and with making it more expensive to do the wrong thing by the environment. However, I do not agree—and I hope that this came across in the interventions that I and other colleagues made—with denying to the people who can least afford it the opportunity to make an informed and empowered choice in favour of the environment and their family budgets.

We saw the problems concerning the 10p tax, and we have seen the steps that the Government were rightly prepared to take to put £120 back into the pockets of

basic rate taxpayers. Some of the increases in vehicle excise duty rates are in line with that £120 figure; people will certainly be forced to pay £90. It is quite simple to me: we can talk about choice, but choice is always an option for the rich. People on low incomes do not change their car every year or two. They need longer than from now until 2010 to make the changes necessary to cut vehicle emissions without being penalised by higher car tax. I speak as patron of the Berkshire Multiple Sclerosis Therapy Centre, which the right hon. Member for Wokingham will know of. I see constituents of mine and his who scrimp and save to run an old Ford Transit van into which they can run a wheelchair to get the dignity that mobility gives them. Do we really want to hit those people? Do we not want to give people with large families, people on low incomes and people with mobility or disability problems an opportunity to make the informed choice that the time scale currently envisaged in the measure simply does not allow?

That is why I urge my hon. Friend the Exchequer Secretary to reflect carefully on representations on the issue from people who truly are her friends, because there is time to put things right. There is time to phase in, if necessary, the different bands. There is time to end the retrospective nature of the measures, which is fundamentally wrong.

My final point is about the public's capacity to accept green taxes. In this cynical age, we should all be wary of destroying the credibility of green taxation as an environmental tool, if the public consider the measures that we propose to be either unfair or unclear. I do not often do this, but I commend to hon. Members a bit of reading from the Department for Environment, Food and Rural Affairs website, which is a snappily titled document called "A Framework for Pro-Environmental Behaviours". It makes depressing reading for those of us who genuinely believe in climate change and who want to lead the public debate and change public attitudes.

Sadly, only 18 per cent. of the public fit into the category of "committed environmentalist". That might be okay when it comes to voting in local elections, but it is certainly not okay when it comes to doing the right thing. What we learn from the survey is that the public are prepared to recycle more, take a tough line against manufacturers that produce excessive packaging and use recycled light bulbs, because they can see that doing so will save them money. But are they prepared to drive less, fly less or be unnecessarily penalised in their pockets? Sadly, they are not at this stage. However, they need to be, and we need to get them there, because climate change is one of the most serious issues facing our planet.

If we want to undermine the necessary measures in the Climate Change Bill to cut our carbon emissions by 60 or even 80 per cent. by 2050, which we all support, we will do so by being unclear or engendering opposition or a sense of unfairness and cynicism about the policies that we put forward in favour of that agenda.

In conclusion, let me say this to Conservatives Members. You have been shallow and opportunistic, because once again you have been found out willing the ends, but not the means. But you are not all wrong—

Mr. Deputy Speaker: Order. I am nothing of the kind. The hon. Gentleman should use the proper language.

Martin Salter: I take your strictures, Mr. Deputy Speaker. Through you, I say to the Conservatives, "You have been shallow and opportunistic."

We should accept that there is merit in reforming the proposals. I ask the Government please to reflect carefully on the sheer unfairness of the retrospective nature of the proposals. There is time to make amendments and do the right thing by the environment without hitting some of the people whom we all came into politics to help and support.

6.33 pm

Andrew Selous (South-West Bedfordshire) (Con): I rise to speak on behalf of my constituents, a number of whom have been eagle-eyed and spotted the changes that will hit them next April and the April afterwards. They are pretty horrified by the retrospective nature of the changes that the Government have introduced. Hon. Members in all parts of the Chamber have spoken of their horror of retrospective changes. They are not fair, do not enable people to plan properly for the future, and should be avoided.

Three quarters of my constituents live in the three towns in my constituency. The issue affects not just the rural areas of our country but our urban areas. The employment base in my area has virtually disappeared over the past 15 to 20 years, so many of my constituents need their cars to get to work and to get their children to school. The car is not a luxury item for them. I can think of people who are out of work and who might be offered a job. If the bus could not get them to work on time, they would need a car, and we might prevent people like that from getting into jobs if we set the price of motoring too high.

There are many good works being done in my constituency, often by pensioners on very modest incomes. There are also people who cook for the over-60s' lunches. They might have to go and get the food and ferry people back and forth in a car that they can only just afford to run. They might not be able to afford to run a car next year or the year after, which could affect those good works.

I am pleased that disabled drivers have been mentioned in the debate. My own mother had multiple sclerosis, and had to use a rather elderly Renault Trafic van to enable her to get around. I saw the real difference that that made to her quality of life. What a disgrace it would be if our disabled fellow citizens were unable to enjoy that degree of freedom and mobility in the years to come, because of these increases.

As has already been said, many of us are in favour of the principle of green taxes. We have to change people's behaviour, because climate change is really happening and we need to reduce carbon emissions. However, this is a lousy green tax. By the Government's own admission, it will lead to a reduction in carbon emissions of less than 1 per cent. That will simply store up a lack of credibility with a sceptical public. We know that at least 1 million drivers are going to be forced to pay the higher vehicle excise duty charges.

[Andrew Selous]

Many of them will not be able to afford to change their car, and some might have to get rid of their car altogether.

We have said that we want to see much lower carbon emissions from cars. I gather that we want to see a target of 100 g per km by 2030, with graduated reductions up until then, which is excellent. We also need to see more progress being made on technology. I saw in one of the newspapers today that a British company, Modec, is going to manufacture up to 5,000 electric cars in Coventry. Those cars will attract no VED at all. We need more companies like that to lead the technological charge in this country.

Edmund King of the AA has said that motorists are to be taxed at a higher rate than champagne drinkers. That is a disgrace, when people need their cars. We know that by 2010, 81 per cent. of motorists will be losers as a result of these measures, which have been roundly criticised by the Society of Motor Manufacturers and others.

Retrospective taxation is not a fair way to proceed. There is broad support across the House for environmental taxation, given the threat of climate change facing the world, but this is not the way to arrange it. There are other ways to raise the revenue that would be forgone by getting rid of these retrospective changes, but this is neither the time nor the place to deal with that issue—*[Interruption.]* My point is valid; Labour Members have said that that could be done.

6.38 pm

Sammy Wilson (East Antrim) (DUP): I shall support the motion tonight for two reasons. First, the Minister has said that this is a green tax designed to change behaviour, yet if we look at how it was introduced, we see that it happened without any warning. Furthermore, the Chancellor suggested that the increase in VED would affect hardly anyone, that the majority of people would be unaffected and that there would be nothing to worry about. We now know, of course, that more than 16 million motorists will be affected by 2010.

If the Government are to introduce measures to change people's behaviour, surely the first thing that they should do is spell out those measures, and their consequences. They should then seek to persuade people to do something different. They should not do that by stealth. We were told that these were taxes to change behaviour—but the way in which they were introduced makes it clear that, rather than behaviour-changing taxes, they were simply a cynical attempt to exploit the hysteria about the role of CO_2 emissions in climate change.

Secondly, the Minister told us that even when these taxes have been made, the impact on CO_2 emissions will be very little—less than a fraction of 1 per cent. That is based on the assumption that people will sell their CO_2-emitting cars and opt for cars that emit less. That assumption, of course, as hon. Members have pointed out, is based on a false premise—that many of those who own those cars have the ability to sell them and buy a different car. It is quite clear from what hon. Members have said in the debate that many of the people involved are from low-income families and have bought old cars because those are all that they can afford, and large cars because they have families.

Mr. Jeremy Browne (Taunton) (LD) *rose—*

Sammy Wilson: I would give way, but I have to finish quickly.

Those people buy large cars because they require them for their work or their families, so they will not be able to change their behaviour in that way even if they wanted to, and even if they had the economic incentive to do so.

When we look into the environmental credentials of this tax, it becomes quite clear that it is not about changing behaviour or dealing with climate change; it is about raising revenue. If people believe in high taxation, that is fine, but surely that is not true of regressive taxation that hits the poor—poor or disabled families, poor families living in rural areas, poor families with low incomes who can only afford old cars. For those two reasons—because the tax is regressive and because it does not and will not achieve what it is designed to achieve—I will support the Opposition motion tonight.

6.42 pm

Justine Greening (Putney) (Con): It is a pleasure to conclude the debate on behalf of the Opposition. We called this debate because the Government have been caught out yet again. They are now planning to pickpocket from the purses of millions of people in our country—and this time that means motorists, many of whom are the least able to afford it. Much of the discussion about who has lost out from this year's Budget has focused on the 10p tax rate fiasco and the 5.3 million households that the Prime Minister was happy to target last year—until he was found out.

Today we have the chance to voice the concerns of millions of other Budget losers—the millions of motorists who are paying graduated vehicle excise duty on cars bought after March 2001. Many of them will see their car tax rise by up to £245 a year by 2010-11. In fact, they may well be some of the people from the 5.3 million households that the Prime Minister and Chancellor stung for more income tax—before yesterday's spectacular U-turn.

The story of those motorists and their experience of this Government and tax is almost a case study of Government policy at its worst. It is ineffective, it is, as my right hon. Friend the Member for Wokingham (Mr. Redwood) said, cynical, and it is also, I think, underhand. The Government's approach to vehicle excise duty was, as ever, "What can we get away with?" We have seen it in so many areas, but especially in tax. In fact, VED was not really a major part of this year's Budget speech. It would not have been, because it was a tax rise. We were assured by the Chancellor, however, that

"the road tax system should do more to support the use of more carbon-efficiency",

and that there should be

"an incentive to encourage drivers to choose the least polluting car."—[*Official Report*, 12 March 2008; Vol. 473, c. 297.]

Those were the Chancellor's words in this year's Budget speech.

Behind the rhetoric, however, the Government's real approach to vehicle excise duty is characteristic of their approach to environmental taxation in general, providing another chance to tax people more. I can tell the Minister on behalf of my constituents and the public who have contacted me after seeing stories in various newspapers—we heard about one constituent earlier—that they feel this is a disgraceful way to treat the British public. It is claimed, of course, that this tax will help save the environment. The VED changes can be found in the "Protecting the environment" part of the Red Book. However, we now know that Treasury officials told the Government that they could expect the policy to reduce motor vehicle emissions by only a fraction of 1 per cent. by 2020. This policy is not about tackling climate change.

Of the 4 million extra cars that the Government assume will pay graduated VED by 2010-11, guess how many they assume will be in band A? Just 11. The number will rise from 395 in 2008-09 to 406 by 2010-11. I thought the hon. Member for Twickenham (Dr. Cable) put it very well when he said that it would be helpful to understand the assumptions on which the Government have come up with such amazingly and shockingly low figures in describing the impact of the policy on the environment. But, as we know, ultimately the policy was not intended to have an impact on the environment; it was intended to have an impact on Exchequer revenues. These measures were all about bringing in more tax.

According to page 89 of the Red Book,

"As a result of these changes the majority of drivers will be better or no worse off".

In my view, that was a real and possibly deliberate misrepresentation of the policy. We now know that when the Government referred to "the majority of drivers" they meant the majority of all drivers, irrespective of whether they were paying graduated VED. They lumped in all the 10 million extra drivers who do not pay it. They based their statement on the fact that 26 million drivers pay VED, but of those only 16 million pay graduated VED. They used sleight of hand to suggest that people would be unaffected, when that was not the case. That is a bit like the Government saying that they will raise inheritance tax but only 2 per cent. of people will be affected, simply because 98 per cent. of people will not have died by the end of the year.

When we look at the figures, the position is pretty straightforward. Of the 15.5 million motorists who pay graduated VED this year, more than 10 million will pay more, and 12.2 million will pay more by 2010-11. The people who are worse off include people with family cars such as Ford Mondeos or Renault Méganes, and even people with cars as small as the Nissan Micra. Perhaps most disgracefully of all—we have talked about this a great deal—the people who are worse off also include people who bought cars between March 2001 and March 2006. They never thought that they would be affected by the changes in VED and graduated VED. That is one of the reasons for the sharp rise in VED revenues from graduated VED over the next couple of years. It is due to the Government's abolition of the 2006 exemption, which was obviously introduced specifically to exclude those people.

Did the Chancellor announce that in the Red Book? No. Did he explain it in the Red Book? No, it was buried in the fine print. As we have heard, a Treasury spokesman eventually admitted that it was not as clear as it could have been. It was not explicitly spelt out that the drivers hit by the backdating of the policy, as my right hon. Friend the Member for Wokingham pointed out in a well-judged speech, would be people with older cars. We know that because those cars are now higher-tax cars, they are worth less second hand. That point was made by the hon. Member for Reading, West (Martin Salter). It is likely to affect people from lower-income families, the elderly and the young, who—unlike many others—may not be able to afford to buy new cars whenever they need them

The hon. Member for Birmingham, Northfield (Richard Burden) spoke of the impact on his constituents. The reality is that the Government are again hitting those who can least afford it, and can least afford to change their behaviour. Ministers know that, because it later came to light that the new backdating of graduated VED would happen over two years because of the transition from band K to band L. That transition was not even mentioned in the Red Book, and emerged only when the Treasury was questioned more explicitly about how the changes in graduated VED could possibly leave so many drivers unaffected. Millions of motorists are suffering a tax increase.

Having said in the 2007 Budget that band F drivers' bills would increase by, say, £5 a year up to 2010, the Treasury has gone back on its promise and is raising graduated VED massively, in a way that was never explained to people in advance. So the Chancellor is going back on the Prime Minister's word, giving people the mistaken impression that most will not have to pay more, and that they might even be better off, hiding this backdating of the tax from the new motorists paying it, and making no mention of Government efforts to spread the pain of these newly taxed motorists over two years.

The Government say that this policy is about the environment and motorists changing their behaviour, but as the hon. Member for East Antrim (Sammy Wilson) asked, how does the Exchequer Secretary expect the public to change their behaviour when she hides every aspect of these changes in VED from them? The answer is that people are not meant to be able to react to the changes, which is why the Government are not even pretending that emissions will drop as a result of these VED changes in the Budget. This is just another big fat tax hike perversely aimed at the people who can least afford it. It is a double whammy for the motorists captured by the backdating, because not only will they pay more tax, but their cars will be worth less if they try to get out of this tax trap by selling them. It is utterly deplorable to hit those people when their cost of living is rising so much.

One thing we and the British public know is that this Prime Minister and this Government are never straight with them, and he is not on their side. We are, which is why we are standing up for the public and against this eco-stealth tax brought forward by a Government who are simply out of touch—and when voters get given a chance, they will be out of office.

6.51 pm

The Exchequer Secretary to the Treasury (Angela Eagle): I want to start by responding to the myths and distortions the Opposition have been peddling today—that

[Angela Eagle]

this is a hidden tax that hits low-income households and family cars. They are wrong on all those counts. The vehicle excise duty changes are not hidden; they are all there in the Red Book for all to see. The Red Book makes it clear that reform of the VED will mean some drivers paying more while others pay less. We have not heard the Opposition mention today that anyone will be paying less, but that is true. Page 121 paragraph A.97 of the Red Book contains the details of the retrospective aspect.

The changes raise revenue, but it is important to remember that transport spending has increased by 70 per cent. in real terms since 1997, while revenue from transport taxes has fallen by 13 per cent. in real terms since 1999. That is a result of this Government abolishing the fuel duty escalator, which was left to us as a legacy by the Conservative party, and not raising fuel duty every year. Drivers are switching to more efficient cars as well, which reduces revenue, and that is what we want them to do.

Myth two is that this is a tax rise for most motorists. The reality is that the majority of drivers will be better off, or no worse off, because of the Budget changes.

Andrew Selous: Will the Exchequer Secretary give way?

Angela Eagle: No, I have been left nine minutes in which to speak, so I cannot give way.

The hon. Member for Putney (Justine Greening) said that the figures for who is better or worse off were based on graduated VED alone. That is not correct; they are based on all motorists. These reforms incentivise people to drive cleaner cars, helping to protect the environment, and they reward people who decide to choose not necessarily a different class or model of car, but often just the cleanest version of the model that they wish to drive. As has been said, drivers of 24 of the 30 most popular cars in the UK will pay less, or no more VED, as a result of these changes. Popular versions of cars that will pay less include the Ford Focus, the Renault Clio, the Vauxhall Astra and the Citroen Xsara Picasso. This is not an attack on the family car.

Myth three is that the change will hit low-income families the hardest; that has been suggested by many Opposition Members. It will not. Lower-income families are less likely to own a car than the rest of the population; indeed, most of the poorest 20 per cent. of households do not own a car. Moreover, lower-income families who do own a car are more likely to own older cars, from before 2001, which are not affected by the new VED bands at all; that represents one third of all cars in the UK. Lower-income families are not the most likely to buy the most polluting cars because they tend to be the most expensive, because of their larger engines. The majority of low-income families will therefore be either unaffected or better off. This is not a tax rise for most motorists, or a tax rise that hits the poorest, nor is it a tax rise that hits the average family car.

The interesting thing about today's debate was the announcement by the Conservative party that it will reverse the VED changes that we have outlined. The Conservatives did not enlighten us by telling us how they would reverse the changes or what they would put in their place. That gives no environmental signal or certainty whatever. The Conservatives did say that there would be no environmental taxes from them that did not hypothecate the revenue into a special fund. It seems to me that their environmental credentials are falling apart.

Mark Lazarowicz: Would the Exchequer Secretary clarify the Government's expectation of the CO_2 savings from this measure over the period for which we have projections?

Angela Eagle: The Government's expectation of CO_2 savings from this measure in isolation is 1.3 million tonnes of carbon by 2020.

Andrew Selous *rose—*

Angela Eagle: I am finishing my answer to my hon. Friend. Vehicle excise duty will contribute only part of achieving a much greater prize, which is what we can gain if we can manage, by regulation and agreement in the EU, to create a limit of 130 g of CO_2 per kilometre for all new cars. If we could manage to do that, it would save as much as an additional 8 million tonnes of CO_2 by 2020, which is a prize well worth having.

I presume that Zac Goldsmith's quality of life paper, which the right hon. Member for Witney (Mr. Cameron) said was full of interesting ideas, many of which would end up in the manifesto, proposed a version of change in respect of graduated VED containing bigger environmental signals and higher top rates than the ones that the Government are promising to put in place from 2009 onwards.

Adam Price *rose—*

Angela Eagle: I shall give way to the hon. Gentleman, because I know that he has a particular worry about rural issues.

Adam Price: I am grateful to the Minister. Will she say something about the disproportionate effect that the proposals will have on people in rural areas, many of whom need access to larger vehicles because of their employment in agriculture and other sectors? That point has been raised by a number of hon. Members on both sides of the House.

Angela Eagle: We have this debate often. It is very difficult to have a rural or regional view of VED, because it is difficult to define it, and it would be even more difficult to try to police it. As the hon. Gentleman knows, some vehicles are exempt and some vehicles use red diesel, which lowers the costs. We are sensitive to the issue, but there are no real easy answers.

The hon. Gentleman also ought to realise that some 4x4 cars are in lower CO_2 bands, and I hope that it will be possible, over time, for people to migrate to using those. Part of the dynamic point of the VED changes is to increase the incentives for manufacturers to make more cars in lower bands. That approach is working, as we have seen over time. As a result of VED changes, there has been a 25 per cent. fall in the number of

vehicles that are very polluting and an increase of 33 per cent in the number of less polluting vehicles. So, there are signs that these changes are working.

Andrew Selous: Will the Exchequer Secretary give way?

Angela Eagle: I have two minutes left, so I cannot give way.

The whole point of the new system is to create choice and to create the incentive for people to change their behaviour. Vehicle excise duty has contributed to the proportion of the least polluting cars rising by more than a third. The number of the most polluting cars has fallen by a quarter, so there are some signs that our approach is working. These changes should be seen as part of a package of measures that support the EU proposal to reduce the average emissions from new cars to 130 g per kilometre, and gain and capture that 8 million tonnes of CO_2 savings.

In conclusion, let me remind the House why we are making these changes. Climate change is not a problem that we can afford to ignore—

Mr. Andrew Robathan (Blaby) (Con) *rose in his place and claimed to move,* That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly:—

The House divided: Ayes 125, Noes 284.

Division No. 186] **[6.59 pm**

AYES

Afriyie, Adam
Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Bellingham, Mr. Henry
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Boswell, Mr. Tim
Brazier, Mr. Julian
Brokenshire, James
Burns, Mr. Simon
Butterfill, Sir John
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gibb, Mr. Nick
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hendry, Charles
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Kawczynski, Daniel
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacNeil, Mr. Angus
Malins, Mr. Humfrey
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Neill, Robert
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penrose, John
Price, Adam
Pritchard, Mark
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stuart, Mr. Graham
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Wilson, Sammy
Wright, Jeremy
Young, rh Sir George

Tellers for the Ayes:
Mr. Brooks Newmark and Mr. Richard Benyon

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brake, Tom
Breed, Mr. Colin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Carmichael, Mr. Alistair
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Mr. Quentin
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill

Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Howarth, rh Mr. George
Hughes, rh Beverley
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Rennie, Willie
Robinson, Mr. Geoffrey
Rogerson, Dan
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wills, Mr. Michael
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Wayne David and Mr. Alan Campbell

Question accordingly negatived.

DEFERRED DIVISIONS

Motion made, and Question put,

That at this day's sitting, Standing Order No. 41A (Deferred divisions) shall not apply to the Motions in the names of Sir Stuart Bell and Ms Harriet Harman, relating to the Church of England Marriage Measure, and Yvette Cooper, relating to Banks and Banking.—*[Liz Blackman.]*

The House divided: Ayes 279, Noes 111.

Division No. 187] **[7.15 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brake, Tom
Breed, Mr. Colin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cable, Dr. Vincent
Cairns, David
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles

Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Darling, rh Mr. Alistair
Davey, Mr. Edward
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hemming, John
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Howarth, rh Mr. George
Hughes, rh Beverley
Hughes, Simon
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Pugh, Dr. John
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Robinson, Mr. Geoffrey
Rogerson, Dan
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ryan, rh Joan
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wills, Mr. Michael
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Wayne David and Mr. Alan Campbell

NOES

Amess, Mr. David
Ancram, rh Mr. Michael
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baldry, Tony
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Brazier, Mr. Julian
Brokenshire, James
Butterfill, Sir John
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cox, Mr. Geoffrey
Davies, Mr. Dai
Davies, Philip
Djanogly, Mr. Jonathan
Dorries, Mrs. Nadine
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gibb, Mr. Nick
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian

Greening, Justine
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Mr. Philip
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Holloway, Mr. Adam
Horam, Mr. John
Hosie, Stewart
Howarth, Mr. Gerald
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Kawczynski, Daniel
Lancaster, Ms Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Luff, Peter
Maclean, rh David
Malins, Mr. Humfrey
Maples, Mr. John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Neill, Robert
Newmark, Mr. Brooks
Osborne, Mr. George
Ottaway, Richard
Paice, Mr. James
Penrose, John
Price, Adam
Redwood, rh Mr. John
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Soames, Mr. Nicholas
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stuart, Mr. Graham
Swire, Mr. Hugo
Taylor, Mr. Ian
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Viggers, Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Weir, Mr. Mike
Whittingdale, Mr. John
Wiggin, Bill
Williams, Hywel
Wilson, Sammy
Wright, Jeremy
Young, rh Sir George

Tellers for the Noes:
Angela Watkinson and Mr. Simon Burns

Question accordingly agreed to.

Mr. James Gray (North Wiltshire) (Con): On a point of order, Mr. Speaker, I would be grateful for your guidance with regard to item No. 4 on the Order Paper—namely, the banks and banking statutory instrument. I served on the Committee that considered that this afternoon, and I raised a point of order there, too. Surely it is very unusual for a statutory instrument to be considered in Committee room at 2.30 pm and then in the main Chamber in the evening. I acknowledge that the *Hansard* report of the proceedings in Committee has been available in the Vote Office for some time this evening, but I doubt that many hon. Members have had the opportunity to read it.

The problem has been compounded by the fact that we have just agreed that the motion should not be dealt with through a deferred Division. That means that hon. Members will have to vote on the motion tonight, whereas normally they would have the opportunity of a few days to read *Hansard* before they did so. Surely that hardly gives the House due time and opportunity to consider what is a complex and technical matter that was considered only this afternoon.

Mr. Speaker: I anticipated that an hon. Member—not necessarily the hon. Gentleman—would raise the matter, and I have taken the bother to write something out, which I shall read into the record.

This is an infrequent but well precedented occurrence. The transcript of the debate in the Delegated Legislation Committee earlier today was produced very rapidly and is now in the Vote Office. I understand that it has been in the Vote Office for some two hours.

I hope that that explanation helps the hon. Gentleman. If he feels that it is inadequate, it is not for me to tell him what to do, but he can vote against the motion if he wishes—though I am not encouraging him to do that.

Mr. Christopher Chope (Christchurch) (Con): Further to that point of order, Mr. Speaker. You said that the procedure has precedent but is used infrequently. However, I understand that it was previously used on 8 March. If we reach the stage when this happens every couple of months, it will become part of the norms of the proceedings of the House, and Members will suffer as a result.

Mr. Speaker: Sometimes we deal with precedents from 8 March 1900. If the precedent is last 8 March, that is not too bad in terms of the House's history.

DELEGATED LEGISLATION

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

Church of England Marriage Measure

That the Church of England Marriage Measure (HC 511), passed by the General Synod of the Church of England, be presented to Her Majesty for Her Royal Assent in the form in which the said Measure was laid before Parliament.—*[Sir Stuart Bell.]*

The House divided: Ayes 266, Noes 4.

Division No. 188] **[7.30 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barrett, John
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Brake, Tom
Breed, Mr. Colin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
Davies, Mr. Dai
Davies, Philip
Denham, rh Mr. John

Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hepburn, Mr. Stephen
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, David
Howarth, rh Mr. George
Howarth, Mr. Gerald
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Pugh, Dr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Robinson, Mr. Geoffrey
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ryan, rh Joan
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Taylor, Ms Dari
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Turner, Dr. Desmond
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wills, Mr. Michael
Wilson, Sammy
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Wayne David and Mr. Alan Campbell

NOES

Evans, Mr. Nigel
Spink, Bob
Stuart, Mr. Graham
Walker, Mr. Charles

Tellers for the Noes:
Mr. James Gray and Mr. Christopher Chope

Question accordingly agreed to.

Motion made, and Question put forthwith, pursuant to Standing Order No. 118(6) (Delegated Legislation Committees),

BANKS AND BANKING

That the draft Cash Ratio Deposits (Value Bands and Ratios) Order 2008, which was laid before this House on 2nd April, be approved.—[Liz Blackman.]

Mr. Deputy Speaker (Sir Alan Haselhurst): As many as are of that opinion, say Aye; to the contrary, No.

Mr. Nicholas Brown (Newcastle upon Tyne, East and Wallsend) (Lab): On a point of order, Mr. Deputy Speaker. Given the proportions in the last vote, would it not be reasonable for this to be carried by acclaim rather than by a formal Division?

Mr. Deputy Speaker: When the previous vote was taken the collection of voices was challenged, and it has been on this occasion. I have no alternative but to proceed with the Division of the House.

Sir Stuart Bell (Middlesbrough) (Lab): Further to that point of order, Mr. Deputy Speaker. Is it not a fact that one's voice should follow one's vote in the Lobby?

Mr. Deputy Speaker: I believe that that is the customary practice, but the Chair has absolutely no intimation of what impact that will have on the numbers.

The House divided: Ayes 258, Noes 6.

Division No. 185] [7.42 pm

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Borrow, Mr. David S.
Breed, Mr. Colin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Fitzpatrick, Jim
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, Andrew
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Dr. Evan
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Heath, Mr. David
Hendrick, Mr. Mark
Hepburn, Mr. Stephen
Heppell, Mr. John
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Kennedy, rh Jane
Khan, Mr. Sadiq
Kidney, Mr. David
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
Mackinlay, Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meacher, rh Mr. Michael
Meale, Mr. Alan
Milburn, rh Mr. Alan
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Pugh, Dr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Robinson, Mr. Geoffrey
Rowen, Paul
Roy, Mr. Frank
Ruane, Chris
Ryan, rh Joan
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Taylor, David
Taylor, Matthew
Teather, Sarah
Thomas, Mr. Gareth
Thornberry, Emily
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Turner, Dr. Desmond
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, Malcolm
Williams, Hywel
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Wills, Mr. Michael
Wilson, Sammy
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Alan Campbell and Mr. Wayne David

NOES

Crabb, Mr. Stephen	Walker, Mr. Charles
Davies, Philip	
Donaldson, rh Mr. Jeffrey M.	**Tellers for the Noes:**
Evans, Mr. Nigel	**Mr. Christopher Chope and**
Spink, Bob	**Mr. James Gray**

Question accordingly agreed to.

PETITIONS

Benfleet Rail Station Facilities

7.52 pm

Bob Spink (Castle Point) (UKIP): I rise to present a petition and survey representing about 800 of my constituents who are concerned about the facilities provided for commuters at Benfleet rail station. The operator, c2c, has achieved much over the past decade on the train service and has greatly improved Benfleet station. I sincerely congratulate c2c on that, but may I gently ask the company to engage sensitively with Wendy Daines, who organised the petition, to find a decent way forward for all the stakeholders?

The petition states:

The Petition of Wendy Daines, residents of Castle Point and others,

Declares that the café of Benfleet Station gives a good service and should be retained by c2c in its current format, and that toilet facilities should be provided on the London-bound platform for the 3,000-plus passengers who use the station each day

The Petitioners therefore request that the House of Commons implores the Government to press c2c to maintain the facilities in their current state and to add appropriate toilet facilities to the London-bound platform

And the Petitioners remain, etc.

[P000194]

Facebook (Cornwall)

7.53 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): It is my pleasure to present a petition on behalf of many thousands of people living in Cornwall who would like the county to be recognised as a network region on Facebook. Despite the fact that Cornwall has a population of 500,000, the nearest geographical area represented on Facebook is the city of Plymouth in Devon. Some 14,500 people are members of the group and hundreds have added their names to the petition that they would like presented before Parliament. There are many respects in which people feel that Cornwall's unique needs and identity are subsumed in wider zones. I agree with my constituents that more needs to be done, by Facebook as well as the Government, to ensure that Cornwall's voice is properly heard.

The petition states:

The Petition of residents of Cornwall,

Declares that Cornwall should have its own Network Region on Facebook. Cornwall possesses one of the world's oldest natural borders, its own language and flag, and a population of 500,000 people. We therefore believe that the owners of Facebook should now recognise this by introducing the Cornwall Network region.

The Petitioner therefore requests that the House of Commons urges the Secretary of State for Culture, Media and Sport to put pressure on the owners of Facebook to grant Cornwall network region status.

And the Petitioners remain, etc.

[P000193]

Muscular Dystrophy

Motion made, and Question proposed, That this House do now adjourn.—*[Liz Blackman.]*

7.54 pm

Nia Griffith (Llanelli) (Lab): Thank you very much, Mr. Deputy Speaker, for allowing me to raise the important issue of the provision of specialist diagnostic treatment and care services for sufferers of muscular dystrophy. Today has seen the publication of the report by the Muscular Dystrophy Campaign, "A Focus on Physiotherapy", a lobby of Parliament by many of those involved in campaigning for the best possible services for muscular dystrophy sufferers, and the delivery of a petition to the Prime Minister at Downing street on the same theme.

One of the consequences of the considerable investment in the NHS over recent years under our Labour Government is that we are developing ever more expertise and world-class centres that can offer specialised services for particular conditions. However, although more than 60,000 people in the UK have muscular disease or a related condition, we are often talking about relatively small numbers of patients needing specific services in any one area. It is therefore difficult to see how this level of specialist service could be provided in every single locality. If services are not provided in every area, two difficulties arise: that of funding for access to the services, and that of sufferers having to make long journeys.

One of the reasons that I requested this debate was the distressing evidence we heard in the Welsh Affairs Committee about families who were experiencing delays and difficulties in accessing the specialist services that they needed for family members suffering from muscular dystrophy. But this is not simply an issue in Wales or an England-Wales cross-border issue—far from it. The same problems arise in different regions of England, where there are disparities in ease of access for sufferers because of the differing approaches of primary care trusts.

There is a tendency, when we think of specialists, to think of consultants and to forget that other health care workers, such as nurses and physiotherapists, develop specialist skills. The Welsh Affairs Committee heard evidence that patients were sometimes referred back to a consultant when a referral to a specialist physiotherapist would have been possible, as well as perhaps being cheaper and involving less waiting time.

Jessica Morden (Newport, East) (Lab): One of the problems highlighted by the parents of my constituent, Matthew Barrett, who came to lobby Parliament today, was that they often have to attend many different appointments with different specialists in different hospitals. Does my hon. Friend agree that the provision of more clinics in which specialists could come together would help patients in that regard?

Nia Griffith: Indeed. I certainly applaud the multidisciplinary approach, which is extremely important. We need to think of imaginative ways of providing specialist services as close to patients' homes as possible.

There must be a much greater understanding among PCTs and GPs that physiotherapists can now acquire a specialist body of knowledge to enable them to provide a far more effective service to muscular dystrophy sufferers than can be provided by physiotherapists without that additional training.

Muscular dystrophy sufferers can find themselves being referred to the local physiotherapy team for a standard six-week course of treatment, designed principally for someone who has suffered a minor injury with no complications. There is often no alternative, because a PCT does not recognise the need for specialist services and might therefore consider the usual physiotherapy package sufficient. However, muscular dystrophy sufferers need a much more comprehensive service to provide ongoing, consistent specialist care, rather than whatever can be accessed easily and quickly.

Our first priority must therefore be to recognise neuromuscular services as specialised services requiring multidisciplinary management of care. I should therefore like to ask the Minister what steps he will take to ensure that the NHS national specialist commissioning group recognises neuromuscular services as specialist. A national group of the UK's leading experts on neuromuscular conditions agrees that patients with muscular dystrophy require specialist care and specialist expertise, which are best delivered by a multidisciplinary team of professionals.

The provision of expert physiotherapy, orthotics, early cardiac monitoring and intervention, and corticosteroids has been shown to improve muscular function and maintain independent mobility. However, neither the NHS national specialist commissioning group nor Health Commission Wales recognises the service as specialist. As a result, patients with muscular dystrophy, both in Wales and England, fail to receive a package of care and either have to travel long distances to access services or do not receive any services at all.

In asking the Minister what steps he will take to ensure that the NHS national specialist commissioning group recognises neuromuscular services as being specialist, I would like to point out to him that designating muscular dystrophy services as specialist would give them the recognition that they need and raise the question of how those services can best be provided locally. There is absolutely no doubt in my mind that we need to acknowledge that the survival and quality of life of some patients with neuromuscular conditions are being compromised, as they do not have access to specialist diagnosis and a multidisciplinary package of care.

We need to pay particular attention to the significant geographical inequalities across the UK in access to specialist health services for children and adults with neuromuscular conditions.

Dr. Hywel Francis (Aberavon) (Lab): As chair of the all-party carers group, I was very pleased to hear you emphasise the need for local delivery of services. Earlier today, I met Mr. Ray Thomas, who has been a carer for more than 40 years. He attended today's lobby and told me that he had not been to London for 49 years because of the intense care he and his wife have given to two sons, and now one surviving son, Leighton, who has the very rare condition of Becker muscular dystrophy. James, in my constituency, has Duchenne muscular dystrophy. Those families, including parents and grandparents, have enormous pressure placed on them, and when they have to travel great distances, the pressure is all the greater. Would you agree with me that when the

Government, either in Wales or England, devise support assistance, the needs of the carers, particularly the parents and grandparents, have to be taken into account?

Nia Griffith *rose—*

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. Before the hon. Lady replies, I must point out to the hon. Gentleman that he should address the Chair. When he uses the term "you", he is involving me, which he should not do.

Nia Griffith: I would like to thank my hon. Friend, who has done outstanding work as chair of the all-party carers group, for raising that issue. It certainly has an enormous impact on the whole family if people have to make frequent journeys over long distances to access the treatment that the family member with muscular dystrophy needs.

We need to recognise that even in the areas where excellent services are in place, people can often be vulnerable, given their dependence on a handful of leading clinicians who in time may move on or retire. I therefore ask the Minister what steps he will take to work with the commissioners of health services and health professionals to improve current service provision across the UK. In particular, what will he do to press the devolved Assemblies and local commissioners of health services to ensure that all patients are able to access specialist diagnostic services and specialist multidisciplinary services across the UK to ensure that adequate diagnosis and care is provided for these complex diseases?

I pay tribute to the Muscular Dystrophy Campaign for its hard work in producing the report, "Building on the Foundations: Focus on Physio", which includes responses from 75 primary care trusts and 122 NHS trusts to date. The key findings of the report include the fact that many patients with neuromuscular conditions do not receive continuous, specialist physiotherapy or any physiotherapy at all. In some areas, local provision is very poor. It notes that current referral practices, particularly for adults with neuromuscular conditions, seem arbitrary and show considerable variation for patients. We certainly heard that in the evidence given to the Welsh Affairs Committee.

The report also notes that adults with neuromuscular conditions, principally young adults making the transition from paediatric to adult care, face particular difficulties. That is a matter of concern to me because we know that, at that time in their lives, those people are often going through many stressful changes, perhaps from the education system to a workplace scenario, which can be a very difficult time for them socially, educationally and medically.

Where there are specialist physiotherapy services, many are vulnerable because they rely on voluntary sector funding, and many physiotherapists are denied opportunities to attend training courses relating to neuromuscular conditions. Sadly, there is a lack of guidelines and standards of care for people with neuromuscular conditions.

Let me be more precise. What can my hon. Friend the Minister do to ensure that all children and adults with neuromuscular conditions are offered, and have access to, ongoing and timely physiotherapy, including hydrotherapy, when they need it? In particular, what action can he take to ensure that specialised commissioning groups, acute trusts and local health boards have a better understanding of the positive impact that physiotherapy has on the health and well-being of people with neuromuscular conditions, and to press them to give more physiotherapists support and training in muscular dystrophy and related conditions as part of their continuing professional development programmes?

How will my hon. Friend ensure that a multidisciplinary service is in place for the care of patients with neuromuscular conditions, and how will he encourage specialised commissioning groups to establish neuromuscular working groups to undertake reviews of local services following the lead in the south-west? Any such review should include a gap analysis of physiotherapy services for patients with neuromuscular conditions.

Clearly it is not for my hon. Friend to tell the Welsh Assembly how to organise the service in Wales; that is rightly within the powers of the Assembly Health Minister and her colleagues in the Welsh Assembly Government. Nevertheless, there can be huge benefits in sharing ideas and training across the whole of the United Kingdom, and in the case of muscular dystrophy, sufferers from Wales are currently accessing services in England. With that in mind, will my hon. Friend discuss the best way forward with colleagues in the Welsh Assembly Government, and will he ensure that there are no obstacles on the English side for patients from Wales who wish to access appropriate services in England? Will he also agree to meet me and representatives from the Muscular Dystrophy Campaign to discuss the evidence that has been uncovered as part of the charity's "Building on the Foundations: Focus on Physio"?

Modern treatments and care have facilitated huge steps forward in increasing life expectancy and improving the quality of life for people with muscular dystrophy, but we must ensure that the very best packages are provided routinely for muscular dystrophy sufferers wherever they live. Some of the detail of the report is quite distressing. We learn that three out of four of 122 NHS trusts and two out of three of 74 primary care trusts do not provide ongoing physiotherapy for patients with muscular dystrophy and related conditions, that half the trusts do not have physiotherapists available for children, that two out of three do not have physiotherapists available for adults with specific training in muscular dystrophy and related neuromuscular conditions, and that 20 per cent. fail to provide financial support for physiotherapists to attend training courses in muscular dystrophy and related conditions. With that distressing picture in mind, we must ensure that we put the position right, and that muscular dystrophy sufferers and their families do not have the additional burden of fighting for funding or coping with excessive travelling if there is any way that that can be avoided.

We must understand that we are not talking about people coping with a one-off acute medical condition. We are talking about an integral part of the daily and yearly struggle to maintain the best quality of life

[Nia Griffith]

possible, and we should want nothing but the best for our fellow citizens who are living with muscular dystrophy. I look forward to hearing the Minister's response.

8.9 pm

The Parliamentary Under-Secretary of State for Health (Mr. Ivan Lewis): I congratulate my hon. Friend the Member for Llanelli (Nia Griffith) on securing a debate on a very important issue. It is particularly important to families who must cope with the realities of muscular dystrophy. I have experience in my constituency of a couple, Mr. and Mrs. Levene, whose young son Joey has Duchenne muscular dystrophy. They are a remarkable couple, because not only are they coping with Joey's condition, but they have established a charity to raise significant sums of money to invest in new research into the condition. If my hon. Friend will forgive me, I would like to use this opportunity to pay tribute to them for making a tremendous difference by raising funds to invest in research.

We are all aware that neuromuscular services do not always adequately meet the needs of people with long-term conditions, not least the estimated 30,000 people living with muscular dystrophy, their families and carers. Three recent hard-hitting reports published by the Muscular Dystrophy Campaign on the provision of neuromuscular services in England and Wales and access to physiotherapy services highlight the significant variations that still exist for those living in some areas of England and Wales. In particular, these reports detail the problems that some patients with muscular dystrophy continue to have in getting access to, and funding for, the specialist neuromuscular services that can make such a difference to their standard of care and quality of life. It is clearly unacceptable that there are still such large variations in care, and that access to specialist diagnosis, treatment and on-going care services can far too often still depend on where people happen to live.

It is important that we are clear about what people have a right to expect—access to health professionals with an understanding of their medical condition and individual needs; timely access to the appropriate specialist neurological services and equipment; information on their condition, communicated in a more sensitive and understanding way; and close involvement for carers and families. We should recognise that in these circumstances it is the family member who in the end provides most of the care and support, and that they need both practical and emotional support.

There are a number of issues in terms of the specific point raised by my hon. Friend, and addressed in the Muscular Dystrophy Campaign reports, that specialised neuromuscular services should be designated in accordance with the Department's specialised services definition set so that specialised commissioning groups can strategically plan for these services across the whole of England. The national specialist commissioning group advises Ministers on which services are best commissioned nationally, rather than locally. The criteria used are that the service should involve a small number of patients and procedures—fewer than 400 nationally per year—and that the service can be provided at a small number of specialist centres serving a catchment population of about 1 million. Specialised services can also be commissioned regionally by the 10 specialised commissioning groups that are based around regional strategic health authority boundaries. There is a national definitions set of 32 specialised services to assist SCGs, and SCGs can commission services outside that list; it is up to individual SCGs as to whether they decide to designate additional specialist service providers in their patch, and if so, for what services. The south-west commissioning group has, for example, established a neuromuscular working group with a specific remit to review local services.

Nia Griffith: Could that model not be rolled out in other parts of the country, as I understand that the review has made good progress?

Mr. Lewis: What I am happy to say to my hon. Friend is that that is best practice and we would hope that in every part of the country where there are clear inadequacies in the level of support and services, regional SHAs would look at the south-west model and ensure they learn from it in their region. It is not for me as a Minister to direct every SHA and primary care trust as to how they ought to approach these issues, but it is clear that existing services are in many cases inadequate, and it is a good principle that if the south-west model demonstrates a sensible way forward, each region should follow it.

It is for NHS commissioners to ensure that commissioned pathways of care always reflect both the specialist diagnosis needs and localised multidisciplinary packages of care. PCT commissioners need to commission services that reflect the local needs of their patients and be informed of good practice in other health economies. I agree with my hon. Friend that dialogue between Wales and England on these matters would be sensible, and I am certainly willing to facilitate it.

We recognise that world-class commissioning is at the heart of our health service's capacity to achieve better outcomes for patients and better value for money, which is why we are driving the notion of world-class commissioning through the health service. We want such commissioning to become a reality in every community, because that is clearly not the case at the moment.

In improving the commissioning of services, the establishment of local involvement networks is important. They will play a key role in encouraging and enabling a wide range of people to influence the commissioning and provision of health and social care, bringing real accountability to the whole system, from commissioning to direct provision. It is important that part of how we improve services is by giving a much stronger collective voice to local populations and local groups associated with specific conditions. They can influence the decision makers in the health and social care service to ensure that services are more responsive. We cannot simply leave this to managers, bureaucrats or professionals; we need to find ways of ensuring that the voice of those who know best about such conditions is heard.

My hon. Friend raised the specific issue of access to physiotherapy services, and she emphasised their distinct importance for those living with muscular

dystrophy. It is important to point out that record levels have been invested in the NHS and that there has been a major expansion in its work force; for example, the number of physiotherapists employed in the NHS has increased by 41 per cent. since autumn 1997, to pick a random date.

The White Paper, "Our health, our care, our say", sets out the future direction for health care, including access to allied health professions. The Government are collaborating with the Chartered Society of Physiotherapy to pilot and evaluate self-referral to physiotherapy, and we await the report of that evaluation. There is a sense that it is often difficult to access the service, so simplifying things and allowing people to self-refer will provide expanded access to physio services.

The national framework for long-term conditions was published in March 2005 and has a 10-year implementation period. It sets 11 quality requirements to improve treatment, care and support from diagnosis to the end of life for people living with neurological conditions, including muscular dystrophy. It underlines the need for appropriate, integrated services planned and delivered around individual needs, and the need to support people in living as independently as possible with the best possible quality of life.

The national service framework is based on the best of the NHS's core values: modernisation; breaking down professional boundaries; and partnership between agencies. Although it focuses on improving services for people with neurological conditions, people who have other long-term conditions will also be supported to live a full and independent life. Achieving the standards set out in the national service framework is a major challenge for some local providers. There are no central targets or milestones, and it will instead be for people working at local level, on the front line, to ensure that their commissioning decisions truly reflect the NSF's principles.

Since the NSF's publication, the Department has provided service planners, commissioners and providers with guidance, expert advice and support to help them deliver the quality requirements. However, in line with our policy of devolving responsibility to local organisations, we are moving to a phase with much greater emphasis on local accountability and local autonomy. Our approach also recognises that the NSF cannot be a stand-alone priority; it needs to be closely aligned and integrated into mainstream NHS and social services local activity.

Importantly, the Berlin wall between health and social care came down a long time ago, but, sadly, patients and their families in too many communities tell us that the Berlin wall between different agencies prevents them from getting the easy-to-access services that they need and deserve. As has been mentioned by Labour Members, they also tell us that there are sometimes too many professionals fishing about in people's lives and that people want continuity of care, care co-ordination and a lead professional who takes responsibility for examining all the family's needs. It is incredibly important that we position how we deal with this condition in the context of what we are trying to do with health and social care more generally.

Just this year, the Department, in collaboration with the third sector, published the "National Service Framework for Long-term Neurological Conditions—National Support for Local Implementation 2008". It outlines the Department's NSF programme, including how much progress we have made so far and the milestones for the work that we still have to do. It offers people support at a local level in terms of best practice for how they can improve services. It has also received input from voluntary organisations, which are often ahead of the NHS in this field.

I have said a bit about how the NHS and social care are supporting people with long-term conditions. Our other public services and voluntary organisations are crucial, too, to ensuring that people have the best possible quality of life in these incredibly difficult circumstances.

I also want to take the opportunity to pay tribute to the Muscular Dystrophy Campaign. Over the past 40 years, it has ensured that the condition, which has not always had a high status or been taken as seriously as it should be, has been given a loud national voice. As a consequence, major advances have been made over the past 10 years that were not made in the preceding 30 years. As well as its campaigning role, the charity provides important information and advice to families in these circumstances. It provides part of the cost of equipment for patients and makes a significant contribution to research into the condition.

I welcome the fact that my hon. Friend the Member for Llanelli has brought to the attention of the House a crucial issue for a number of families in our country. I shall reflect on her contribution and I, or a relevant ministerial colleague, will meet her to discuss how we can improve the experience of the services for families and for people who have the condition.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes past Eight o'clock.

Deferred Divisions

IMMIGRATION

That the Statement of Changes in Immigration Rules (House of Commons Paper No. 321), a copy of which was laid before this House on 6th February, be disapproved.

The House divided: Ayes 354, Noes 51.

Division No. 183]

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Beith, rh Mr. Alan
Brake, Tom
Brooke, Annette
Browne, Mr. Jeremy
Burt, Lorely
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Davey, Mr. Edward
Featherstone, Lynne
Foster, Mr. Don
George, Andrew
Grogan, Mr. John
Hancock, Mr. Mike
Harris, Dr. Evan
Heath, Mr. David
Hemming, John
Holmes, Paul
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
MacNeil, Mr. Angus
Mitchell, Mr. Austin
Moore, Mr. Michael
Öpik, Lembit
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rogerson, Dan
Rowen, Paul
Sanders, Mr. Adrian
Swinson, Jo
Teather, Sarah
Thurso, John
Tipping, Paddy
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mr. Roger
Wishart, Pete
Younger-Ross, Richard

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Ancram, rh Mr. Michael
Anderson, Mr. David
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkinson, Mr. Peter
Austin, Mr. Ian
Bailey, Mr. Adrian
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Baron, Mr. John
Battle, rh John
Beckett, rh Margaret
Bell, Sir Stuart
Bellingham, Mr. Henry
Benton, Mr. Joe
Benyon, Mr. Richard
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Borrow, Mr. David S.
Bottomley, Peter
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Butler, Ms Dawn
Butterfill, Sir John
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Cameron, rh Mr. David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Cormack, Sir Patrick
Crabb, Mr. Stephen
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Philip
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Durkan, Mark
Eagle, Angela
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Gardiner, Barry
Garnier, Mr. Edward
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Goodman, Helen
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Griffiths, Nigel
Gummer, rh Mr. John
Gwynne, Andrew
Hall, Patrick
Hammond, Stephen
Hands, Mr. Greg
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, John
Hendry, Charles
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holloway, Mr. Adam
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horam, Mr. John
Hughes, rh Beverley
Humble, Mrs. Joan
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Key, Robert
Khan, Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David

Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malins, Mr. Humfrey
Mann, John
Maples, Mr. John
Marris, Rob
Martlew, Mr. Eric
Maude, rh Mr. Francis
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Mitchell, Mr. Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Newmark, Mr. Brooks
Norris, Dan
O'Brien, Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Oiner, Mr. Bill
Osborne, Mr. George
Ottaway, Richard
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Penrose, John
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Pritchard, Mark
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robinson, Mr. Geoffrey
Robinson, Mrs. Iris
Rosindell, Andrew
Roy, Mr. Frank
Ruane, Chris
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, David
Simpson, Mr. Keith
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stringer, Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Taylor, David
Taylor, Mr. Ian
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Villiers, Mrs. Theresa
Vis, Dr. Rudi
Walker, Mr. Charles
Walley, Joan
Waltho, Lynda
Waterson, Mr. Nigel
Watkinson, Angela
Watts, Mr. Dave
Whitehead, Dr. Alan
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Question accordingly agreed to.

Local Government

That the draft Local Authorities (Alcohol Disorder Zones) Regulations 2008, which were laid before this House on 1st April, be approved.

The House divided: Ayes 240, Noes 158.

Division No. 184]

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Anderson, Mr. David
Armstrong, rh Hilary
Austin, Mr. Ian
Bailey, Mr. Adrian
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Battle, rh John
Beckett, rh Margaret
Bell, Sir Stuart
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Byers, rh Mr. Stephen
Byrne, Mr. Liam
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Denham, rh Mr. John
Devine, Mr. Jim
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Efford, Clive
Ellman, Mrs. Louise
Ennis, Jeff
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
Gerrard, Mr. Neil
Gibson, Dr. Ian
Gilroy, Linda
Goggins, Paul
Griffith, Nia
Griffiths, Nigel
Gwynne, Andrew
Hall, Patrick
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, John
Hepburn, Mr. Stephen
Heppell, Mr. John
Hesford, Stephen
Heyes, David

Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Khan, Mr. Sadiq
Kidney, Mr. David
Komar, Dr. Ashok
Ladyman, Dr. Stephen
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Mr. Khalid
Mann, John
Marris, Rob
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Michael, rh Alun
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Price, Adam
Primarolo, rh Dawn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Robinson, Mr. Geoffrey
Robinson, Mrs. Iris
Roy, Mr. Frank
Ruane, Chris
Ryan, rh Joan
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Tami, Mark
Taylor, Ms Dari
Taylor, David
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Twigg, Derek
Ussher, Kitty
Vis, Dr. Rudi
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Sammy
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Baker, Norman
Baldry, Tony
Baron, Mr. John
Barrett, John
Beith, rh Mr. Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Blunt, Mr. Crispin
Bottomley, Peter
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Burns, Mr. Simon
Burt, Lorely
Butterfill, Sir John
Cable, Dr. Vincent
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fallon, Mr. Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
George, Andrew
Gibb, Mr. Nick
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heath, Mr. David
Hemming, John
Hendry, Charles
Heban, Mr. Mark
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Laing, Mrs. Eleanor
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laws, Mr. David
Leech, Mr. John
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lilley, rh Mr. Peter
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Malins, Mr. Humfrey
Maples, Mr. John
Maude, rh Mr. Francis
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Mitchell, Mr. Andrew
Moore, Mr. Michael
Murrison, Dr. Andrew
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Penrose, John
Pritchard, Mark
Pugh, Dr. John
Randall, Mr. John
Reid, Mr. Alan
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Spicer, Sir Michael
Spring, Mr. Richard
Streeter, Mr. Gary
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Tapsell, Sir Peter
Taylor, Mr. Ian
Teather, Sarah
Thurso, John
Tredinnick, David

Turner, Mr. Andrew
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Mr. Roger
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

House of Commons

Thursday 15 May 2008

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BOURNEMOUTH BOROUGH COUNCIL BILL *[LORDS] (BY ORDER)*

CANTERBURY CITY COUNCIL BILL *(BY ORDER)*

LEEDS CITY COUNCIL BILL *(BY ORDER)*

LONDON LOCAL AUTHORITIES (SHOPPING BAGS) BILL *(BY ORDER)*

MANCHESTER CITY COUNCIL BILL *[LORDS] (BY ORDER)*

NOTTINGHAM CITY COUNCIL BILL *(BY ORDER)*

READING BOROUGH COUNCIL BILL *(BY ORDER)*

Orders for Second Reading read.

To be read a Second time on Thursday 22 May.

Oral Answers to Questions

INNOVATION, UNIVERSITIES AND SKILLS

The Secretary of State was asked—

New University Towns

1. **Ann Winterton** (Congleton) (Con): If he will make a statement on his plan to establish new university towns. [205660]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): We want to give everyone who has the talent the chance to go to university whether they are about to leave school or already in work. Students should have access to local provision offering flexible courses to suit their needs. Our new university challenge initiative gives the chance for 20 towns or areas to develop new university centres or campuses by 2014. We are delighted by the interest that exciting initiative has generated.

Ann Winterton: I thank the Secretary of State for that reply. I understand that the Higher Education Funding Council will lead debate on the initiative. Through the Secretary of State, may I suggest that the council considers the Alsager campus? It was formerly part of Manchester Metropolitan university, and is one of the foremost sports science and physical education colleges and is right next to Alsager school, which is a business and enterprise college. Bearing in mind the difficulties that may arise in the economy it makes sense to me—does it to the right hon. Gentleman?—that an existing facility should be used for one of those splendid new universities.

Mr. Denham: The hon. Lady is perfectly correct. The Higher Education Funding Council, rather than Ministers, will both set out the details about how the new university challenge will work and, ultimately, take decisions about where developments take place. I am sure that the council will note the hon. Lady's remarks. Because the area is very close to her, I am sure, too, that she will welcome the £70 million investment by Manchester Metropolitan university in the university development in Crewe.

Mr. David Willetts (Havant) (Con): I agree with the Secretary of State about the importance of more people going into higher education. I admired the commitment of my hon. Friend the Member for Congleton (Ann Winterton) in pressing for a proposal that has much to commend it. We want better links between further and higher education, and more higher education across the country.

Will the Secretary of State clear up the widespread confusion about what the Government are actually proposing? His Department recently briefed one paper that he was committed to 20 new universities and the Prime Minister was so carried away on the "Andrew Marr Show" the other day that he promised

"a university...in every town and city",

but the £150 million that the Secretary of State has set aside for his programme is not enough to pay for even one new university. What is it? Is it a university in every town? Is it 20 universities? How many new universities does he want to see?

Mr. Denham: First, I welcome the hon. Gentleman to his place. He features so regularly in the list of shadow Cabinet members most likely to be sacked that those of us who are his admirers are always delighted to see him on the Front Bench again.

In February, we said that over the next six years—the current comprehensive spending review and the next—we wished to be in a position either to open or to commit to open 20 new centres. As we made perfectly clear in the document, most of them are likely—often but not always—to be developed on the basis of existing college investment, such as further education colleges, in association with an existing university. For example, at the universities of Medway, where three existing universities have come together to develop a campus of 10,000 student places, such a development can bring university education to people who otherwise would not have it. That is the whole point of the policy.

Higher Education (Employers)

2. **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): What steps he is taking to encourage employers to co-fund higher education; and if he will make a statement. [205661]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): I recently launched our high level skills consultation document, which sets out our proposals to increase employer engagement in higher education. We have announced new funding rising to at least £50 million by the end of the decade for courses funded with employers. Already, more than

30 universities are developing co-funding proposals with employers, and I expect the consultation to stimulate further interest.

Mrs. Hodgson: The Government are rightly widening access to higher education for young people, but what about people like me who left school and did not have the privilege of going to university? Many people already in the work force would benefit from higher education, so does my hon. Friend agree that we should encourage them to widen and broaden their education and skills?

Bill Rammell: I very much agree with my hon. Friend. Seventy-four per cent. of the 2020 work force are already in work at present, and unless universities can work with those people to take them to the highest level of skills and education we will not compete internationally. Substantial numbers of people are prepared to take up those opportunities; 6 million adults in the work force have A-level equivalent qualifications, but are not yet at degree level. I remind those who say that such initiatives will not succeed that although 31 per cent. of our adult work force are currently educated to degree level, in countries such as Japan, the United States and Canada the figure is already 40 per cent. We need to take things forward with real alacrity.

Mr. Mark Field (Cities of London and Westminster) (Con): I suspect that many employers reckon that they pay quite enough in their taxes for full-time education for 13, and increasingly for 15 years. Will the Minister therefore ensure that insofar as there are any co-funding arrangements along the lines suggested by the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson), they co-fund vocational and further educational courses that would perhaps be of direct relevance to employers in developing their businesses in the decades to come?

Bill Rammell: The key point is that we need people to be educated and trained in those kinds of courses not only at further education but higher education levels. The hon. Gentleman can take cheap shots at employer commitment, but if we are to achieve the required skills levels in the adult work force, we can do so only on the basis of a significant contribution from the Government—we are committing to that—together with contributions made not only by individuals but by employers stepping up to the plate. Only by that combination of efforts will we succeed.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My hon. Friend will know that some of the biggest employers in the country are supermarkets such as Tesco, which currently put very little into higher education. Could not steps be taken about that? These are the people who suck the wealth out of our towns and cities and take it out of communities—is it not about time that they were made to put something back through higher education and lifelong learning?

Bill Rammell: I have no particular brief for Tesco, but it is a big supporter of the apprenticeship programme. Indeed, it has recently been taking a lead on the development of the retail foundation degree, which it and other retailers are adopting as part of their commitment to upskilling people within their work force. I absolutely agree with my hon. Friend that employers need to work with us across the board to meet that high-level skills challenge.

Mr. David Evennett (Bexleyheath and Crayford) (Con): I note what the Minister has said. It is obviously good to encourage employers to invest in higher education, but how will he ensure that the plans announced in the consultation do not blur the distinction between education and training and lose sight of the purpose of a university?

Bill Rammell: This is an age-old debate that centres on a rather artificial distinction. When we talk about the distinction between vocational and purely academic studies, we need to remember that some of the most highly reputed degree courses in the country, such as law and medicine, are directly vocational. We need to ensure that people are properly educated and trained to increase not only their intellectual capability but their skills capacity.

Clive Efford (Eltham) (Lab): Many publicly funded regeneration projects are taking place across the country. In London alone, we have Crossrail, the Thames Gateway, 2012, and the Kidbrooke regeneration in my part of London. Many companies are making a great deal of money out of that investment of public funds, but they need people with vocational skills in engineering, construction and so on. May I urge my hon. Friend to enter into discussions with the companies involved in those projects with a view to supporting not only higher education but further education courses?

Bill Rammell: I can certainly give that commitment because it is what we are doing already. For example, we are looking to use the procurement process to ensure that there is an increasing commitment to apprenticeships and high-level skills contributions on the part of employers who gain contracts.

Mr. Phil Willis (Harrogate and Knaresborough) (LD): I am sure that my colleagues on the Front Bench strongly support the principles that the Minister has laid out. However, the reality is that the skills sets that are desperately needed in industry require STEM—science, technology, engineering and mathematics—subjects. Will the Minister consider new learning and teaching styles, particularly using the games industry? We are world-beaters in that industry, particularly at the university of Abertay in Dundee. Those skills could enable young people at schools, colleges and universities to be taught STEM subjects, to which they currently do not get access because we do not have the teaching force to be able to deliver them.

Bill Rammell: Significant improvements are taking place in the STEM teaching work force. I agree with the hon. Gentleman that it is important to use the games industry as a means to engage young people and adults in STEM subjects. I take heart from the fact that, although we undoubtedly need to do more, recent applications to study STEM subjects at university are increasing.

Basford Hall

3. **Mr. Graham Allen** (Nottingham, North) (Lab): What assessment he has made of the effects of the retention of Basford hall, New college, Nottingham on higher and further educational provision in the area; and if he will make a statement. [205662]

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): The Learning and Skills Council has been working with the college to develop plans to rebuild the Basford hall site. The rebuilding will ensure an enhanced service and the extension of the provision of further and higher education in Nottingham.

Mr. Allen: My constituency sends the fewest people to further and higher education of any constituency in the United Kingdom. Last year, our local community, with the Minister for Lifelong Learning, Further and Higher Education, worked hard to retain our only further education college. Will the Under-Secretary now examine how fast the proposal to retain and revamp that site has progressed? Will he agree to meet me to ensure that no machinery of government changes, no problems about land swaps and mergers will stand in the way of one of the most educationally deprived communities in the UK retaining and enhancing its further education college?

Mr. Lammy: My hon. Friend knows, because we have had such discussions in the past, that my constituency is just beneath his in terms of the number of young people who make their way to university. There are plans in his constituency for a merger, especially across the FE sector. Of course, I or my hon. Friend the Minister for Lifelong Learning, Further and Higher Education will be happy to meet him to ensure adequate and appropriate provision for some of the most vulnerable young people in the country.

Paddy Tipping (Sherwood) (Lab): I am delighted that the Under-Secretary is aware of the possible merger of New college with two other colleges in the Greater Nottingham conurbation to create a super-college. Will he take steps to ensure that small campuses such as Basford and neighbouring Hucknall, where there is genuine disadvantage, are maintained and receive further investment?

Mr. Lammy: The intention is to revamp and rebuild Basford precisely because it is in such a deprived neighbourhood and such work is necessary. I was pleased when I learned from the Learning and Skills Council that that would happen. Such decisions will come to Ministers in due course, but I hope that he senses sympathy from the Dispatch Box to the issues that Nottingham Members of Parliament continue to raise about the need for adequate provision for their constituents.

Adult Learners

4. **Tom Brake** (Carshalton and Wallington) (LD): How many adult learners were enrolled on courses in England at the latest date for which figures are available. [205663]

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): In 2006-07, around 3.2 million learners aged 19 plus were on Learning and Skills Council-funded further education, Train to Gain, work-based learning courses and former adult and community learning courses. Since 1997, our investment in the further education skills sector has increased by 52 per cent. in real terms. That means that, since 2001, more than 1.75 million adults have gained a literacy and numeracy qualification and, in the last full year, the number of adults participating in skills for life courses increased by nearly 50,000 to more than 350,000. Those participating in level 2 courses increased by nearly 40,000 to 470,000.

Tom Brake: I thank the Secretary of State for that response. He knows that the National Institute of Adult Continuing Education published a survey that revealed that the number of adults participating in education is falling. My local college, Sutton College of Liberal Arts—SCOLA—has experienced a 10 per cent. drop in the past 12 months. Adult learners week, which starts on Saturday, will reveal the wide range of exciting and interesting courses that are available in the UK. Does the Secretary of State accept that Government policies for getting adults to participate in education are not working? Is not it time for a rethink?

Mr. Denham: No, I do not accept that. For the reasons that I have given, there has been a massive expansion in the number of adults doing the things that transform people's lives—learning to read, being able to handle basic numeracy, having the qualifications that enable them to get a job and progress in their work. We have been right to concentrate our efforts on that.

However, we also acknowledge that there is clearly an intrinsic value in learning for its own sake. Part of that is funded through our budget and the ring-fenced budget for adult and community learning. Much of it is funded through other Departments, such as free access to museums, galleries and archives. Much of it is developed informally and in the voluntary sector, with major organisations such as the National Trust or Government bodies such as English Nature being big providers of adult education.

In the consultation on informal adult learning, we are looking at the range of activities that, during the past 10 or 15 years, have transformed the ways in which adults learn. We will introduce proposals to strengthen that process in the future, not weaken it, and to engage not just my Department, but the whole of government in promoting that type of learning.

Rob Marris (Wolverhampton, South-West) (Lab): Will my right hon. Friend look at the anomaly whereby the non-European Union spouse of a UK citizen who settles in the UK has to wait one year before being eligible for home tuition fees when enrolling on a college course to learn English? That runs counter to the Government's commendable encouragement of new immigrants to learn our language.

Mr. Denham: I think that I take a different view from my hon. Friend on that subject. People should be free to marry whom they wish to marry, but I believe that someone who brings a spouse to this country who does not speak English has a responsibility to their partner and the rest of the community to assist in their learning of English. I do not take my hon. Friend's view that that is a matter for the state to subsidise. We should say to people, "Bring your spouse here, but you should ensure that they have adequate English to participate fully before they come, and from the day they arrive."

Mr. John Hayes (South Holland and The Deepings) (Con): Cutting through the Secretary of State's verbiage, he must be aware that the number of publicly funded

places in adult education has fallen by a staggering 1.4 million in two years. He says that that is because money is being spent on Train to Gain and skills for life, but he must know that those cuts are disproportionately affecting the very people those programmes are designed to help. Participation in adult education by skilled manual workers has fallen by 7 per cent. in a single year, wiping out the progress of the previous decade. Can the Secretary of State tell us why, if his policies are such a success, the total number of people on Government-funded programmes, including Train to Gain, actually fell last year?

Mr. Denham: To measure the total number of courses is a very poor indicator of success in this respect. It is quite ridiculous to say that a one or two-year course, leading to a vocational qualification at level 2 or level 3, should be given the same weighting as a four or six-week short course, undertaken with great satisfaction but purely for the joy of learning. We have done exactly the right thing by emphasising spending on those parts of education that equip people with the basics to get on in society and the skills in order to participate in work. To take the total figure of funded, short, informal adult education courses, and to ignore all the other education funded by the Government, and the progress on work-based learning, is wrong.

Ann Coffey (Stockport) (Lab): In Stockport, many older students returning to further education find the financial support provided by the adult learning grant very valuable. Can the Secretary of State tell me what more his Department is doing to advertise that grant so that more older people are aware that they will get financial support if they return to further education?

Mr. Denham: I am grateful to my hon. Friend for bringing the adult learning grant to the attention of the House. It was developed in pilot form in previous years, and extended nationally from September, and it is now making a huge difference to people's ability to study. We are at the stage in the year where we have just over two terms' experience of the promotion of the grant, and I can assure my hon. Friend that I and the Under-Secretary of State for Innovation, Universities and Skills, my hon. Friend the Member for Tottenham (Mr. Lammy), will be looking at the lessons learned to ensure that we achieve the maximum possible take-up of that grant.

Higher Education (Funding)

5. **Simon Hughes** (North Southwark and Bermondsey) (LD): What recent assessment he has made of the effects of the decision to change the funding arrangements for equivalent and lower qualification students on higher education institutions. [205664]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): We are not cutting funding to higher education. The amount of ELQ funding being redirected between institutions from this September is just 0.1 per cent. of the total income, and after three years, no institution will have lost out from its 2007-08 baseline. Our ELQ policy puts learners first and it helps deliver an even greater expansion of the number of first degree entrants, which I believe to be the right priority.

Simon Hughes: The Minister may call that redirection; others might call it cuts. Has he spoken to the people who run Birkbeck college here in London, which, as many colleagues in the House will know, has educated adults from London, and from throughout the UK and overseas for nearly 200 years? I can testify to the success of what Birkbeck has done for many of my constituents, but the college feels that it is suffering hugely from the Government's policy on ELQ funding. Can he talk to those at Birkbeck and report back, and if the college persuades him or has an argument that is justified, will he review the policy?

Bill Rammell: I always have an open mind. I have consistently discussed such matters with Birkbeck college, but I utterly refute his claim that we are cutting the higher education budget. Over the past 11 years, we have increased it in real terms by 23 per cent. In respect of ELQs, Birkbeck college's budget for next September has increased by 5 per cent. That is not a cut in any shape or form.

David Taylor (North-West Leicestershire) (Lab/Co-op): All Prime Ministers, particularly Labour Prime Ministers, look to their legacy at some point. One of the finest achievements of the third Labour Prime Minister, Harold Wilson, was the creation of the Open university, which is now in its fifth decade. Could my hon. Friend reassure me about the future of that institution, in which I was a student and for which I worked at one time? The changes being made to ELQs seem to be having a damaging effect on the medium-term prospects of what has been a wonderful British institution with an international reputation.

Bill Rammell: I agree with my hon. Friend's sentiments about the Open university. Indeed, a couple of weeks ago I spoke at the annual conference of the Open university students association—much to my surprise, I got two rounds of applause. Even with the changes, it is important to make it clear that the Open university's budget for next year is increasing, by £4 million more than this year. The real challenge is getting institutions with a fine track record, such as the Open university, Birkbeck college and others, to go out into the workplace and tackle the skills needs of the 6 million people who are educated to A-level, but who have not yet gone on to degree level education.

James Duddridge (Rochford and Southend, East) (Con): What representations has the Department received on confusion about funding, particularly in the 16-to-18 group, following the split of the Department for Education and Skills?

Bill Rammell: We are currently in the midst of the consultation on the machinery of government changes. I have spoken at two consultation events in the past week. The representations that I have received at those events have of course been about detail, but it has not been suggested that there is confusion. We are rightly putting the commissioning process into the hands of local authorities for pre-19 provision. We will be establishing a skills funding agency to drive adult skills needs post-19.

Stephen Williams (Bristol, West) (LD): Reference has already been made this morning to adult learners week, which starts next week. Universities and colleges throughout the country already make a great contribution to adult learning, through the provision of short courses and

evening classes, on everything from vulcanology to foreign languages and local history. Such courses offer a great social mix, bringing together people who have already been in higher education with those who are tasting it for the first time. However, the financial viability of such courses will be completely undermined if the state funding for people who already have higher education is withdrawn as a result of the ELQ changes that have been mentioned. Ahead of adult learners week, will the Minister undertake to promise the higher education sector that the important work of engaging with communities—part of the core mission of universities—will be protected?

Bill Rammell: It is certainly part of the mission of universities to do that. However, now that the funding allocations are public and, for instance, Birkbeck college's budget has increased by 5 per cent. and the Open university's budget has increased by £4 million, it is critical that those people who have criticised the Government's policy in this area—some are sitting on the Opposition Benches—should justify their claims about decimation of provision. Those claims are simply not borne out by the reality.

Apprenticeships

6. **Miss Anne McIntosh** (Vale of York) (Con): What recent discussions he has had with the president of the Confederation of British Industry on apprenticeships. [205665]

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): My right hon. Friend has not met Martin Broughton, the president of the CBI, recently, but, on two occasions last month, he met other leaders and officials of the CBI such as Richard Lambert, the director general.

Miss McIntosh: During those meetings, did the CBI express the view that I firmly hold that whether a business is large or small, there is a big gulf between the Government, and what they are trying to do, and the businesses that are trying to offer apprenticeships? What is his Department doing to bring the two sides together to enable the best possible use to be made of the apprenticeships being offered?

Mr. Lammy: The answer is, no it did not. It welcomed the Government's review of apprenticeships and our commitment to asking big employers to overtrain. It also welcomed our commitment to direct payments for some employers and to establishing group training associations for smaller small and medium-sized enterprises. It is trying to work with the Government to increase employer engagement so that more apprentices come forward. I am pleased that, in the hon. Lady's area, where 2,300 young people have started apprenticeships, there will be an increase of 500 next year.

Fiona Mactaggart (Slough) (Lab): But, in practice, even in an area such as Slough, which is one of the most productive towns in the country, young people starting apprenticeships find it hard to get the employment placements that they require. They do the college-based parts of their courses, but I regularly get desperate letters from mums and young people saying, "Although I've written hundreds of letters to employers, I can't get a placement." What more can the Government do to ensure that ambitious young people get the chance to train?

Mr. Lammy: My hon. Friend is right to identify those profound issues. I was pleased to be in her constituency with young apprentices a few weeks ago. I hope that she and other hon. Members on both sides of the House will be pleased that, for the first time, the cohort of young people going into apprenticeships will have a matching service. Before then, there was a matching service for young people who wanted to go university, but there was no service to connect vacancies and employers with young people who wanted apprenticeships. That will make a big difference in my hon. Friend's constituency.

It is important to do as much as we can to help smaller businesses to offer apprenticeships, particularly by helping with the training framework and fostering the required relationship between those businesses and further education providers. That means that we must do all we can to encourage group training associations along a hub and spoke model, with providers and bigger employers acting as a spoke into smaller employers that can provide more apprenticeships. We have had a good response to our consultation, and I hope that that will make a big difference in her constituency in coming months.

Mr. Jim Devine (Livingston) (Lab): I am a member of the Select Committee on Scottish Affairs, which is investigating the impact of shipbuilding in Scotland. I am delighted to report to the House that record numbers of apprentices have been employed in Fife and Glasgow since the days when the Conservatives were in power. Will the Minister assure me and those apprentices that we will do all we can to ensure that, when they complete their training, jobs will be available to them?

Mr. Lammy: I will continue to do all that I can by working with our colleagues across the border to ensure that we maximise potential for young people. However, Labour Members are disappointed that our colleagues in the Scottish National party continue to ration apprenticeships, and that they seem to be looking to downgrade them in Scotland.

Mr. David Kidney (Stafford) (Lab): It is common to think of apprentices as young school leavers, but, last Friday, when Stafford college and I jointly hosted a Train to Gain seminar for local businesses, manufacturing employers expressed a desire to engage people of different ages as apprentices. Will my hon. Friend confirm that the help that is available to young apprentices is also available to older workers who want to be apprentices?

Mr. Lammy: My hon. Friend is absolutely right to draw the House's attention to the fact that we are also talking about adult apprentices over the age of 25, and we are committed to seeing their numbers grow. This will particularly help women returners, who often want to come into non-traditional areas and to be productive in the wider economy. I am really pleased to hear that my hon. Friend held that seminar for employers in his

constituency, and I hope that other hon. Members will take up that initiative. Train to Gain is a programme with more than £1 billion in funding up to 2010-11. That money is there for employers to subsidise training, and, alongside that, the growth of adult apprenticeships is key.

Further and Higher Education

7. **Mr. Jim Cunningham** (Coventry, South) (Lab): What recent steps the Government have taken to increase the numbers of students participating in further and higher education. [205666]

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): Increasing participation and the nation's skills is key to unlocking individual talent and to long-term economic and social well-being. We are increasing learning opportunities and strengthening demand from young people and adults, through measures including better information, advice and guidance; skills accounts; an improved level of higher education student support; new courses co-funded with employers; the new university challenge; and increased capital investment in the further and higher education sectors.

Mr. Cunningham: I thank my hon. Friend for that answer, but will he tell me what he is doing to improve the provision of information for young people who want to become students?

Bill Rammell: This is a critically important area. We have made huge progress educationally in the past 11 years, but I acknowledge that one of the areas in which we have the most to do is advice and guidance. An initiative that we announced recently, the Aimhigher Associates programme, is critically important in this regard. It will involve 5,500 undergraduates going into schools, working alongside young people and helping them with their UCAS applications. We still hear too often of instances of young people in schools not getting the appropriate advice and guidance. We need to look at providing incentives to schools to make this more of a priority, and I am discussing that matter with my colleagues in the Department for Children, Schools and Families.

Sir Nicholas Winterton (Macclesfield) (Con): The Minister will know that Jodrell Bank is in my constituency and partly in that of my hon. Friend the Member for Congleton (Ann Winterton). Its important and innovative e-Merlin project is under threat because its funding is likely to be removed. Is this the way to encourage young people who are interested in science and technology to go forward into higher education? Will the Minister or the Secretary of State meet me to discuss this concern?

Bill Rammell: From a sedentary position, my right hon. Friend the Secretary of State has just assured me that he will meet the hon. Gentleman. The Government are committed to astronomy, but this matter is rightly being taken forward by the Science and Technology Facilities Council, and a consultation is taking place. I have to say that, if the Government had stepped in and established this project from the beginning, we would have been criticised for intervening in matters that were properly matters for the funding council.

Dr. Vincent Cable (Twickenham) (LD): Can the Minister explain the finding in the latest report from the Learning and Skills Council on further education that safeguarded provision, far from being safeguarded, has collapsed by 42 per cent., affecting 185,000 adults over the past three years?

Bill Rammell: I do not recognise the figure that the hon. Gentleman has mentioned. We are certainly committed to maintaining the level of funding to informal adult education, for example. We have also maintained as a priority learning for learners with learning difficulties and disabilities. We need to ensure that this central direction is implemented on the ground, and I am happy to meet the hon. Gentleman to discuss the matter.

Sir Peter Soulsby (Leicester, South) (Lab): Last week, I met the principal of the excellent Leicester college and was again reminded of the work that the Government have done to make available allowances and grants to enable students to participate in further and higher education. However, I was disturbed to hear that, in some sections, there was still a low level of awareness of the availability of such grants. Will the Minister assure me that steps will be taken to ensure that all students who could benefit from such allowances and grants are made aware of their availability and enabled to take them up?

Bill Rammell: In both further and higher education, we are committing a significant amount of resource and effort to getting that message across. There is radio, TV and online advertising, and we have gone out of our way to do this not only from a Government perspective but through working with the Association of Colleges, with universities and with the National Union of Students to get the message across. If there is one person who is unaware of the provision, that is a challenge for us, but we will keep on trying to get the facts across.

Mr. Rob Wilson (Reading, East) (Con): Despite the Government's huge spending to encourage the participation rates of people from lower socio-economic backgrounds in higher education, those rates remain little changed since 1999. Government policy and numerous initiatives have failed, so what does the Minister think went wrong and what does he plan to do differently in the two years he has left?

Bill Rammell: The hon. Gentleman really does need to check the figures on this matter. If we look at university applications—*[Interruption.]* The hon. Gentleman will find this if he looks carefully. University applications for last year were up by more than 6 per cent. and they are up again by more than 6 per cent. this year. Among students from lower socio-economic groups, the proportions are increasing, albeit not at the rate that I would wish. That is why we are committing significant resources as a Government to make further improvement.

Jeff Ennis (Barnsley, East and Mexborough) (Lab): To continue on the theme of widening participation, the Minister will know that only three out of the 20 Russell

group of universities are actually meeting their benchmark figure for recruiting students from low-participation neighbourhoods. What more can he do to push the Russell group to widen participation rates further?

Bill Rammell: I know that my hon. Friend takes a real interest in these issues. If he looks at the Russell group figures on state school entrants and young people from lower socio-economic backgrounds and lower-participation neighbourhoods, he will find that the proportions have gone up since 1997-98, but every vice-chancellor I speak to acknowledges that we need to do more. That is why we strongly pushed for greater structural links between schools, colleges and universities and also why we need better advice and guidance in schools to encourage young people to gain access to the most appropriate institution that best suits their talents. Sometimes that advice is not forthcoming; we need to ensure that it is.

Mr. Dennis Skinner (Bolsover) (Lab): Can I give my hon. Friend some advice about what went wrong? I will tell him what went wrong when they shut the pits. Higher education used to be sponsored in every area of the National Union of Mineworkers, in collaboration with the National Coal Board, enabling miners at every single pit to engage in higher education if they wanted to. Some went on to university, Ruskin college and all the rest. But the Government of that lot opposite smashed all that at a stroke when they closed all the pits in those dark, dismal years of the '80s and '90s. The electorate out there should never forget it.

Bill Rammell: May I say that I absolutely agree with my hon. Friend? It may be 11 years since we came to office, but people can and should have long memories about what the last Conservative Government did. My hon. Friend also highlights the commitment within the mining industry to pushing people up to the highest skill levels, which provides an example for every business.

Innovation

8. **Tony Baldry** (Banbury) (Con): What progress his Department has made towards achieving its public service agreement targets on innovation. [205667]

The Minister for Science and Innovation (Ian Pearson): We have just entered the period covered by the new public service agreement. Past trends indicate that good progress is being made. For instance, the latest UK innovation survey reports that 64 per cent. of UK businesses were active in innovation over the period between 2004 and 2006 and that there was a 19 percentage point like for like improvement over the six years before that. University interaction with business and other users has been increasing across a range of indicators, with support from Government programmes such as the Higher Education Innovation Fund. Our White Paper, "Innovation Nation", sets out further policy commitments to help innovation flourish right across our economy and public services.

Tony Baldry: There must have been some reason why the Department started out being called the "Department for Innovation" apart from the fact that a Department called "DUS"—Department for Universities and Skills—would have sounded a bit dismal. I suppose "DIUS" has pretensions to sounding like a Greek god-like Department. I remain intrigued to know what Ministers are doing in practical terms to encourage inventiveness, ingenuity and innovation in constituencies like mine? What difference do the people of Banbury and Bicester see as a result of this Department being called one for "Innovation"?

Ian Pearson: We are indeed the Department for Innovation, and Dius is a minor Roman god for oaths—or, as someone once said, for swearing! As a Government Department, we are doing a great deal to encourage innovation across our economy. If the hon. Gentleman looked at "Innovation Nation", our White Paper launched in March, he would see that, in addition to our new policy commitments, a range of activities are already under way. There is funding for the Technology Strategy Board, which will spend £1 billion over the next three years in collaboration with industry to stimulate innovation. We are doubling the number of knowledge transfer partnerships, enabling university researchers to work with companies on practical projects. There are new commitments in "Innovation Nation" to annual innovation procurement plans that every Department will produce, so that we can harness some of the £150 billion that we spend every year on encouraging innovation and developing more growth-oriented small businesses.

Adam Afriyie (Windsor) (Con): The Sainsbury review is a stinging indictment of Government failure when it comes to innovation. It contains about 100 criticisms. I am sure that the Minister has read it. As for the Government's response—the White Paper "Innovation Nation"—it appears to me to be an admission of guilt.

After talking for 10 years about public procurement innovation, the Minister said last week that we haven't cracked it yet. On page 3 of the Sainsbury review, Lord Sainsbury says:

> "Demand-side factors, such as procurement and regulation, which can play a role in encouraging innovation, have received too little Government focus".

Does the Minister agree with his well-respected predecessor?

Ian Pearson: When I met David Sainsbury yesterday, he was very satisfied indeed with the progress that we are making in implementing the review's recommendations. One of the things that we have done as a Government is establish a science and innovation framework from 2004 to 2014. We have made a policy commitment to funding the science budget at least in relation to the level of growth of the economy, which is why it will grow by 2.7 per cent. in real terms over the next three years.

The hon. Gentleman's policy, as I understand it from the shadow Chancellor, is to share the benefits of growth. When the shadow Secretary of State, the hon. Member for Havant (Mr. Willetts), rises to ask his question, perhaps he will tell us either that he agrees with the shadow Chancellor, or by how much he wants to cut the science budget.

Topical Questions

T1. [205650] **Mr. Jamie Reed** (Copeland) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Innovation, Universities and Skills (Mr. John Denham): Despite all the progress that we have made in the past decade, too many adults struggle with low or out-of-date skills. A third of employers do not train their staff, and 8 million workers go without training each year. We must tackle those skills challenges to secure a prosperous and fair Britain. Yesterday we signalled our intention to consult on a statutory new right to request time to train, which will allow millions of employees to start a conversation with their employers about how they can become more productive members of staff and enjoy better career prospects. We also believe that that will encourage employers to take up the increasing Government support for training programmes that is available to them.

Mr. Reed: The Secretary of State will know that for decades Cumbrian Labour Members have sought to establish a higher education institution in the county. Thanks to the Government, we now have the university of Cumbria, Britain's newest university, which is being funded with more than £100 million. How can the Secretary of State help me to ensure that it meets the needs of local employers?

Mr. Denham: I am grateful to my hon. Friend for drawing the attention of the House to yet another example of the Government's commitment to investment in higher education. We have all been delighted with the establishment of the university of Cumbria. I suggest that my hon. Friend sit down with university staff to examine the document on higher-level skills that was produced a few weeks ago by my hon. Friend the Minister for Lifelong Learning, Further and Higher Education. It sets out all the different ways in which universities can work with local employers to develop foundation degrees, short courses and many other ways of working—full-time and part-time—which can ensure both that the university meets the needs of employers and, equally important, that my hon. Friend's constituents who want to go to university have the chance to do so close to home, and to study a course that will make a real difference to their lives.

T2. [205651] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Given that the national student survey is endorsed by the Government and funded by the taxpayer, what action will the Minister be taking to investigate the recent claims that records have been falsified?

Mr. Denham: I take those allegations very seriously. The evidence—such as it is—is that this is an isolated example of students apparently being encouraged to rate their institution more highly than they might have done unprompted, and I utterly condemn it. I know that the Higher Education Funding Council will take this matter very seriously. It is very important, not least to universities and students, that people can have full confidence in the national student survey, and I assure the hon. Gentleman that Ministers will want to make sure that action is taken should there be any breaches of the protocol.

T3. [205652] **Sir Peter Soulsby** (Leicester, South) (Lab): In presenting the Government's draft Queen's Speech yesterday, the Prime Minister spoke about the importance of those who live in this country being able to speak English. I understood the point that the Secretary of State made earlier about it not being appropriate to provide English language tuition to everybody who happens to live in the UK, but there is real concern about the level of fees for ESOL—English for speakers of other languages—courses and the potential of that to discourage and disadvantage those who are established in the UK. Will the Secretary of State keep the effect of these fees under review, and will he make sure that they do not have an adverse impact on such individuals and on community cohesion?

Mr. Denham: Of course we will keep the level of those fees under review and look at what happens. It is important to say, however, that the ESOL budget has trebled since 2001, and we expect it to rise in real terms over the course of the comprehensive spending review. This whole exercise is about making sure that ESOL reaches those who need it most. A further consultation is currently under way on the suggested principle that, where areas have to set priorities, they should prioritise long-term residents with a commitment to this country who make the biggest impact on community cohesion, rather than transitory migrant workers who may not be here in a year or two.

Mr. David Willetts (Havant) (Con): I am sure that the Secretary of State will be aware of the recent Foreign Office decision to cut massively the support that it offers students from other countries through Chevening and Commonwealth scholarships. Was the Secretary of State consulted in advance on that Foreign Office proposal, does he accept that it has caused widespread concern among our universities, and will he urge the Foreign Office to reopen this decision, which is harming the international links of our universities?

The Minister for Lifelong Learning, Further and Higher Education (Bill Rammell): We are discussing this matter with the Foreign Office. It is part of the Foreign Office's process of focusing on its key strategic priorities, such as climate change, security and counter-terrorism. Notwithstanding that, the Foreign and Commonwealth Office is maintaining a global programme with a particular focus on countries such as China and India that are of real long-term importance to the UK, and the FCO expects more than 900 Chevening scholarships by 2008-09, so this is still a substantial programme. Nevertheless, I am talking to the Foreign Office about this matter.

T4. [205653] **Dr. Ashok Kumar** (Middlesbrough, South and East Cleveland) (Lab): The chemical industry in Teesside is booming, thanks to the policies pursued by this Government, and there are many major investments and new projects in the pipeline. When I met industry representatives recently, they expressed concern about a shortage of engineers, certainly in the northern region. They estimated that we needed 13,000 engineers by 2015. What are the Government doing to tackle this shortage and to meet this demand in the future?

Mr. Denham: My hon. Friend is right to raise this issue. The Government are doing a number of things already. We have reformed the training system through Train to Gain, so it should be easier for employers to

influence the provision in local colleges to meet the needs of these industries. We have developed a national skills academy with the process industries, to make sure that we have the right infrastructure of training. Also, as we have discussed, it is now much easier for companies to work with universities to develop appropriate courses and degrees. Having said all that, we recognise that there are industries that are vital to the future of this country and that can project a clear need for skills in the future, and we must look at those key sectors and make sure that the training system is organised to meet their needs. I will be coming to Teesside in, from memory, early June, and perhaps I will have an opportunity to discuss some of these issues locally with the industry and my hon. Friend.

Mr. David Heath (Somerton and Frome) (LD): The Secretary of State welcomed the establishment of the university of Cumbria, which means that the administrative county of Somerset is the last in the country not to have a university. Somerset has some university courses, which are administered by Yeovil college and others, but no university. In the light of what he said to the hon. Member for Copeland (Mr. Reed), does he believe that there is a strong case for a university in Somerset?

Mr. Denham: There may well be, but I would encourage the hon. Gentleman to take a leading role in responding to the new university challenge because the new university centres will go to the places that can put the best case locally to show that they have the capacity to deliver higher education, that it will contribute to the local economy and that it will open up opportunities for participation in higher education that would not otherwise exist. Ultimately, it will not be for me to say that Somerset should have a university, but I encourage people such as him, who think that the potential is there, to get working with partners at local level and be ready to put the case forward when the Higher Education Funding Council opens the process later this year.

T5. [205654] **Mr. David Kidney** (Stafford) (Lab): Do Ministers accept the urgency of the need for us all to live our lives more sustainably? What are they doing to ensure that higher education and further education institutions help to raise levels of awareness and application of sustainable development?

Mr. Denham: My hon. Friend is absolutely right, and I shall point out three things. The further education capital programme of £2.3 billion, which I announced a few weeks ago, will be for new projects. They will all have to meet the new higher green standards that will be published in July, which will give us as high a standard of sustainability as any part of the public sector building programme. HEFC, too, is agreeing to ensure that its capital programme contributes to meeting the reduction in its carbon footprint necessary for the Government to meet their expected carbon budgets.

We are actively discussing with the Association of Colleges, Universities UK and others how we can work with them and with students to ensure that we achieve the reduction in carbon emissions right across the further and higher education estate that will be needed. My hon. Friend is right to raise the issue, but we are very active on it and I look forward to his support.

Ann Winterton (Congleton) (Con): May I reinforce the point made by my hon. Friend the Member for Macclesfield (Sir Nicholas Winterton) about the e-Merlin project at Jodrell Bank in our respective constituencies? While accepting the point about the funding councils, will the Government acknowledge that this is not only a national but an international centre of excellence for astrophysics? It is vital that its valuable work, which greatly benefits the science and technology base in this country, is encouraged to continue and to expand.

The Minister for Science and Innovation (Ian Pearson): The hon. Lady is right to highlight the internationally recognised experience at the university of Manchester, which owns Jodrell Bank. As has been said, decisions on the e-Merlin project are very much a matter for the Science and Technology Facilities Council. In accordance with the Haldane principles, it would be wrong for Ministers to interfere with that process. That body will probably be making decisions in early July. It has already indicated that the e-Merlin project is part of its future strategy for radio astronomy, which involves exciting projects such as the square kilometre array and, potentially, the extremely large telescope. Radio astronomy has a very bright future in the United Kingdom, and the Government are committed to continuing to support it.

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): Tomorrow, the Bishop of London will celebrate 100 years of the Bishop Creighton House settlement in Fulham, which was founded by his distinguished predecessor. Bishop Creighton House, which is led by Rory Gillert, and Hammersmith and Fulham volunteer centre, led by Marion Schumann, are two of the most successful volunteer agencies in London, but volunteering requires money for infrastructure, training and development. Given the appalling cuts in voluntary sector funding by Tory-run Hammersmith and Fulham council, what more can the Government do to support these outstanding institutions?

The Parliamentary Under-Secretary of State for Innovation, Universities and Skills (Mr. David Lammy): I think that all in London are disappointed and astounded by some of the cuts that are being made in my hon. Friend's constituency, but I am pleased that my Department has been able to extend the Train to Gain programme, which is £1 billion-worth of investment, to volunteers. We have done so to ensure that volunteers with the right skills are able to play an active role in their communities, and I hope that those who wish to do so will be able to move on to jobs. I am also pleased that the Learning and Skills Council supports programmes for volunteers in his constituency, including the Torch project at the Lyric theatre. We will continue to do all we can against the backdrop of cuts that he describes.

T6. [205655] **Mrs. Sharon Hodgson** (Gateshead, East and Washington, West) (Lab): Can my right hon. Friend make a statement on the proposed motion from some university and college unions calling for an academic boycott of Israel?

Bill Rammell: The Government are completely opposed to such a boycott, which will harm rather than help moves towards peace and reconciliation in the middle east. It is significant that the motion before this year's

University and College Union falls well short of calls for an outright boycott. I think that that is because the proposers of the motion know that there is no widespread support for that among UCU members. Both Israel and the occupied territories contain both progressives and reactionaries, and the problem with boycotts is that they make the job of progressives much more difficult and entrench the position of the reactionaries.

T7. [205656] **Anne Snelgrove** (South Swindon) (Lab): The young apprentice programme run by Jo Heavens at New college in Swindon has been a stunning success and changed the lives of many young people, as my right hon. Friend saw for himself a few weeks ago. Does his Department have any plans to expand young apprenticeship schemes, given yesterday's announcements, as well as 18-plus and adult apprenticeships?

Mr. Denham: Yes, we do. I was delighted to go to Swindon and meet the young apprentices. There are remarkable success stories around the country of young people who have started an apprenticeship programme at 14 or 15 before they leave school, doing three days a week at school, a day in the workplace and a day at college. If such schemes are well run, they are hugely motivating for the young people. We want to see that provision expanded, and a significant expansion in apprenticeship starts for those over 16 and older workers. Our aspiration is that in a few years' time, one in five young people—far more than today—will have a chance to do an apprenticeship. I hope that many of those will have the chance to get their first exposure to a young apprenticeship—as my hon. Friend's constituents do in Swindon—as it is highly motivating.

T8. [205657] **Ann Coffey** (Stockport) (Lab): Stockport college of further education has received £69 million of Government cash to build a new state-of-the-art town centre campus, and the college and its leadership were rated as outstanding in a recent Ofsted report. Will my right hon. Friend join me in congratulating Peter Roberts, the principal, the staff and students on achieving such excellent results?

Mr. Denham: I am delighted to offer my congratulations to everybody at the college who has been involved in the building programme and in achieving such excellent educational outcomes. There are some fantastic things going on in further education. My hon. Friend's college has benefited by £60 million, but 10 years ago the national budget for FE college capital programmes was zero. Earlier this week I was able to visit another part of the country, Crewe and Nantwich—[HON. MEMBERS: "Oh."]—where an FE college is being built, at the expense of £60 million, so that area too will benefit.

T9. [205658] **Mr. Jim McGovern** (Dundee, West) (Lab): We heard earlier about apprenticeships. Some 150,000 new apprenticeships will be created, with Government support, and that has to be welcomed. However, we also heard disappointment about the Scottish Executive rationing apprenticeships—they have slashed modern adult apprenticeships by 80 per cent. Does the Minister share my concern that unless the Scottish Executive act now, Scotland will lack appropriately skilled people to fill the gaps left by 1 million people leaving the Scottish labour market in the next 10 years?

Mr. Lammy: My hon. Friend is right. In 1997, there were only 75,000 apprenticeships on this side of the border, and many of us looked to Scotland, which still had an apprenticeship base. It is deeply worrying to see SNP colleagues now rationing and downgrading apprenticeships and, potentially, jeopardising the prospects of young people in Scotland. This is a devolved matter, but we take apprenticeships very seriously—

Mr. Speaker: Order. I think that we had better finish.

Business of the House

11.34 am

Mrs. Theresa May (Maidenhead) (Con): May I ask the Leader of the House to give us the forthcoming business?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be as follows:

MONDAY 19 MAY—Consideration in Committee of the Human Fertilisation and Embryology Bill *[Lords]*.

TUESDAY 20 MAY—Conclusion of consideration in Committee of the Human Fertilisation and Embryology Bill *[Lords]*.

WEDNESDAY 21 MAY—Second Reading of the Regulatory Enforcement and Sanctions Bill *[Lords]*.

THURSDAY 22 MAY—Motion on the Whitsun recess Adjournment.

The provisional business for the week commencing 2 June will include:

MONDAY 2 JUNE—Remaining stages of the Planning Bill—day 1.

TUESDAY 3 JUNE—Conclusion of Lords amendments to the Child Maintenance and Other Payments Bill, followed by a motion to approve a European document relating to the promotion of energy from renewable resources, followed by a motion to approve a European document relating to maritime policy.

WEDNESDAY 4 JUNE—Opposition day [13th Allotted Day]. There will be a debate on an Opposition motion, subject to be announced.

THURSDAY 5 JUNE—Topical debate, subject to be announced, followed by a general debate, subject to be announced.

FRIDAY 6 JUNE—Private Members' Bills.

Mrs. May: I thank the right hon. and learned Lady for giving us the business of the House.

As the Leader of the House will be aware, it is normal practice to give the House advance notice of statements by the Prime Minister. Last week, I asked the right hon. and learned Lady when the Government would announce their draft legislative programme. She would not give a date to the House. Yet, at the weekend, the date was given to the media. Why were the media given advance notice but not Members of this House?

Yesterday, the Prime Minister told the House that the Chancellor had to announce his taxation proposals on Tuesday, during a by-election campaign, if they were to go into the Finance Bill. Will the right hon. and learned Lady confirm that that was incorrect and that, for example, the proposals could have been introduced simply as a new clause on Report after 22 May? Was that not just a blatant attempt at an election bribe?

Yesterday, the Governor of the Bank of England warned the country to brace itself for a recession. Every day, the cost of living is creeping up, and earlier this week, the Minister for Housing inadvertently revealed that there is a real danger of a housing market crash. The Governor reaffirmed that in his statement and said that interest rates should not be cut for at least two years, which will deeply worry those who are struggling with their mortgages. So will next week's topical debate be on the decline in the housing market?

In the international women's day debate on 6 March, the right hon. and learned Lady said that the Walsh review on flexible working was

"not into whether we should increase the age of children whose parents can have flexible working, but into how we will go about doing it."—[*Official Report*, 6 March 2008; Vol. 472, c. 1934.]

Yesterday, the Prime Minister announced that the Government will take forward the review's recommendations but said that they will now consult on implementation—another consultation on top of a review. Is that not just a delaying tactic that will create more uncertainty for business? May we have a statement from the right hon. and learned Lady, as the Minister for Women and Equality, to clarify the Government's position?

We learned this week that a High Court judge has allowed a disabled women to seek a judicial review of the Government's decision to shut thousands of post offices on the grounds that it discriminates against disabled people. That comes on the back of reports that 3,000 further post offices are threatened with closure on top of the 2,500 previously announced. It has also been revealed that the Saturday delivery service is under threat and that Postcomm has called for parts of Royal Mail to be privatised. Post offices are a lifeline for both urban and rural communities. We are committed to the universal service, but the Government are presiding over a reduction in services. So may we have an urgent statement from the Secretary of State for Business, Enterprise and Regulatory Reform on the Government's position on the future of the Post Office and Royal Mail?

The Government are dithering over flexible working and presiding over the decline in our post offices, and their economic policy is a shambles. They have backed down on capital gains tax, the taxation of non-doms and the 10p tax rate, and we learned this week that they are backing down on changes to the corporate tax regime. Policy is set to grab the headlines, with no thought for the consequences. Speaking of which, will the right hon. and learned Lady now tell the House the impact of the Chancellor's commitment to change income tax thresholds in the National Insurance Contributions Bill, which is currently going through the House of Lords?

Ms Harman: The right hon. Lady mentioned the Prime Minister's statement on the draft legislative programme. I have made it clear to the House before that my view is that there is a distinction to be made. If a statement has new content, it is important that it be made to the House first. On the timing of statements, the most important thing is that everybody in the House understands that a statement is to be made, and that that information gets to all Members. I do not think that the House should be so jealous of its right to hear when a statement will be made, but it should be jealous of its right to hear the content of the statement.

On the timing of the changes that will be made to the Finance Bill as a result of the adjustments made after the abolition of the 10p rate of tax, the right hon. Lady will note that the changes will indeed be made to the Bill before the Crewe by-election, but after the local council elections. The fact is that the Chancellor agreed

[Ms Harman]

that the adjustments should be made; the issue of how to go about making them has been considered, and he has come to the House with his proposals.

The right hon. Lady mentioned the housing market. The Chancellor and Prime Minister have made it clear that we are concerned about what is happening in the housing market, especially with so many people coming to the end of the fixed-rate part of their mortgage. Uncertainty in the banking system is causing what is being described as the credit crunch. That is why there has been a considerable number of proposals on how to put liquidity into the banking system to enable greater availability of mortgages. For that reason, we have come forward with proposals to help first-time buyers and broaden the opportunity for shared equity schemes. If the right hon. Lady wants a debate on the subject, I will take her remarks as a proposal for a topical debate, but she can of course make the issue the subject of an Opposition day debate, if she sees fit.

The right hon. Lady mentioned the Walsh review, published this morning. My right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform has tabled a written ministerial statement on the report by Imelda Walsh, who conducted her review at the Government's request. I thank her warmly for the work that she has done, and for her report. The Government accept the proposals in the report, but it is right that people be given time to read it. The Prime Minister has said that we expect to introduce her proposals early next year.

I think that the right hon. Lady would agree that we were correct to introduce a right to request flexible working for parents with children aged up to six. Many parents have made such a request and have had it granted by employers, but we need to make sure that more people are aware of their rights. We recognise that the difficulty in balancing working life with bringing up children does not end when the child reaches its sixth birthday, and that is why we agree with Imelda Walsh's proposals to raise that age to 16.

Mrs. May: Adopting Conservative policy.

Ms Harman: Okay; the reality is that a lot of changes have come forward. Maternity pay and leave have been extended and paternity leave has been introduced for the first time. Sure Start children's centres, nurseries, tax credits—a great many measures have been introduced to help working mothers, and working parents in general. The truth is that they were brought forward by a Labour Government against the dragged anchor of Tory opposition. We are planning to build on those measures, and if the Conservative Opposition now intend to support that, we welcome it. However, to say that the suggested measures are Conservative proposals is an attempt to rewrite history, and the Conservatives really should not treat the public as fools.

The right hon. Lady also mentioned the Post Office and Royal Mail. She said that she is committed to universal post offices. Against a background of falling revenue for the Post Office and falling numbers of people at post offices, perhaps she will say how she would fund keeping all the post offices open. She knows that there has been a review of the Royal Mail, evidence has been taken and interim findings have been reported, but the full report will be presented to the Secretary of State for Business, Enterprise and Regulatory Reform next year.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): In this age of greater freedom of information and transparency, will my right hon. and learned Friend consider having a debate on the Short money that flows to Opposition parties? It is many millions of pounds, and parliamentarians find it impossible to discover who gets the money, how it is used and how it is balanced between Ashcroft money and other money. Greater transparency should work for one and for all. It is about time that we lifted the lid on that money, who gets it and for what purposes.

Ms Harman: That is a very good proposal from my hon. Friend. I will take it up and report back to him and the House, if necessary. As he says, the Short money is millions of pounds. It is available to enable Opposition parties to develop policy, not for party political campaigning. It should be subject to greater transparency and I will report back on the matter.

Simon Hughes (North Southwark and Bermondsey) (LD): First, can the Leader of the House tell us when she was first told that the Chancellor of the Exchequer wanted to make an additional Budget statement on Tuesday? Secondly, the Chancellor and the Prime Minister keep on telling us that the announcement on Tuesday was nothing at all to do with the Crewe and Nantwich by-election, but the people of Crewe and Nantwich, like everyone else, might have some concerns about the matters that affect the pockets, homes and livelihoods of our people. Given that fact, and that this week we have heard that unemployment has risen for the third month in a row, food prices have gone up more than 6 per cent. in the past year, and we face probably the greatest uncertainty in the housing market, which everybody knew but the Minister for Housing inadvertently confirmed on Tuesday, could we move next Wednesday's business so that that day—the day before the by-election—there could be a debate on the economy in Britain, possibly entitled, "Are the Government still on the people's side?"

Out there in the real world, everybody realises that the Government are scrambling to undo all the things that they have done. In the Chamber there appears to be a state of total denial among those on the Government Benches. Housing, which featured in the draft legislative programme, is clearly important. May we have an early debate on how many affordable houses have been provided so far, how many will be provided under the Government's current spending plans, and how many additional houses will be available after the announcements made by the Prime Minister yesterday? All the analysis suggests that it is a matter of hundreds or a thousand or two, rather than tens of thousands, and that there has been a lot of hype and very little delivery.

I join the plea for another debate on post offices. It is bad enough that most of the proposed closures in London have just been confirmed, that many other closures are proposed around the country and that Crown post offices are facing franchising, as is the one in the borough that the right hon. and learned Lady and I represent, but hearing that we are to lose our Saturday

delivery as well suggests that something is pretty rotten in the state of the Post Office. The Government take responsibility. They have been in power for 11 years. Will the Secretary of State for Business, Enterprise and Regulatory Reform come to the House and explain whether that, too, will be Government policy, just as all the closures have been Government policy or supported by the Government?

Lastly, the Leader of the House has said, to her credit, that she is keen to get the processes of the House reformed so that we do things logically. She knows that on Tuesday night, we at last debated the "Statement of Changes in the Immigration Rules". The only trouble was that the rules came into force at the end of February and we could not have the debate until the middle of May.

Mr. Dennis Skinner (Bolsover) (Lab): It happens a lot.

Simon Hughes: As the hon. Gentleman says, it happens a lot—

Mr. Skinner: For many years.

Simon Hughes: And it has done so for many years. May we please bring to an end the nonsensical system whereby secondary legislation comes into force before either House has had a chance to debate it and decide whether it agrees with it, and whether or not there has been consultation? The Minister for Borders and Immigration, to his credit, had to make a major concession because he accepted the arguments put in opposition to some of the rules, and the rules will now effectively have to be redrawn.

Please may we have a proper, timetabled sequence for secondary legislation so that we see, debate and decide a draft, and the measure comes into force some time later?

Ms Harman: The hon. Gentleman asked when I was first told that the Chancellor had reached a conclusion about the proposals that he was to put before the House on the 10p rate of tax and when he asked to make an oral statement on them. I do not like not answering questions, but this might be one of those issues on which there is not supposed to be complete, utter transparency and openness. So I will not answer the question at this point, but I will take advice on whether the issue is one of those Government things that remain as part of internal discussions between Ministers.

The hon. Gentleman's second point was about the economy of Britain. I remind him that although in the last quarter unemployment figures showed an increase, unemployment is lower now than it was this time last year. There is a continuous increase in employment, and that is very important. That is one of the reasons why the Chancellor and the Prime Minister set a great deal of store on ensuring that liquidity remains in the banking system, so that continuous finance is available for small businesses and they can continue to employ people. The economy remains on track. The international situation is difficult, of course, and people are concerned. However, we are doing all that we can to keep the economy stable and growing.

The hon. Gentleman mentioned housing. He will know that a great deal has been done on housing in the past 10 years. In his constituency and mine, more or less every flat on every council estate has had new windows, doors, roofing and lifts. There has been massive investment in housing. He will also know that more social housing—flats and houses—has been built. Furthermore, there are 1 million more homeowners than when we came into government, and we are planning for there to be 1 million more still. Of course, there are difficulties in the housing market at the moment because of the credit crunch, which started with the sub-prime mortgage problems in America. However, we intend to do all that we can as a Government, and we are working to ensure that the housing market is as stable and protected as possible.

The hon. Gentleman also raised the question of the Royal Mail. It is right that there should be a review because of changes in how people are communicating, particularly in respect of electronic communications. I thank Richard Hooper, formerly of Ofcom, who has undertaken the review on behalf of the Government. What is important is that we have a fair deal for Royal Mail users and employees and for taxpayers.

The hon. Gentleman mentioned the question of this House having debated secondary legislation after it had come into effect. It certainly seems odd that we should debate something that has already gone into law. However, I am sure that there is a perfectly good reason for it; I just cannot remember what it is at the moment. I am sure that I will be reminded by my colleagues before the end of oral questions about why something that seems rather illogical is in fact entirely logical. If I am not, I shall write to the hon. Gentleman on the issue.

Rob Marris (Wolverhampton, South-West) (Lab): The Government rightly keep banging on about cutting vehicle emissions. Outside your official residence, Mr. Speaker, is where Ministers' cars sit. In inclement weather, the drivers sit there with the motors running, presumably to keep warm. When it is hot, they also sit there with the motors running, presumably to keep the air conditioning on. Yet there are serried ranks of Toyota Prius hybrids out there, run by Ministers to cut emissions. Will my right hon. and learned Friend liaise with her colleagues and perhaps provide suitable facilities so that the drivers can have a room adjacent to that parking area and stay warm in winter and cool in summer without unnecessarily polluting the atmosphere?

Ms Harman: I thank my hon. Friend for his question, which I shall raise with my ministerial colleagues at the Department for Transport.

Sir Michael Spicer (West Worcestershire) (Con): When does the right hon. and learned Lady expect to receive the Baker report on MPs' pay, and when does she expect a debate on it?

Ms Harman: On 24 January, the House agreed that Sir John Baker would look into the question of MPs' pay in respect of pegging it to a rate that would obviate the need for Members of the House to decide on our own pay. It was agreed that Sir John would report, and that we would have an opportunity to debate and decide on the report's conclusions, before the House rose for

[Ms Harman]

the summer recess. I reassure the hon. Gentleman that Sir John is proceeding with his work and is on track. There will be enough time for hon. Members to look at his report before it is debated, which will be well before the House rises in the summer.

Ms Celia Barlow (Hove) (Lab): Will my right hon. and learned Friend find time for the House to look at the level of support provided by our consular services to business men abroad? I am speaking of my constituent Norman Mark, among others. He sunk his life savings into a café in Turkey, only to find it occupied by local villagers. He has had little meaningful support from our consular services overseas and Turkish services here.

Ms Harman: My hon. Friend has reinforced the importance of the role of consular services. I will bring her constituent's case to the attention of my right hon. Friend the Foreign Secretary.

Mr. Andrew Robathan (Blaby) (Con): May I take the Leader of the House back to the question asked by my right hon. Friend the Member for Maidenhead (Mrs. May) about the National Insurance Contributions Bill? After the panic Budget statement on Tuesday, there may be implications for the Bill—although there may not; I do not know—before it starts to pass through the House of Lords. After all, the whole idea was to put national insurance contributions and income tax into line. Will we need another panic statement on that issue?

Ms Harman: As I understand it, making changes to the National Insurance Contributions Bill *[Lords]* in respect of the 10p tax rate would be out of scope. Matters of taxation are taken through the Finance Bill.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): My right hon. and learned Friend may be aware of the untimely death of Scottish football legend Tommy Burns, who died earlier today. Tommy was a well-respected figure, not only in Scottish football, but throughout the UK. He was recognised for his contribution to the Scottish national football team and his beloved Celtic football club. Will my right hon. and learned Friend join the all-party Scottish football group and others in sending the House's condolences to Tommy's wife Rosemary and his four daughters? He will be sadly missed.

Ms Harman: I thank my hon. Friend for his question. I am sure that the whole House will join him in paying tribute to Tommy Burns and in sending our condolences to Tommy's wife Rosemary and his four children. Tommy was a highly respected figure in the football community, both as player and coach. Like his close friend and team mate Phil O'Donnell, he was a family man. Both of them will be sadly missed.

Sir Paul Beresford (Mole Valley) (Con): Will the right hon. and learned Lady consider allowing a topical debate on dentistry? Clearly, I have a declared interest in the subject; because of that, I get considerable pressure from outside the House. The debate should be broad and cover not only the national health service, although the Select Committee on Health has a report coming out soon, and to be fair, national health service dentistry is in a shambolic state. Could the debate be very broad, and cover prevention and education? It should also consider the General Dental Council, which is a very expensive, authoritarian, invasive and unpleasant organisation in many ways. For example, I cannot understand why it asks dentists and dental nurses about their sexual interests in a questionnaire. The GDC is asking whether—

Mr. Speaker: Order. The hon. Gentleman can put his case when the debate comes.

Ms Harman: Dentistry, as the hon. Gentleman says, is an important public health issue. He will have an opportunity to raise it in the pre-recess Adjournment debate, if he so chooses. I shall consider his suggestion as a proposal for a topical debate.

Julie Morgan (Cardiff, North) (Lab): I warmly welcome the Government's proposals to extend the opportunity to request flexible working to the parents of older children. The Labour Government have a great record on helping parents to balance family life and work. Is my right hon. and learned Friend aware that since 1997 the number of women in work in Wales has risen by nearly 13 per cent.? Does she agree that our proposals will be of great help to those women? When may we have a debate on the subject of family balance and work?

Ms Harman: I thank my hon. Friend for her comments and I shall bring them to the attention of my right hon. Friend the Secretary of State for Business, Enterprise and Regulatory Reform. The fact that the stay-at-home mother now goes out to work has been a huge social revolution. We must ensure that women who go out to work can help the family finances and contribute to our economy and our services and can be the sort of parents that they want to be as they bring up their children. It is important that work is flexible around family needs, rather than the other way around. Some people have said in the past that such provisions are a burden on business, but we think that it is important for the whole of society that children are well brought up.

The next frontier in the question of flexible work is the care of older people. Just as the stay-at-home mother now goes out to work and is not available for the full-time care of her children, the stay-at-home daughter who used to care for elderly relatives goes out to work, too. We need to ensure that work is flexible not only for parents but for people who care for older relatives. I hope that the Opposition, as well as the whole House, will back us when we move forward on that.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): May we have a debate on the online filing system? A recent Public Accounts Committee report showed that 3 million people filled the forms in wrongly, and understated their situation by £3 billion. The problem is that the online filing system was thought up by committee. It is complicated and difficult. I defy almost anybody to fill it in correctly. In America, which has many more taxpayers, the Internal Revenue Service administers the system through the public sector. That is highly successful and has worked well for years. Why can we not go down that route?

Ms Harman: Perhaps the hon. Gentleman would like to raise that subject during the debate on the Public Accounts Committee motion this afternoon. I think that that would be an appropriate issue on which he could seek to catch the Speaker's eye.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): Yesterday, I had the opportunity to attend a ceremony with local children to celebrate the complete rebuilding of Washington school in my constituency, which is part of a £120 million investment in secondary education in the city of Sunderland. Will the Leader of the House try to make time available for a debate on the benefits of that level of investment for young people in our constituencies, and the impact it has in transforming their lives and life chances?

Ms Harman: I am sure that the parents, teachers and pupils of Washington school will be glad that my hon. Friend has had the opportunity to raise the issue in the House today. We think that investment in schools is investment for the future. An investment in education for the next generation has sometimes been characterised as spending—there have been complaints that we have not mended the roof while the sun is shining—but investment in children's education is the best foundation for the future economy.

Sir Nicholas Winterton (Macclesfield) (Con): May I make a plea that the right hon. and learned Lady use the weekly business questions to respond to Members' requests for debates rather than indulge in long party political statements?

I am consistent, and my question concerns the fact that Zimbabwe is dropping out of the picture, despite the fact its people continue to suffer. An election has been held and no proper results have been declared. Is it not time that the House held a debate on Zimbabwe, for which we are responsible as we put Mr. Mugabe in power in the first place? May we have a debate on the Floor of the House, in Government time, so that we can urge action and try to bring some peace and stability to that part of the world and to its long-suffering people?

Ms Harman: I will try to refrain from making party political points in business questions. The problem is that I am severely provoked by the Opposition. I will try to heed the hon. Gentleman's words because he, at least, is consistent in raising business issues in business questions. Indeed, he is consistent in expressing concern about Zimbabwe.

In Zimbabwe, torture seems to be on the increase, more people are being killed and there is displacement. The electoral commission has said that there should elections in August, but torture, killing and displacement are not a background for free and fair elections. There was an Adjournment debate two weeks ago on Zimbabwe, but the hon. Gentleman is right and, although we do not want to provide Mugabe with an opportunity to say that everybody should rally around him because it is all the fault of the British Government, we need to have a debate on the subject soon.

Ian Lucas (Wrexham) (Lab): Following today's publication of the report by the Select Committee on Standards and Privileges, may we have a debate as soon as possible on openness in party political donations so that this House and the country can be fully aware of the systematic deception in the funding of individual shadow cabinet Members' offices, and the way in which donations have been made to individual Members that have not been registered as they ought to have been in the Register of Members' Interests?

Mr. Speaker: Order. We cannot accuse the shadow Cabinet or any other hon. Member of deception. *[Interruption.]* I have seen the report and I know what the hon. Gentleman is talking about. Perhaps he should withdraw the statement about deception. That would be the best thing to do.

Ian Lucas: I withdraw the suggestion of deception, but I would like an opportunity to expand on my comments as soon as possible.

Mr. Speaker: The hon. Gentleman will not get an opportunity at this stage, because I am going to move on.

Stewart Hosie (Dundee, East) (SNP): The Prime Minister made his statement on the pre-legislative programme yesterday. It included £200 million to fund the purchase of properties for rent or for use in shared equity schemes. However, *The Press and Journal* reports today that that £200 million is already with the Housing Corporation and is intended to help those who are unable to buy homes of their own. Will the Leader of the House arrange for the Prime Minister to make another emergency relaunch statement to explain that the money is being recycled and that it applies to England only and to explain which of the spending programmes are to be slashed to fund yesterday's headline?

Ms Harman: The draft legislative programme, which we published yesterday, is, I believe, an important opportunity to set out the key points of the Government's forthcoming legislative programme, which will form the basis of the Queen's Speech, together with other important issues that run alongside that programme. It is an opportunity for the public to see work that was previously undertaken behind closed doors. There will also be an opportunity to debate the draft legislative programme, with a full-day debate before the House rises in the summer.

Michael Connarty (Linlithgow and East Falkirk) (Lab): Will the Leader of the House look at early-day motion 1567?

[That this House welcomes the launch of the Fair Tips Charter Campaign by the Daily Mirror and Unite the UNION, while recognising there are honourable owners of hotels, restaurants, and other hospitality outlets who ensure that all gratuities are paid to their staff in addition to at least the minimum wage without deductions; is also aware that HM Revenue and Customs class service charges, cover charges, gratuities and tips all as gratuities for national insurance contributions purposes yet many hospitality establishments still treat these as extra payments to the proprietors and do not pass them on to their staff in addition to at least the minimum wage; understands that this practice is legally allowed at the moment because of regulation 31 subsection 1(e) governing the Minimum Wage Act 1998; and calls on all other trades unions and media to support the Fair Tips Charter, all hospitality outlets and their trade associations to sign up to and operate the four pledges in the Charter and the Government to introduce an amendment in the Queen's Speech that will ensure that all tips will be paid to staff in addition to the minimum wage.]

[Michael Connarty]

The motion is tabled in my name and has been signed by 42 Members from across the Benches. It welcomes the launch of the fair tips charter campaign by Unite the Union and the *Daily Mirror*. As many as 1.5 million people are not getting their tips on top of their minimum wage. The Leader of the House might recall that the Secretary of State for Business, Enterprise and Regulatory Reform promised on 3 April that he would meet my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan). Will he extend that meeting to the Unite group in Parliament, which is backing the campaign? May we have a statement from the Secretary of State about how he will bring about the change? It does not require legislation, merely a change to the regulations, and I assume that it was left out of the promises for the Queen's Speech on that basis.

Ms Harman: I congratulate the Unite group of MPs and Unite on their work on the fair tips charter. Obviously, it makes good sense for tips to be in cash. However, even when tips are given in cash, there is a question about whether they reach those who have provided the service for which the tip is meant. I know that the subject is being reviewed by the regulatory reform department in the Department for Business, Enterprise and Regulatory Reform, and no doubt its representatives will meet hon. Members, Unite and employers to discuss it further.

Mr. Michael Fallon (Sevenoaks) (Con): May we have a topical debate on whether anything could or should be done to stem the flow of increasingly tacky political memoirs? Does the Leader of the House agree that authors who do not meet a certain quality threshold should perhaps be required to donate the proceeds to charity?

Ms Harman: That is not a question about the business of the House, and I will therefore quickly pass over it.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): This morning, I have become aware that there has been another problem on the west coast main line to the south of Milton Keynes. This time it appears to be a massive signal failure; last week, it was blamed on a power failure. Will the Leader of the House consider holding a debate in this House on the reliability of the west coast main line and transparency on the part of Network Rail about why problems occur and when it is going to put them right?

Ms Harman: My hon. Friend brings to the House a matter that is obviously of great importance to her constituents. I will bring it to the attention of Ministers in the Department for Transport, but she might also seek an opportunity to raise it in the pre-recess Adjournment debate.

Mr. Graham Stuart (Beverley and Holderness) (Con): May we have an urgent debate on standards in education? Yesterday, the chief inspector of schools told the Children, Schools and Families Committee that improvements in standards had stalled. After the Prime Minister's lamentable performance yesterday, is it not clear that not only our children's education but this Government are irrevocably stalled?

Ms Harman: I think that that is one of those provocative questions. The hon. Member for Macclesfield (Sir Nicholas Winterton), who was sitting next to the hon. Gentleman a moment ago—*[Interruption.]* Well, I thought that the question was party political point scoring, but I will answer it in any event.

I thank the Select Committee for its work on testing and on standards across the piece. This Government have given great priority to investing in education and to ensuring that there is a fair and open system of testing that is helpful for parents, pupils and teachers, and that there is individual personal tuition for each child. We want more people to get education further on in their lives. That is why we are introducing an apprenticeship programme and increasing to 18 the age at which some education should still be going on. If the Opposition are as concerned as we are not only that every individual should achieve their potential but that the economy should have the supply of skilled and qualified workers it needs, I hope that they will back us in these proposals.

Fiona Mactaggart (Slough) (Lab): May I encourage the Leader of the House to respond more positively to suggestions by the Conservatives that we discuss interest rates in this House? It would offer an opportunity to remind people who are anxious about interest rates that, for five years under the Conservative party, interest rates were over 10 per cent., and that although they are creating worry for people, they will not reach those levels because of this Government's good stewardship of the economy.

Ms Harman: My hon. Friend will have heard the Chancellor earlier this week, and the Prime Minister yesterday, express the Government's commitment to doing all we can to keep inflation low so that the Bank of England can keep interest rates low. Over the past 10 years, the Government have ensured that the economy has been run in such a way that we keep interest rates low. That has been the most important thing, alongside people having jobs and being secure in them, in ensuring that the housing market remains stable. I thank my hon. Friend for raising that point.

Mr. David Heath (Somerton and Frome) (LD): May we have a debate on the Highways Agency's investment in trunk roads in the south-west? I have often drawn attention to the safety improvements that are necessary on the A303, but may I also highlight the A36, particularly the stretch that runs through Standerwick, climbs over Black Dog hill, and straddles the Somerset and Wiltshire border? That road has a proven accident record. Standerwick has no protection at all as regards the speed limit, and it is time that something was done. The Highways Agency seems to be dragging its feet.

Ms Harman: That can be raised with Ministers in the Department for Transport; no doubt the hon. Gentleman has done so. Highways, particularly the ones that he mentioned, are a huge issue in the south-west. That is partly why it is important that we come forward with our proposals for regional committees of this House. If

the Highways Agency, regional development agencies, the Learning and Skills Council and regional organisations are making decisions that are hugely important to a region, we must have proper accountability to this House. I hope that in future south-west regional MPs will be able to hold the Highways Agency properly to account for what it does in their region as well as ensuring that Transport Ministers hold the Highways Agency to account nationally.

Mr. David Drew (Stroud) (Lab/Co-op): Yesterday, there was a very good debate in Westminster Hall on the Royal Mail and the Post Office. If we had known then what we know today about the views of Mr. Stapleton from Postcomm, there would have been universal condemnation from Labour Members, at least. Will my right hon. and learned Friend consider having a debate on the role of regulators and whether they should initiate policy, particularly in such a sensitive area as the Post Office, and is not this so important that we should have it as a matter of urgency?

Ms Harman: I will refer my hon. Friend's point to the Secretary of State for Business, Enterprise and Regulatory Reform, who will no doubt have seen and taken seriously the points made in that debate.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May we have an early debate next week entitled, "Consideration of Bills in Public Bill Committees"? The right hon. and learned Lady will know that I am serving on the Committee that is considering the Counter-Terrorism Bill. Does she agree that parliamentary scrutiny of Bills is essential? In that context, is it not profoundly wrong that Government Whips should confine membership of the Committee to those who agree with them? Furthermore, is it not wrong that they dissuade Labour Back Benchers from participating in the debate and instead ask them merely to attend to their private correspondence? That surely undermines the highly important process of parliamentary scrutiny.

Ms Harman: We want the process of parliamentary scrutiny to be improved. That is why we are publishing the draft legislative programme, why more Bills are published in draft, and why we have the Public Bill Committee process. The question of who serves on a Committee is for the Committee of Selection, and the proceedings of that Committee are a matter for its Chair.

John Mann (Bassetlaw) (Lab): Will my right hon. and learned Friend bring to the House details of the funding of the parliamentary research unit in order that we may have a proper debate on state funding of political parties and add to the information that will be coming out in the next four weeks, as required, on shadow Cabinet members, who now have to reveal the full details of the private, hidden funding that has been secretly funding their offices over the past year?

Ms Harman: I think that my hon. Friend refers, as did my hon. Friend the Member for Wrexham (Ian Lucas), to the report of the Committee on Standards and Privileges, "Conduct of Mr George Osborne". I thank the Committee for its report, in which it accepts the conclusions of the Parliamentary Commissioner for Standards. There is no further action for this House if the commissioner's conclusions, as endorsed by the Committee, are accepted.

Several hon. Members *rose—*

Mr. Speaker: Order. I am going to ask again that we should talk about the business for next week. We have to be careful about how we are abusing business questions.

Mr. Andrew Mackay (Bracknell) (Con): I want to return to the National Insurance Contributions Bill, which rightly seeks to align the level of national insurance contributions with the level of taxation that people pay. Does not the Leader of the House understand the implications of the previous questions? There is likely to be a black hole as a result of the Chancellor's statement on the 10p tax rate and raising the threshold at which some people pay tax. He has bungled again, and we need to have him back at the Dispatch Box to explain himself. There is a genuine problem, and I urge her to look at it much more carefully than the cavalier approach she has taken so far.

Ms Harman: I am certain that the Treasury would have taken those issues into account in their decision. Notwithstanding that, I shall raise with my right hon. Friend the Chancellor the points that the shadow Leader of the House and the right hon. Gentleman made.

Mr. Ian Cawsey (Brigg and Goole) (Lab): May I draw my right hon. and learned Friend's attention to early-day motion 1576?

[That this House notes that 16th to 17th May marks the 65th anniversary of the raid on the Ruhr dams by 617 Squadron RAF (The Dambusters); pays tribute to the extraordinary heroism and skill of the crews, led by Wing Commander Guy Gibson VC DSO DFC, and to the ingenuity of Dr Barnes Wallis who designed the bomb; regrets that of the 133 men who took part in the raid, 53 gave their lives on that mission; and supports the Bomber Command Association in its campaign for the erection of a suitable memorial to commemorate those who served in Bomber Command and their contribution to the eventual liberation of Europe.]

It reminds hon. Members that tomorrow is the 65th anniversary of the Dambusters' raid, undertaken by Squadron 617, which flew out of Lincolnshire. As one of 11 Lincolnshire Members of Parliament and a born and bred yellow belly, I urge all hon. Members to sign the early-day motion. Will my right hon. and learned Friend arrange for the Ministry of Defence to make a statement about when a memorial will be erected to commemorate the actions of those brave and heroic men?

Ms Harman: I will bring my hon. Friend's forceful points to the attention of my hon. Friends in the Ministry of Defence.

James Duddridge (Rochford and Southend, East) (Con): If there is no conflict of interest, will the Leader of the House arrange for a statement or debate next week on the Prime Minister's intention to remove ministerial severance pay?

Ms Harman: The hon. Gentleman knows that, before the debate in the House on 24 January, the Senior Salaries Review Body made some proposals about withdrawing severance pay if a Minister got another job before the period for which it was to be paid had elapsed. The House agreed, and we said that we planned to implement the proposals, which would claw back severance pay. We intend to do that.

Mr. Jim McGovern (Dundee, West) (Lab): First, I concur entirely and sincerely with the tributes to Tommy Burns, who sadly passed away earlier today.

May we have a debate on ring-fencing for local government funding? I am sure that all hon. Members welcomed the recent announcement of more than £4.5 million of extra funding to allow pupils from every school in the UK to visit the former concentration camp at Auschwitz in Poland. Unfortunately, the Scottish Executive have refused to ring-fence those moneys, which would guarantee that pupils from every Scottish school could participate in those visits. Such a debate would allow us to expose the Scottish National party's lack of support for life-changing visits.

Ms Harman: Several hon. Members have just returned from visiting Auschwitz, and they felt that it was important. Given that it is so important to understand the international lessons of history, several hon. Members have been incredulous that the Scottish National party should take such a narrow-minded, introverted view and prevent young people from having those opportunities, especially when the money has already been made available.

Justine Greening (Putney) (Con): Given that there will be even more post office closures, is not it time we had an urgent statement from the Secretary of State for Business, Enterprise and Regulatory Reform on plans for the post office network? It has been announced that two more post offices in Putney will close, ignoring my constituents' concerns. After the local election results, the Government said that they would start listening. Is not it time for the Secretary of State to come to the Chamber and start listening to representatives who reflect the views of millions of Londoners and millions of people throughout the country, who are devastated by post office closures in their communities?

Ms Harman: All hon. Members are concerned about the post office network and, since 1997, we have invested hundreds of millions of pounds in it. Under the Conservative Government, there was no public subsidy to the network, but we have made the investment. The hon. Lady should say where she believes that the money would come from—what taxes would increase or services would be cut—to finance the investment in the post office network for which she calls.

Dr. Julian Lewis (New Forest, East) (Con): May we have an opportunity to question the Information Commissioner in person about his determination—insane in the current security environment—to make Members of Parliament disclose their private home addresses?

While we wait for that, may we have a debate on early-day motion 1476?

[That this House deplores the transfer by Zimbabwe to Equatorial Guinea of Mr Simon Mann after nearly five years in gaol, in contravention of assurances given to the UK Government that this would not occur while his appeal process was still underway; is appalled that he has been held in shackles in Black Beach Prison ever since; condemns the continuing refusal to grant United Kingdom consular access to him since a single visit in March; and urges the Government to seek the support of the United States and other influential countries to safeguard Mr Mann's human rights in this perilous situation.]

More than 100 hon. Members have signed it and some of the most senior Back Benchers from all parties, including a former Labour party chairman, have sponsored it. It is about the fate of my constituent, Mr. Simon Mann, to whom consular access has been denied since his enforced appearance in a television interview on Channel 4, in which he was obliged to incriminate himself before a trial, which appears to have been put off sine die.

Ms Harman: The hon. Gentleman and several of his hon. Friends have raised the matter of Simon Mann, which is of concern to the Foreign and Commonwealth Office. I will bring the hon. Gentleman's concern to its attention again and, if any more information is available, I shall ensure that he gets it. I hope that he will let either me or the Foreign and Commonwealth Office know about any further proposals, and action can be taken on them.

The hon. Gentleman mentioned the Information Commissioner. Hon. Members know that requests have been made under the Freedom of Information Act 2000 for the home addresses of Members who have homes in London, where they stay when they are away from their constituencies. They must have a home in London for when the House is sitting. Journalists have made freedom of information requests for the publication of hon. Members' addresses in London, where they are often far away from their families, living on their own. There are security considerations and the hon. Gentleman will know that the information has been refused. The information tribunal's decision that the addresses should be made available has been appealed against and is now before the High Court. I will not therefore say anything further except that the High Court is considering the matter because an appeal was made on the basis that the decisions would breach hon. Members' security. The point is that, when we come to the House, we need to be able to speak about all sorts of controversial matters, for example, animal rights extremism—

Mr. Speaker: Order. I reminded an hon. Gentleman earlier when the High Court case was mentioned that, for the purposes of the House, the matter is sub judice until their lordships report back to us.

Tony Baldry (Banbury) (Con): Will the Leader of the House ensure that Departments answer ordinary written questions in a reasonable time? Some time ago, I tabled two questions to the Department for Communities and Local Government. One simply asked whether it would place in the Library the transcript of the conference call between the Minister for Housing and 16 hon. Members about future proposals on eco-towns. It was a straightforward question. My second question asked what proportion of the Western Otmoor proposed eco-town was in the green belt. I have not received an answer to either question yet. It may be that the Minister for Housing undertook in the conference call that no eco-town

would be built in the green belt, and 25 per cent. of Western Otmoor is clearly in the Oxford green belt. However, the fact that answers are inconvenieht to Ministers is not a reason for not providing timely answers to written questions.

Ms Harman: I will chase up the answer to the hon. Gentleman's written questions. It is important that Ministers answer questions promptly, fully and factually.

Mark Pritchard (The Wrekin) (Con): May we have an urgent debate on poverty? Despite the Government's handbrake U-turn on the 10p tax rate, the lowest paid and poorest in society will remain worse off as a result of the changes. Will not 2008 go down as the year that Labour abandoned the poor?

Ms Harman: I believe that the Opposition had scheduled a debate on pensioner poverty for Wednesday and it was replaced by a debate on Burma, which was important. I will bear the hon. Gentleman's points in mind. He knows that the Government have kept tackling poverty at the forefront of our agenda. That is why we want everybody to be able to be in work, and believe that there should be a minimum wage, tax credits and targets for ending child poverty and pensioner poverty. We have made progress on all those aims. Given that the Opposition opposed us on all those issues, it is good that, instead of being a drag anchor of opposition, they are now belatedly backing our objectives.

Philip Davies (Shipley) (Con): The Leader of the House mentioned the importance of history. May we, therefore, have a debate on the world heritage site at Saltaire in my constituency? The Secretary of State for Communities and Local Government recently said that the Saltaire village was built by Sir Titus Salt as an act of self-aggrandisement. Many people in my area found that rather offensive, and are very proud of what Sir Titus Salt built in Saltaire. Perhaps a debate would allow the Secretary of State to understand what a fine man he was.

Ms Harman: The hon. Gentleman could raise that matter in the pre-recess Adjournment debate, but I shall bring it to the attention of my right hon. Friend the Secretary of State for Communities and Local Government.

Mr. Peter Bone (Wellingborough) (Con): May I take the Leader of the House back to the glorious years of Prime Minister Blair? She will recall that he said that nobody would have to wait more than six months for an NHS operation. Yesterday, the Healthcare Commission published its annual report on the health of the nation. In my local hospital, more than 25 per cent. of patients reported that they have to wait more than six months for an operation. May we have a debate on the difference between what the Government say and the reality in the health service?

Ms Harman: The Healthcare Commission has produced its findings, and I would like to thank the commission for its important work. The findings show that more than 90 per cent. of patients report that their care in NHS hospitals was either good or excellent. Perhaps the hon. Gentleman does not remember what I certainly do: in my constituency advice surgery, people used to come in and literally break down in tears because they were waiting for a hip replacement. Sometimes they would have to wait for one or two years. I also remember the consultant in the local hospital pointing out the number of people who died while waiting for cardiac surgery. We have targets to reduce waiting lists; the Opposition said that they would abolish all central targets. We want to make more progress, and with the extra investment we have put into the NHS that progress is possible. It certainly would not be possible with the public service cuts that would come about under the Opposition's proposals.

Points of Order

12.32 pm

Mr. Patrick McLoughlin (West Derbyshire) (Con): On a point of order, Mr. Speaker. Two reports have been made available to the House this week from the Parliamentary Commissioner for Standards. If the Leader of the House is going to refer to them in obviously pre-planted questions from Labour Members, it is right that she should fairly reflect what the report says. I would like to draw your attention to paragraph 79, where the commissioner says:

"I do not believe it would be fair or reasonable to criticise Mr. Osborne as a result."

My hon. Friend the Member for Tatton (Mr. Osborne) acted on advice from me and my office. The commissioner goes on to say in paragraph 80:

"The Opposition Chief Whip's office took the right action in consulting the registrar and acted in good faith in interpreting the guidance which they believed they had received."

When dealing with such matters, it is important that the Leader of the House reflects accurately, not selectively, what is in the report.

Mr. Speaker: I am going to give a ruling on the matter. The Opposition Chief Whip has put the matter correctly, and I am going to close this matter down. The statement of the Leader of the House should be about the business for the next week, and perhaps the following week. I do give leeway at times because hon. Members may want to raise important issues, but it looks as though I shall have to make things tighter because such matters should not be brought before the House at business questions. There are other opportunities to do so.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): Further to that point of order, Mr. Speaker. My recollection is that when an hon. Member wishes to criticise another hon. Member, it is the practice to inform the hon. Member that a criticism is about to be made. That is my understanding of the practice. If I am right, Mr. Speaker, would it be possible for you to reaffirm that rule?

Mr. Speaker: I do reaffirm it. Normally, when an hon. Gentleman is mentioned by name, I usually ask whether the Member concerned has raised the matter with the hon. Gentleman to allow him to be in the Chamber. I thank the right hon. and learned Gentleman; I reaffirm that.

Of course, this matter was slipped in by way of a report, and I might have to be tighter about business questions. The danger of being tighter is that legitimate matters that hon. Members might want to bring before the House, such as the bereavement of a famous football star, might not be allowed. I ask hon. Members to bear in mind what business questions are about.

Mrs. Theresa May (Maidenhead) (Con): On a separate point of order, Mr. Speaker. Again, I seek your guidance about ensuring that the record in *Hansard* is correct. Yesterday, the Prime Minister said that Her Majesty's Opposition had opposed the introduction of flexible working. That is not correct; we did not vote against it, and I seek your advice on how we can ensure that the statements in the record are correct.

Mr. Speaker: The best advice that I can give is, "Don't bring that up in a point of order", because it is not a point of order.

Dr. Julian Lewis (New Forest, East) (Con): On a separate point of order, Mr. Speaker. You will recall the Opposition day debate on Burma yesterday. Because of the number of speakers, the Minister replying had only 10 minutes in which to try to respond to the whole debate. In the course of those 10 minutes, two hon. Members, whom I will not name, intervened and used up valuable time. Neither of those two Members had been present for any substantial part of the debate; they had come in a few minutes before the end of the debate and intervened. I am not sure whether that is a matter of order, but it is certainly a matter of convention in the House that Members do not behave in that way. I would appreciate it if you reasserted that convention.

Mr. Speaker: In the situation that the hon. Gentleman describes, there is no breach of the rules. A Member coming into the Chamber late can seek to intervene. It is up to the Member addressing the House to decide whether they accept that intervention; it is not a matter for the Chair.

Anti-Semitism

12.37 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): I beg to move,

That this House has considered the matter of anti-Semitism.

I thank my right hon. and learned Friend the Leader of the House for calling this debate on anti-Semitism. It comes at an appropriate time, as it has been a year since the all-party parliamentary group against anti-Semitism reported on its inquiry. On Monday I laid a Command Paper before the House. It gave an opportunity to reflect on the all-party group's work, and today's debate is a good opportunity to congratulate all Members of this House—Back Benchers from all parties—on the contributions that they have made, and to congratulate our stakeholders.

More than 100 people were present on Monday, including spokespersons from Front-Bench teams from all the political parties, Members of the House of Lords and stakeholders from the Jewish community, including Jon Benjamin, Jeremy Newmark and Richard Benson from the Board of Deputies of British Jews, the Community Security Trust and the Jewish Leadership Council. Just as importantly, there were many people of other faiths, and as the chair of the Faith Communities Consultative Council I was particularly pleased about that. The name of our consultation document that has been sent to faith communities is "Face to Face, Side by Side", a phrase coined by the Chief Rabbi himself. I was also pleased that he was present on Monday to contribute to our celebration of the work of the all-party group, the Command Paper and the work that has been done, one year on.

I am going to talk about the measures in the document, the work of the all-party group and other measures as well. It is a good time to state our gratitude to the all-party group and the team of officials who have been working incredibly hard to bring 10 Departments together, while working in harness with the Jewish community to bring about a cogent set of proposals.

I will talk in a moment about the proposals made by the Department for Children, Schools and Families on school linking, the proposals to allow devolved capital to be used to provide security for school buildings for the Jewish community, better data collection involving the police and the Crown Prosecution Service, which is important, and the role of the inter-faith strategy and how it ties in with that work, as well as my Department's work with other Departments supporting the European Institute for the Study of Contemporary Anti-Semitism.

Although a great deal of work has been done, I am sure that hon. Members will talk about the great deal of work that remains to be done. I am the first to accept that a great deal remains to be done about hate crime on campuses, for example. I will talk a little about that, as well as about our recent debates in the Chamber about Holocaust memorial day. I received a number of representations after Holocaust memorial day calling for additional funding for the Holocaust Memorial Day Trust. I am pleased to say that we have enhanced its funding from £500,000 to £750,000.

Mr. Simon Burns (West Chelmsford) (Con): While the Minister is on that subject, I am sure he will agree that the trust deserves admiration for and congratulations on its tremendous work. It is very important to increase education about the history of the past 70 years, to help to minimise for a new generation the chance of a repetition of that history.

Mr. Dhanda: I wholeheartedly agree with the hon. Gentleman on that point. Although this debate is about anti-Semitism, one of the most encouraging aspects of this week, and of Monday in particular, is that other faith communities and groups that face prejudice are set to benefit from the outcomes of the inquiry. The valuable lessons to be learned from the work, which is supported by some funding from my Department, are now being learned in other parts of Europe and around the world. We should all be pleased about that.

That work must be underpinned by policies and strategies to increase racial equality and build community cohesion, particularly through education. More generally, I am pleased to say that my Department has made some £50 million available throughout the country to fund community cohesion projects. We have made significant progress on many of the commitments that we made in response to the inquiry, which made 35 detailed recommendations. However, we recognise that there is no room for complacency.

The number of anti-Semitic incidents in the UK remains far too high. The Community Security Trust recorded 547 incidents in 2007. Although that represents an 8 per cent. fall over the previous year, it is still the second worst figure on record. We must therefore continue to work with all our stakeholders to bear down on the problem.

Since the publication of the inquiry's report, my hon. Friend the Member for Bassetlaw (John Mann) and his colleagues have worked to encourage parliamentarians in other countries to conduct similar inquiries. The Government greatly appreciate the group's work and have offered it support, including financial support. My Department has provided funding, which has helped the inquiry to go across Europe and beyond, to the United States and Canada. The Foreign and Commonwealth Office and our embassies and high commissions have worked with the all-party group to make its overseas visits a success, offering practical support and local advice on parliamentary structures and suitable contacts.

A key development has been the establishment of the inter-departmental working group, which consists of representatives from across Whitehall, the parliamentary committee against anti-Semitism, representatives from the Board of Deputies of British Jews, the Jewish Leadership Council and the Community Security Trust, and other Departments, including the FCO, the Home Office, the Ministry of Justice, the Attorney-General's office, the Department for Culture, Media and Sport, the Department for Children, Schools and Families, the Department for Innovation, Universities and Skills and my Department, as well as the police, who have worked closely with us.

The working group is unique in that it brings together the Jewish community and Departments to ensure that commitments made in our original response are taken forward. The working group has been hailed across

[Mr. Dhanda]

Europe and in the United States as a model of best practice. However, we cannot leave the matter there. We will review the work again in 2010 and there will be regular meetings of the inter-departmental group at least twice a year.

We have ensured that by April 2009 all police forces will collect data on all hate crime, including anti-Semitism. We recognise that anti-Semitic discourse continues to be a concern, and to this end we have funded the European Institute for the Study of Contemporary Anti-Semitism to research the impact of anti-Semitic discourse on the atmosphere of acceptance of anti-Semitism.

The inquiry also focused on the importance of school linking. The Government acknowledge that and are providing £2 million in funding over the next three years, which is supported by a £1 million donation from the Pears Foundation. I should like to put on record my personal gratitude to Trevor Pears for his support for the project. That funding will provide a national website and resources to help to support schools in forming effective links.

Members who were present for our debate earlier this year on Holocaust memorial day will recall the support expressed in all parts of the House for the scheme that the DCFS is funding, with some £1.5 million, for two sixth-formers from every sixth-form college to have the opportunity to travel to Auschwitz. I was fortunate to meet a couple of sixth-formers from the Crypt school in my constituency who had been. I know that the scheme is welcomed throughout the House.

Julie Morgan (Cardiff, North) (Lab): I had the good fortune on Tuesday to travel to Auschwitz with the Holocaust Educational Trust and students from my constituency. Everybody who was there—the Members of Parliament and all the students—found the day a deeply moving experience. Will my hon. Friend the Minister assure me that support for such visits will continue?

Mr. Dhanda: I can, for the very reasons that my hon. Friend has stated. Those visits have received support from across the House. I know from conversations that I have had with young people who have been that the visits have made a difference to their lives, and I am sure that that has been her experience, too.

Time is short and it is important to give other hon. Members the chance to contribute to the debate. Ongoing work is being done on anti-Semitism and the internet, which I shall happily discuss when I wind up the debate. I have already mentioned the importance of targeting anti-Semitism on our campuses, on which my Department and the inter-departmental group is doing sustained work with the Department for Innovation, Universities and Skills. Through our work with the police and the CPS, we will continue to work to ensure a greater number of prosecutions, which is incredibly important.

Mr. John Spellar (Warley) (Lab): The Minister is touching on an important issue, which is what is happening on campuses. I should like to highlight the excellent work of the Holocaust Educational Trust, which means that students arrive on campus much more aware of the dangers. However, is there not a considerable responsibility on university authorities to take more action? The issue is not just about crime, but about that telling phrase, which I remember from my Northern Ireland days, "the chill factor"—that is, not necessarily crime, but making people feel that they are unwanted. Do university authorities not have a greater role to play in making their campuses welcoming to people, so that we can have genuine academic freedom?

Mr. Dhanda: My right hon. Friend is absolutely right. The powers are already there, in legislation, but it must be incumbent on individual universities to take this issue and those powers seriously. That is part of the reason why my hon. Friend the Minister for Lifelong Learning, Further and Higher Education brought out guidance earlier this year. He has also met Jewish students to see how that work can be taken further.

I conclude by saying that although a great deal of work has been done, I appreciate that there is much more to do.

12.50 pm

Mr. Paul Goodman (Wycombe) (Con): The official Opposition welcome unreservedly this topical debate, which is the first such debate we have had, although I remember debating the issue in Westminster Hall about a year ago. We would welcome topical debates on other aspects of racial and religious hatred, such as Islamophobia.

The debate allows the House to consider the Government's progress report on combating anti-Semitism, which followed last year's Command Paper, as the Minister said. The Command Paper followed the all-party parliamentary inquiry into anti-Semitism, which was chaired by the right hon. Member for Rotherham (Mr. MacShane). We honour the work of the all-party group against anti-Semitism, and I try to stay in close touch with its chairman, the hon. Member for Bassetlaw (John Mann), who is present. I am especially mindful of the presence of my hon. Friend the Member for Daventry (Mr. Boswell), who is a vice-chairman of the all-party group and who might seek to catch your eye today, Madam Deputy Speaker.

Before turning to the progress report and issues that arise from it, I want to consider briefly the context in which the report was set—namely, the level of anti-Semitism in Britain today and its impact on the country generally and on the Jewish community in particular. I have mentioned racial and religious hatred. All forms of hatred against people on the basis of their race, religion, sexuality or condition—indeed, all forms of hatred against people—are an unqualified and unmitigated evil. However, there is a special horror for those of us who are Europeans, in the widest sense of the word, in and about anti-Semitism. The reason for that is almost too obvious to state: the holocaust.

As the Minister has reminded us, the Government recently marked Holocaust memorial day with a debate. Looking around the Chamber, I see that many hon. Members who attended that debate are present. There was a powerful and unmistakable consensus in that debate that the legacy of the holocaust—itself the consequence of more than 2,000 years of anti-Semitism in Europe—is still with us. Let me give a striking example. Many places of worship in Britain today have

been subject to violence, including churches, mosques and gurdwaras. There have been atrocious incidents, but only one religious institution in Britain is under threat to such a degree that those who attend it are advised not to linger outside after worship: the synagogue.

We all commend the outstanding work of the Community Security Trust, which is involved in dialogue with the Government at a deep level. The Minister spoke about the multi-faith dimension of work on this issue. It is characteristic of the CST that it offers to other religious institutions and faith groups its expertise in protecting congregations and synagogues. Like a virus, anti-Semitism is peculiarly mutative, adaptable and resilient. It is multifaceted and, as was observed in the Holocaust memorial day debate, a light sleeper.

When I was growing up, anti-Semitism was largely confined, in the context of extremist ideology, to neo-Nazi groups, but that has changed. It is now also championed by some who claim—mistakenly, as my Muslim constituents would point out—to speak in the name of Islam. It is in that context especially that contemporary anti-Semitism, in general, and the Government's progress report in particular, must be considered. I shall concentrate on four issues: the internet, anti-Semitic incidents, universities and the responsibilities of institutions more widely.

As I have said, anti-Semitism is peculiarly adaptable. It adapts to technology, and anti-Semitic hatred is now available online at the click of a mouse. The Government's report says that the Minister of State, Department for Culture, Media and Sport, will

"host a ministerial seminar to find ways of improving action and impact on internet hate".

The Minister said that he would touch on those matters when he responds to the debate. It would help if he told the House whether the Government had any objections to signing the additional protocol to the Council of Europe's convention on cybercrime, and how the recommendations of the Organisation for Security and Co-operation in Europe conference on the same subject have been followed up.

The Government have committed to introducing national police monitoring of anti-Semitic incidents and offences by 2009. Again, it would be useful if the Minister confirmed that that deadline will be met and if he described what the Government will do to encourage the reporting of anti-Semitic incidents and offences. Picking up on a point that he made, I know he will agree that we must not be deceived by the fall in number that he reported into thinking that the problem is necessarily easing, because one could argue that the figures from the previous year were artificially boosted by what happened in Lebanon at that time, about which there were many reports.

As for universities, as the right hon. Member for Warley (Mr. Spellar) said, the menace of anti-Semitism is particularly acute in higher education. That menace does not express itself only in the visible activity of anti-Semitic groups, such as Hizb ut-Tahrir. Jewish students also report anti-Semitism on campus as a mood, an atmosphere and a mode of discourse. The right hon. Gentleman described it as a chill in the atmosphere. That leaks out especially, perhaps, from debates on the middle east, and can prevent Jewish students from enjoying a normal university experience. It can even deter young Jewish people from attending certain institutions altogether.

It is significant that the Board of Deputies of British Jews, the CST and the Jewish Leadership Council support the Union of Jewish Students in the view that much work remains to be done. I note that the all-party group is disappointed that the DIUS is still only considering the CST's proposal that it should set up a sub-group on anti-Semitism in higher education. When will Ministers take a decision on that?

Finally, I want to address the responsibilities of institutions and of local and national Government. We believe that it is wrong for institutions to participate in events that are hosted by anti-Semitic parties such as the British National party. It therefore follows that it is also wrong for them to participate in events hosted by other anti-Semitic organisations, such as Hizb ut-Tahrir. I make that point because it was reported this week that John Holmwood, a sociology professor at Birmingham university, which is an excellent institution, spoke at a local debate that was organised by Hizb ut-Tahrir. It should also be unacceptable for local authorities to support groups that are willing to engage actively with Hizb ut-Tahrir, such as the Cordoba Foundation; we understand that that is the case in Tower Hamlets. The Cordoba Foundation appears to be involved in Campusalam—a Government-sponsored programme to tackle extremism on campus—so we would welcome clarification from the Minister on that.

I repeat that we welcome the debate. We honour the contribution that the Jewish community makes to Britain and has made for many years. We stand united, in this House, against anti-Semitism. There are huge challenges and there has been some progress, but there is a great deal more work to do.

12.59 pm

Tom Brake (Carshalton and Wallington) (LD): I, too, start by welcoming the debate as well as the efforts of the all-party group against anti-Semitism and the Government to eradicate anti-Semitism. There is a sensible consensus on this issue in the House.

I have no criticism of the Minister, but I will make one helpful suggestion for future debates. In his press release, the Minister honestly outlined the areas in which the Government believe that further action needs to be taken—addressing the number of cases brought to prosecution, tackling anti-Semitism on university campuses, and challenging hate crime and extremism on the internet. The Minister has very helpfully said that he will update us on progress when he responds to the debate. Perhaps, in future, he might be willing to do that at the beginning of a debate, as that would give us the opportunity to ask further questions on the back of the information that we have received, rather than simply hearing the Minister's response at the end, when there is no opportunity for us to ask more questions.

I recognise that the Government are doing a good job, and it is clear that progress is being made in a number of areas. However, the Minister, who has responsibility for community cohesion, has also said that there is no room for complacency, and that is quite right, because there is no reason or justification for complacency. I am sure that other hon. Members will have been sent the figures for violent assaults on members of the Jewish community in the UK last year, when they reached record levels. Even in what is portrayed as leafy,

[Tom Brake]

trouble-free Surrey, there have been incidents recently of swastikas being daubed on vehicles, pavements and signposts. Just as worrying—if not more so—are the allegations involving teachers in certain schools being anti-Semitic, because there would clearly be a long-term impact on the pupils if any indoctrination were taking place. There is no room for complacency.

The Government have made some welcome proposals in relation to increased funding for the Holocaust Educational Trust, which we fully support. Like many, if not all, the hon. Members here today, I have been on a visit to Auschwitz organised by the trust, and I think that we all came away with a permanent impression. The evidence of the industrial scale of killing there certainly left an indelible impression on me. That is something that we cannot, and never should, forget.

There are areas in which the Government are making progress, but some additional questions need to be asked. The Minister has said that by April 2009 police forces will collect data on hate crime, including anti-Semitism. Will he update us on how many police authorities are already in a position to do that, so that we can get a feel for whether that is a realistic target? If he tells us that only three or five are ready, clearly we are not on track. If he responds by saying that only 10 per cent. are in a position to do it, we might need to examine the matter more carefully.

The Minister has also highlighted the fact that local authorities can use their devolved capital funding for investment in security in schools, which is welcome. Will he clarify what will happen where there is no devolved capital funding available? Is there any scope for additional funding from a central pot to be made available if the local authorities cannot access funding for themselves?

Good progress is being made, but, as the Minister highlighted, there are also areas in which further progress is needed. He mentioned the prosecution of hate crimes, and it would be useful to know whether research shows that there is a greater inclination not to pursue hate crimes involving anti-Semitism—as opposed to other hate crimes— through to prosecution. It would be useful to know whether there is any difference or whether the problems are consistent across all hate crimes, in which case any proposals would be beneficial in tackling all kinds of hate crimes and ensuring that they are taken through to prosecution.

The spokesman for the official Opposition, the hon. Member for Wycombe (Mr. Goodman), asked specific questions about the action that is to be taken in universities, and I hope that the Minister will respond to them. The hon. Gentleman also mentioned hate crime and extremism on the internet. The Government clearly need to take action in that regard, but also to acknowledge that in some cases it will be difficult for the service providers to know precisely what is going on. This relates not only to anti-Semitism; I understand that there are issues relating to the way in which some of the political websites report on women MPs in the House of Commons. Some very aggressive things have been said. The Minister needs to look at those issues.

I should like to conclude by saying that there is all-party agreement on this matter. There is a consensus and a desire on the part of all Members of Parliament to ensure that anti-Semitism is consigned to the dustbin of history, where it belongs, and that firm action is taken as and when anti-Semitism rears its ugly head in any corner of the country. The Minister is guaranteed our support on this matter, and we welcome all the efforts that he is making to tackle the problem.

1.5 pm

John Mann (Bassetlaw) (Lab): I thank the Leader of the House for very appropriately allocating Government time to debate this issue today. Only yesterday, in Stamford Hill, yet more serious anti-Semitic graffiti appeared. I have left a photograph of an example for the Minister. The stencilled graffiti are clearly part of a concerted campaign calling for jihad in an area with a significant Jewish population.

Mr. Tim Boswell (Daventry) (Con): Is it not even more sinister that it chillingly describes jihad as the only solution for Israel?

John Mann: Indeed. Worryingly, reports are also coming in that the problem has spread to other parts of north London in the past 24 hours. This highlights the necessity not only for vigilance but for ongoing action. I encourage all Members on both sides of the House to join and actively participate in the all-party group against anti-Semitism.

One thing that has characterised this issue perhaps more than most others in my brief six or seven years in the House is the fact that we have managed to achieve a coalition, not only intellectually but in relation to activity and working practice. Perhaps even more remarkably, the Government have managed, cross-departmentally, to bring every single one of the eight Government Departments into active participation, and allowed us, the ordinary Members of Parliament, to be vigilant in regard to those who do not place this matter high on their priority list, with a view to ensuring that all eight Departments participate fully.

Mark Pritchard (The Wrekin) (Con): On the point about collaboration that the hon. Gentleman has rightly made, does he think that it might be helpful, when the Government draw up their statement of British values, to include a history of Jews in the United Kingdom and an observation about tolerance? Any new citizen signing a citizenship contract should be aware of the history of tolerance in this country.

John Mann: I am sure that the Minister will take that consideration back to those making the decisions.

I want to highlight a couple of the positives in relation to Government action. In my view, the Home Office has been the most decisive in taking action. An example is its agreeing to change the hate crime reporting system in every police authority in England and Wales, which will have benefits not only for the Jewish community but for all communities affected by hate crime. That is a significant step forward. Only two weeks ago, the Crown Prosecution Service produced a report, which I have described as meticulous in its detail, outlining the service's action plan for the future. The plan has been timetabled, and it has clear outputs. It is extremely encouraging to see that development taking place.

Of course, there are issues on which we need more action. These include devolved capital funding, because a significant amount of that funding has gone to local authorities for school buildings. Objectively, a large

increase in the amount of money has come through this year, and it is a permanent increase. If one looks at the authorities with Jewish schools that have capital security needs, one can identify the authorities in Manchester, Barnet, Stockport and Leeds. The more discerning local election result analysts will immediately grasp that that covers all the parties present for this debate and also coalitions between some parties. I urge politicians of all those parties to squeeze our own authorities, individually as well as collectively, somewhat harder to ensure that they deliver on meeting those needs given that the Government have provided them with the capital to do so.

Perhaps the issue that the Jewish community is most concerned about, and on which we seek more progress, is anti-Semitism in higher education. About 80 per cent.—an extraordinarily high percentage—of young Jewish people go to university, but that necessarily means that any problems on campus will have a disproportionate impact on that community. However small the issues on any one campus may be perceived to be, they are of great significance. Unfortunately, on some campuses, "small" is not a term that one could use. The problem is often not physical attacks, although they do occur; it is more often a problem of what I would call antisocial behaviour created by a hostile atmosphere on campus.

An extremely successful seminar with young Jewish students and others was recently hosted by Baroness Morgan. It gave me greater confidence that the Department for Innovation, Universities and Skills is going to take action on this issue. It will be most welcome when the Department states that it is going to establish its own working group to work in partnership with the community to deliver real results. It is possible to make real progress in the universities. We saw that with the action of the National Union of Students, which is now one of the leading bodies in being intolerant of intolerance; it has directly tackled anti-Semitism. Its action helped to build confidence, to end discrimination in university timetabling and to provide institutional university leadership that is minded to take swift action on the basis of clear written policies on what should be done. I believe that, over the next year, we will see even faster and more positive change in the universities, which is vital.

Mr. Nigel Evans (Ribble Valley) (Con): In my estimation, most universities have an egalitarian approach and most students are incredibly egalitarian in every regard. Clearly, however, where incidents of hate crime occur, they should be stamped on immediately. There is a duty on the vice-chancellor of every university to ensure that proper protocols are in place and that all students know exactly what they are so that these hate crimes can be stamped out from the start.

John Mann: The hon. Gentleman is absolutely right, and I am increasingly confident, following the meeting convened by Baroness Morgan—I believe she is going to convene a second one—that detailed progress will be made. The all-party group and—I hope and I am sure—the Government will be honest in their assessment of whether progress has been made. No one wants a tick-box approach; we want real tangible progress, so that a Jewish student on campus feels that it is a pleasure and a privilege, rather than a hassle, to be at any university in the country.

As well as an announcement from DIUS, I hope that we will hear a swift announcement on the mooted "UK-Israeli academic collaboration fund". Another important issue is the boycott of academia from Israel by an increasingly irrelevant University and College Union, which has rather clouded our reputation abroad and the respect accorded to British universities. If that union wants to regain proper status and standing in the universities, I strongly recommend that it concentrate on the real issues that university lecturers and others need addressing rather than on the frivolities brought in at the extremes of politics to fill a vacuum that has clearly occurred. An announcement from DIUS would be equally welcome; swiftness is important.

Not all achievements are domestic. I see that that the hon. Member for Daventry (Mr. Boswell) is in his place and he doubtless wants to contribute. With me and others, he has visited other Parliaments. The German Bundestag is carrying out its own inquiry, which is modelled on ours, and Canada's Parliament is contemplating doing the same. The US Congressional anti-Semitism task force is now back up and running. Increasingly important work is going on in Latvia and the Baltic countries on the back of pioneering work over the last few years by Lord Janner. The work that we parliamentarians have done is important and we will continue to do it. At this point, I would blatantly advertise the joint all-party group and Holocaust Educational Trust visit to Poland, which is taking place in July—a significant number of Members have already signed up to it—in order to engage the Polish Parliament in these issues.

Mr. Fraser Kemp (Houghton and Washington, East) (Lab): My hon. Friend raises an important point about cross-national co-operation. I know of a case in which senior officials of a mainstream political party in a particular country were expelled for making the most appalling anti-Semitic comments. Politicians, along with everybody else, have to take responsibility for ensuring that their own parties do not entertain anti-Semitic views.

John Mann: I absolutely endorse the spirit and the detail of what my hon. Friend says. He is totally right and what he said applies to this country as much as to any other.

Professor Irwin Cotler of Canada, who is a former Justice Minister, I and others have formed an international parliamentary coalition for dealing with anti-Semitism over recent months. I am pleased to announce that we will be hosting the coalition's first international conference on anti-Semitism—it is aimed specifically at parliamentarians—in London in February 2009. I am delighted that the Foreign Office will fully support this vital conference; I am working with it to ensure success. Members will be invited fully to participate in that conference.

My final point is that our cross-party work and the effective response to it from the Government are having an impact on civil society. In a Westminster Hall debate last year, I highlighted good practice in the world of football. I am pleased to report that, following a conference on tackling anti-Semitism and Islamophobia in the football world, a significant initiative has been made that will bring about further progress. It involves the

[John Mann]

Football Association, which has taken the lead, the premier league and the Football League. Practical action is a real possibility in the next year or two and it may well provide a moral example to others in sport and beyond it. In other words, community and social institutions, along with Parliament, the political parties and the Government, are taking a lead in tackling the dangers of anti-Semitism. I highly commend that work and activity to all hon. Members.

1.18 pm

Mr. Tim Boswell (Daventry) (Con): The debate is timely and appropriate and I begin by paying tribute to the chair of the all-party group, the hon. Member for Bassetlaw (John Mann), for taking the lead on this important matter. There may be grounds for satisfaction, but no room for complacency or self-satisfaction, in respect of what has happened so far. That applies in two respects. First, the House will know that I was involved in the all-party study that took place under the auspices of the all-party group. It was a group of tolerant, well-meaning people and democrats coming together to ask whether there were any problems in this area and, if so, to confront them openly, discuss them and submit them for mitigation and solution rather than pretend that they did not exist.

That was important, but, although I do not often pay tribute to the Government, it is equally important to acknowledge their role. I have no material complaint to make about the response that they published this week. It was a considerable achievement to form a departmental coalition involving 10 Departments and to create Whitehall machinery to take the agenda forward. The first fruits of that have been seen mainly in the Home Office, policing and the Crown Prosecution Service, in the shape of decisions that have already been mentioned this afternoon. It all looks very promising, although, as the Minister has conceded, there is much more work to be done. The difficulty lies in moving the focus from overt expressions of anti-Semitic hatred such as those referred to, sadly, only this week in the Chamber, and attacks on individuals—those being the most horrible but also the most salient examples, and thus the easiest to deal with—to the much more complicated area of diffuse anti-Semitism, which involves cultural factors. Nothing is necessarily scored or even said in public, but the effects can be just as corrosive, or even more damaging.

I join others in commending the work done on the British agenda and I advise the Minister to work with the Minister for Lifelong Learning, Further and Higher Education to ensure that that Department—in which I used to serve—takes seriously the issue of discrimination in higher education. That period of people's lives, which is of interest to us all, should be a delight and an ornament, and it is extremely distressing if it is turned into corrupted goods.

I recall that at an early meeting with Universities UK—partly because the evidence is diffuse, anecdotal and difficult to tie down to specific instances, and partly because the academic world looks for certainty and clarity—there were some reservations about what was going on, but I think everyone understands now that there is something of a problem, and is prepared to tackle it. I pay tribute to the vice-chancellors for responding. They do have codes; the question is whether they are sufficiently sensitive to pick up what is going on beneath the surface.

The second issue that I want to raise, in a measured way, is the rise of the British National party. I do not suggest for a moment that everything the BNP says is anti-Semitic—its members are rather careful to avoid that—or that it should be proscribed. As a general rule, I do not like the proscription of democratic parties: I think it better to allow the public expression of views. However, it concerns me that, whatever may have happened historically, we are now seeing a dispersal of that effort into different parts of the world. If the BNP can reach small towns in the middle of Northamptonshire like Daventry, stand in wards with relatively high deprivation and, while not defeating the sitting Conservative councillor—of whom, incidentally, I am very proud—succeed in coming second and pushing the Labour party into third place, that should concern all of us, and we should work with *Searchlight* and others to ensure that we are briefed and alert.

I do not want to suggest that the home picture is negative. During my visit to the Netherlands last month, I became aware of the work of the Anne Frank Trust prison project in the United Kingdom. I wrote to the governors of all three of the penal establishments in my constituency following my return, and was encouraged by the fact that they all responded positively. That is an example of the work that we ourselves must do beneath the surface to change attitudes.

I visited the Netherlands on behalf of the all-party parliamentary group against anti-Semitism, but with funding from the Minister's Department, for which I was grateful because I felt that the visit was entirely worth while. I went to Amsterdam and The Hague. It was fascinating and, I hope, educational to observe the subtle differences between close neighbours and friends, which are always worth picking up. The first thing that I noticed about the Netherlands was that, because of its history of occupation and the holocaust and the specific circumstances of Anne Frank, it functions as a kind of national trustee for the memory of Anne Frank and of what happened on that dreadful occasion. No one who has ever visited that house, as I did, is likely to be left unchanged.

The population of Netherlands is roughly a quarter of the size of the population of the United Kingdom. As a direct consequence of the holocaust, it has a very small Jewish population: 30,000, compared with a conventional estimate of 300,000 in the United Kingdom Conversely—this relates to concern in the country about inter-community tensions, which extend beyond anti-Semitism—it has a Muslim population of 1 million, half the size of the British Muslim population. A danger arises from those two factors. Although there is a degree of restraint in public debate, some tensions may be suppressed, and the result may be a release of pressure through violence. There have been two notorious political assassinations in the Netherlands, which is extremely disturbing.

I want to say something about the good work that I saw being done by the founders of the Anne Frank House in relation to education and school resources. The house—the museum—speaks for itself, but there is a particularly good room where a set of moral choices are put to children and other visitors. That is quite

demanding, and something that I think we could emulate. I also visited the Centre for Information and Documentation on Israel. I suppose that the nearest equivalent here is the Community Security Trust. We studied not only what the centre was saying about the security situation, but the inter-faith co-operation that it was actively promoting in cities such as Rotterdam, which has a large Islamic population and where there is a clear potential for tension. I also commend to the Minister the material produced—helpfully, in English—by the Dutch counterpart of his Department on its community cohesion plan. It is excellent and very readable, and I hope that officials here will study it.

All those tensions, and the need to resolve them, will become more critical in the event of a systematic slowing of the world economy. Deprivation and setbacks lead to a sense of victimisation and a wish to take it out on others.

Like some other European systems, the Dutch system does not have a structure involving all-party groups to which we could relate directly, so we may not be able to set up quite the same kind of inquiry, although when Dutch parliamentarians visited the House this morning we talked to them about what we have been doing. That is why the international initiative led by the hon. Member for Bassetlaw is so important: it can involve all Parliaments.

I believe that we should be less worried by those who admit to their problems than by those who push them under the carpet. Some time ago I visited the European Parliament, again with the hon. Member for Bassetlaw, and I remember vividly a conversation with a legislator from one of the Baltic states. When I asked "What is the position with anti-Semitism in your country?", the answer was "It is not a problem for us." I do not know whether that was naivety or disingenuousness, and in a sense I do not care, for both are equally concerning.

Many things that we do in this place are one-offs. We produce a report, a press release is issued, and we all move on to the next business. The business of anti-Semitism, however, is a process. It involves many partners as well as the Government, and many interests over and above those of Jewish organisations. We ought to remember the wise words of the Chief Rabbi, who pointed out on Monday that anti-Semitism never stops with the Jews, but always proceeds to other kinds of intolerance. While in no sense denying the uniqueness of the holocaust as an historical event and while also being absolutely supportive of all the efforts the Government, the Holocaust Educational Trust and others are making to keep its memory and the lessons to be learned from it alive, we need to remember collectively that intolerance and hatred are indivisible evils—and we, as democrats, should fight them, because, for us, tolerance is indivisible as well.

1.30 pm

Barbara Keeley (Worsley) (Lab): I am very pleased to be called to speak in this important topical debate.

The publication of the Government's "One year on progress report" gives us the chance to reflect on how far we have come, and also on what still needs to be done. The report shows a commitment to making genuine progress in tackling anti-Semitism, particularly in the areas of hate crime prosecutions, universities and internet hate. It also highlights that the Government are taking this subject seriously and tackling anti-Semitism head-on; I also think their cross-departmental working is particularly important.

I spoke from a regional perspective when Parliament last debated this subject in July last year, and I shall do so again today, as Greater Manchester was a geographically important part of the initial inquiry because it has the second largest Jewish population in the country—about 30,000. About a quarter of that population live in Salford, the local authority for my constituency.

In last year's debate, I touched on figures compiled by the Community Security Trust on anti-Semitic incidents in 2006. The number of anti-Semitic incidents reported in Greater Manchester seemed disproportionately high compared with those for the rest of the country: Greater Manchester has 10 per cent. of the total UK Jewish population, but its 144 reported anti-Semitic incidents was 24 per cent. of the total. The 2007 figures released earlier this year show a small increase on the 2006 figures: 147 incidents, which was 27 per cent. of the total incidents in the UK. As in the previous year, some incidents reported by the Community Security Trust in Manchester were shocking. A man in north Manchester was verbally abused and had bricks thrown at his head simply because he was leaving a synagogue after his religious observance. Such incidents are deplorable.

The Greater Manchester figures could be seen as bad news when compared with the figures for the rest of the country, and in 2006 there was, in fact, a fall in anti-Semitic incidents across the rest of the country of 8 per cent. As I said in last year's debate, however, the opposite is the case: Greater Manchester police are exemplary in recording and monitoring anti-Semitic incidents and in co-operating with the Community Security Trust. Therefore, the high figure of incidents from the first year of 2006 and the slight increase in 2007 should be seen not as a sign that things are getting worse in Greater Manchester, but that more incidents are being reported. That is to be welcomed, because understanding the problem through accurate data is an important step forward.

Mr. Evans: I agree that the accurate reporting of these crimes is important—and not only in the UK, but in the rest of the world. The Council of Europe, on which I sit, produced a report last year which seemed to show that things were a lot worse in the UK than in other parts of Europe. Clearly, that is not the case. We are far more assiduous in recording these hate crimes than other European countries. Perhaps one good thing that could come out of the international conference is that we might get across to other MPs that their police forces and legal systems ought to be taking anti-Semitism far more seriously in their own countries.

Barbara Keeley: I agree with the hon. Gentleman. Not only have we in Greater Manchester got better reporting of such crimes, but, happily, we also have more prosecutions. A Jewish man was walking down a road in north Manchester when he was verbally abused—we heard of many similar verbal abuse incidents, such as of young people going to school or of people going to and leaving their synagogue. The perpetrator was traced by the police, admitted the offence and then sentenced to rehabilitation work with the local youth offending team. I hope the example Greater Manchester police have set

[Barbara Keeley]

in working with the Jewish community and co-operating with the Community Security Trust is followed through.

In last year's debate, I also touched on school security. My right hon. Friend the Member for Rotherham (Mr. MacShane) and I visited the King David school in Manchester, which educates 1,000 pupils, many of whom we met. I reported in the earlier debate that the security measures we saw on our visit to that school were surprisingly complex, and all of it had been done on the expert advice of the Community Security Trust. Closed circuit television and fencing are, perhaps, normal in schools, but anti-shatter glass was also being used and reinforced walls were required, as well as security guards and a security rota of parents. There were regular bomb drills, too, as well as the usual fire drills. These security measures were, at the time of our visit, being funded by the parents. My right hon. Friend and I thought it shocking that such security measures were necessary just because of the religious faith of the pupils. The move forward on support for the security of Jewish schools is very important; that is one of the key recommendations of the inquiry, and it is great that progress has been made.

I am pleased that my hon. Friend the Minister for Schools and Learners made it clear that schools and authorities can use their devolved capital funding for investment in security equipment of the sort that we saw at King David school. That pledge is crucial because many schools, such as King David, require them. It is a comfort to parents to know that they have them, but the funding question is key. It is important to follow-up on that. It has been a good move to say that schools can fund such equipment. I know that my hon. Friend the Member for Bassetlaw (John Mann) has written to every local authority with Jewish state schools, but I also know that he has not received responses from many of them. I suggest that the Department for Children, Schools and Families should take further action. It should now request that local authorities make formal responses on the action taken as a result of the letter. We need to make sure that across the country appropriate levels of funding are both available and being used to meet school security needs. The Department, the all-party group against anti-Semitism and the Community Security Trust need to look at that from time to time to ensure proper delivery. I hope that the progress made so far can be continued, and that Ministers working on this will periodically report back to us.

The original inquiry also concluded that there were other ways for schools to tackle anti-Semitism more generally. I seem to be the only Member who has spoken who has not managed to go on one of the Lessons From Auschwitz programme trips with the Holocaust Educational Trust, but I intend to do so, and it is clear from talking to colleagues that that is a life-changing experience. Pupils at Bridgewater school in my constituency benefited from the programme in November. It is very important that we continue to educate young people about the holocaust, and I welcome the Government's commitment to the programme.

The inquiry also identified that community cohesion and understanding can be further nurtured by forming strong links between schools of all faiths; that is key, too. The year-on report commits the Government to extending the work of the Schools Linking Network, with the provision of funding for that; that is also key. I hope that that and other programmes can be further extended, along with continued commitment to the Lessons From Auschwitz programme.

These commitments must be combined with cross-government measures to tackle anti-Semitism in universities. I hope that much more progress on that can be made over the next 12 months. It is fine tackling these issues at school, but it is equally problematic if things are difficult for large numbers of Jewish students when they move on to university.

Although there has been real progress in terms of the Government's response to the inquiry, as Members have said, we can never be complacent about this subject. The work of the inquiry and the all-party group provides a solid platform in the UK for tackling anti-Semitism. We reaffirm through this work the kind of society we all believe in—one that is just, democratic and tolerant. Regardless of race or religion, we are tolerant of everyone and everyone has the same worth. That is why this debate is important, and that is why the Government must continue to keep their strong focus and to build on the progress made over the past 12 months.

1.39 pm

Mark Pritchard (The Wrekin) (Con): May I begin by paying tribute to Britain's Jewish community, which has contributed to British life over many centuries? Its contribution has been immense, on many occasions setting Britain at the forefront of science, the arts, music and medicine. Be it in the 16th, 17th, 18th, 19th, 20th or 21st century, the Jewish community in the United Kingdom has made a huge contribution to our way of life and to the advancement of the social condition. Indeed, this place has a history of very distinguished Jewish parliamentarians, from Prime Minister to Back Bencher. The Jewish contribution to British parliamentary democracy and the British parliamentary system has been significant indeed.

I should like to pay my own tribute to the Holocaust Educational Trust and in particular to Karen Pollock, its chief executive, and her excellent staff—Nancy Tenenbaum and the others who work so hard. They do a vital job, and I am grateful that the Government have put in additional funding for the trust. I hope that they will keep that funding under review and if they feel that more is required, given the rising anti-Semitism in the United Kingdom, that funding will increase. The number of incidents decreased slightly last year, but as the Minister rightly mentioned, the previous figure was the highest since figures started to be recorded in 1984. There is no room for complacency, as colleagues have pointed out.

It is right that we are all reminded about anti-Semitism and the atrocities of the holocaust not only as adults, but as children in schools and as students in higher and further education facilities. However, I hope that the Government will not be tempted to legislate in respect of holocaust denial. I know that there is some debate about that, and I hope that the Minister will comment on that. Although I find it abhorrent that people should take that position, at least if people deny the holocaust in the open, that position can be countered and refuted, rather than driven underground for the lies to be peddled

from a secret location. The importance of education will continue as other influences, such as the internet, which has no borders, peddle myths about the holocaust into people's homes up and down this country. The Holocaust Education Trust's work is important not only for those reasons and for education, but because it is the right thing to do.

This issue is not just about physical attacks on individuals—reference has been made to recent attacks in north London and Manchester, where the largest Jewish community in this country live; it is also about attacks on property, verbal abuse, offensive literature and, as I have said, neo-fascist and neo-Nazi websites.

I shall discuss the media, but first I wish to ask a question: can someone be anti-Israel, but not anti-Semitic? Yes, I think so. Can someone be anti-Semitic, but pro-Israel? Probably not, and that is why the media's role is so important; they have to be neutral and non-partisan. Unfortunately, we still do not have the internal report that the BBC collated on the claims that it was biased against Israel. One might ask what Israel has got to do with anti-Semitism, but that is very relevant, because the messages that broadcast and print journalists put out about Israel have a direct impact on anti-Semitism on campuses and on the streets of London and Manchester.

My concern is that in some, but not all, parts, the BBC is still institutionally biased against Israel. If it is not, as a public corporation that is funded by British taxpayers through the licence fee and also directly through Government funding, it should make available to full public scrutiny—perhaps before the Select Committee on Culture, Media and Sport—the internal report that it commissioned. I have written to the report's author on several occasions asking for the release of that information, yet it has not been forthcoming. What has the BBC got to hide? If it has nothing to hide, it should let Parliament and the people who pay for the BBC see the report.

The music industry also has an important part to play. Over recent years, much research has been done on rap music and on hate lyrics concerning all parts of the community—for example, homophobic lyrics and violent and abusive lyrics against women in some rap music. However, very little research has been done—perhaps the Government might want to consider conducting some research in this area, in partnership with the music industry—on skinhead and neo-Nazi music, which peddles anti-Semitic messages and racist music.

Other faiths have a key part to play in curbing anti-Semitism. The Muslim Council of Britain should speak out far more. I welcome the comments that Pope Benedict made in his Cologne speech. I think that the Church of England should do more; it should speak out against anti-Semitism. Locally, I should like to praise the work of Reverend Rous, who runs Donnington Baptist church in my constituency and who does a lot of work in this area to educate young people, in particular.

In conclusion, I congratulate the state of Israel on its 60th birthday. May Israel live in peace and may British Jews live in peace. We must all fight anti-Semitism. If we do not, we are betraying the fundamental British values of freedom of speech and freedom of religion—values that we abandon at our peril.

1.47 pm

Mr. Andrew Dismore (Hendon) (Lab): I have the honour of representing the constituency that has the highest proportion of Jewish people in the country; one in every five of my constituents is Jewish. I think that my constituency has more synagogues than any other, and they represent every strand of Jewish faith. There is none to which I cannot go, not being a Jew myself, which means that I can get a full flavour of the different parts and ceremonies of the different faiths. More importantly, I get the opportunity to speak to many different people from the Jewish community.

My constituency has more Jewish schools than any other—it has five primaries, one big secondary school on a split site and a number of private schools—and dozens of charities, non-governmental organisations, societies, care homes and businesses. The uniting factor is that none has name plates, signs or boards outside advertising what or who it is, and we must ask why that is. It surprised me when I was first elected and I was going round trying to find those places to visit them. It slowly dawned on me that the real problem was the fear in which the Jewish community lives. Things that we take for granted as non-Jews, they can never do.

In the past 10 days, I have attended six major functions organised for the Jewish community, all of which opened their doors an hour early. Why did they do that? They did so in order that people could trail through the enormous security measures that have to be taken. Luckily, I can usually jump the queue, although that was not the case at one of the functions. Such measures include X-ray searches and bag inspections, the locations not being announced in advance for fear of what might happen and secrecy about who may be turning up, particularly if the guest is high-profile. The exception to that occurred last week, when the Prime Minister proudly announced to the House, in response to my question on the subject, that he was going to finish what he was doing and go on that night to the 60th anniversary of Israel event. I understand that he sent his security people into a bit of a spin.

The threat and reality of anti-Semitism is with us. We are talking not only about Islamic extremists, but about the far right, as has been mentioned, and sometimes about plain nutcases. Jewish people are the only community in our country who live in a permanent state of siege and underlying fear. Looking at it from the outside, I really started to appreciate the mentality of people who are permanently worried and looking over their shoulder. The Chief Rabbi tells a story, which he repeated earlier this week, about the telegram that is sent to a Jewish family from a relative from afar stating, "Start worrying. Details to follow." That may be a joke, but unfortunately it represents the fear that some people experience.

I have learnt about that myself, because although I am not Jewish, I am targeted because I am seen as someone who stands up for the Jewish community. I have had hate mail and death threats. I have been on the receiving end of action by the Muslim Public Affairs Committee, which has campaigned against me in my constituency because of my support for Jewish people. So I sympathise with what Jewish people experience, although I can never directly experience it myself.

The local police are effective in dealing with the problem. They work closely with the safer neighbourhood teams, which align their patrols in Jewish wards with

[Mr. Andrew Dismore]

Shabbat, and with the Community Security Trust. They also have third-party reporting initiatives. In 2006-07, 57 hate crimes were reported in my borough, and 50 were reported last year. So far this year, the number appears to be slightly up. I hope that when hate crimes are recorded nationally from next year, we will have separate recording of anti-Semitic incidents. I suspect that the hate crimes in my constituency were mainly anti-Semitic, but we cannot be sure without the statistics being broken down into greater detail. I hope that my hon. Friend the Minister will be able to tell us about that when he replies to the debate.

The Community Security Trust is based in my constituency and I am a member of its advisory board. I was pleased that the Home Secretary accepted my invitation to visit it recently to congratulate it on its performance of its enormous task and to hear more about its work. It supports 1,000 events a year with 3,000 trained, unpaid volunteers and 55 full-time staff. It monitors anti-Semitic groups and organisations, and advises the Government and the police, and more importantly, it provides training courses and is there when it is needed. It also carries out statistical analysis, as we have heard.

I wish to focus on school security. The Government have said that capital expenditure allocations can be used for security, but I have real doubts about whether that is happening, because the money is not ring-fenced and can be allocated only within the existing devolved budgets. I spoke to the acting education officer in my borough and he told me that no money had been directly allocated for security by Barnet so far. The fact remains that in north London, the CST has recorded many examples of hostile reconnaissance at school sites, including the photographing and filming of schools, note-taking on the perimeters, and examples of trespassing and other attempts to get on to the sites. Schools are sent anti-Semitic literature and subjected to abusive phone calls, stones thrown through windows and anti-Semitic graffiti. At a primary school in my constituency, a suitcase was found chained to a lamppost outside. The building had to be evacuated and a controlled explosion carried out. I visit schools all the time, and the students—from the little kids to sixth formers—tell me time and again about the anti-Semitic incidents that they experience, whether on the 240 bus or on the way to school.

The money allocated for capital is welcome. The bursar of the Menorah foundation school wrote to me to say:

> "I was delighted to hear that the government has announced that help will be available to Jewish schools".

However, she made it clear that the real problem was the revenue funding for day-to-day security. Last year, Menorah spent more than £20,000 on the employment of security guards. I phoned Rosh Pinah this morning, and it spent £15,000 on new alarms and a similar sum on security guards. Mathilda Marks Kennedy school reports similar figures. The Independent Jewish day school spends £18,000 a year on guards and Hasmonean junior school spends £19,500. This is a serious problem. We heard the debate a while ago about school admissions and schools charging parents to allow their children to attend. It is a voluntary contribution, but Jewish parents are expected to pay towards the cost of ensuring that their children are secure at school. At Menorah, the security element is £300 a year; for Rosh Pinar it is £200, for Mathilda Marks Kennedy £240 and for Hasmonean £105. It is not fair that parents are expected to pay for what every other parent takes for granted—the security and safety of their children when they go to school.

The secondary school in my constituency, Hasmonean, has to spend £90,000 on security guards every year. The head teacher wrote to me saying:

> "The school has been given clear guidelines that we cannot allow students on site without comprehensive security measures."

He sets out a list of precautions that, for obvious reasons, I shall not detail. The letter continues:

> "Given that these measures are an absolute requirement in order to be able to ensure the safety of our students it is the view of the school that it is unacceptable that the financial burden is borne by the school. Surely in today's society the students have a right to be educated in safety and it is incumbent on the government to be responsible for ensuring this basic need."

I very much agree. The capital has been made available in theory, but in practice it has not been filtering through. We need to do far more and ensure that we address the issue of revenue spending, which is the lion's share and takes tens of thousands of pounds out of the schools' budgets, supported by voluntary contributions from the parents. I hope that my hon. Friend the Minister can give us some reassurances on that point.

Reference has been made to the Holocaust Educational Trust. There has been some confusion in the debate, with people praising the Holocaust Memorial Day Trust for work that the HET does and vice versa, but the two do very different jobs. The Holocaust Memorial Day Trust is very important, and indeed, Holocaust memorial day came into existence partly because of the campaign I ran in the House after a visit to Auschwitz with the HET, so there is a link. Both organisations do extremely important work, and I hope that my hon. Friend will recognise that when he replies to the debate.

The issue of universities has been mentioned. The students and sixth formers in my constituency who go to university have started to select where they should go by how frightened they might be when they get there. Some campuses—I shall not name names—have a reputation for active anti-Semitism that the university authorities do nothing about. Indeed, I have had complaints from students at some universities that they are required to sit their exams on Shabbat because the university will not make special arrangements for them to do otherwise. I take such complaints up with the vice-chancellor or principal concerned and sometimes we can get that changed. It is not fair and it discriminates against students, and is therefore a form of anti-Semitism.

Finally, I wish to highlight my concerns about the activities of the Muslim Public Affairs Committee, which I mentioned earlier. One of its purposes, to persuade young British Muslims to vote, is laudable. However, that message hides a vehemently anti-Semitic organisation with extremist views. It has no offices or fixed premises, and exists as a website. It is not a charitable organisation, listed company or political party, and it should perhaps be registered by the Electoral Commission.

The MPAC continually vilifies those whom it believes to be supporters of Zionism. In the last general election, it mounted a vitriolic campaign against my right hon.

Friend the Lord Chancellor. It also targeted Lorna Fitzsimons and claims credit for de-seating her, having described her in leaflets as

"a Jewish member of the Labour Friends of Israel".

She is not Jewish, but it libelled—if that is the right word—her in that way. Personally, I would not take it as a libel to be called Jewish, but MPAC claims it had an effect on her electoral prospects. My hon. Friend the Member for Ilford, South (Mike Gapes) has been described in MPAC literature as a

"fat, smug and gloating racist...vile racist child killer...filthy blood-soaked criminal".

That type of language conjures up images of the anti-Semitic myth of the blood libel.

We have to expose the activities of those people, who are trying to target Members of Parliament for standing up for Jewish constituents. That cannot be right. I have also been on the receiving end of such stuff. MPAC talks about the "Zionist cabal" instead of the "Jewish cabal" to try to pretend that it is not anti-Semitic, but the message is clear. They want people who stand up for Jewish people not to be Members of this House. I hope that we will stand united against their activities and that the Government will take action in that regard.

I am proud to represent the wonderful and vibrant Jewish community in my constituency, but it has this serious problem. Anti-Semitism has been a light sleeper and it is starting to awaken. We have had attacks on cemeteries and schoolchildren, which generate fear. We have to recognise that something has to be done. The all-party group report is a good start, but a lot more must follow.

1.59 pm

Mr. Simon Burns (West Chelmsford) (Con): I do not intend to detain the House for long, but I should like to make the point that there is something deeply depressing about the fact that, in the 21st century, there is still unwarranted prejudice and hatred across our society that affects a variety of lifestyles, religions and genders. We have seen some considerable improvements in recent years. However, as many hon. Members who have spoken in the debate have made clear, the depth of anti-Semitism within certain parts of our society is unacceptable and unforgivable.

I believe that the important way forward is through education. There is now a generation of children for whom the second world war and the atrocities of the Nazi regime are but a very distant footnote in history. Only by bringing to their attention the sheer scale and horror of what went on between 1933 and 1945 can we remind people and educate some people from birth of those horrors and take action to seek to minimise the opportunity for such hatred to continue to be perpetuated. In that respect, I pay tremendous tribute to the Holocaust Educational Trust.

Like many other hon. Members, I have been fortunate enough to visit Auschwitz-Birkenau with the trust and three of the schools in my constituency—Boswells school, New Hall and Chelmer Valley—and I have to say as an adult that I found it one of the most harrowing and moving days of my life. For the young people whom I accompanied, it was even more distressing and harrowing because of their age, and it brought home to them the sheer horror of mankind's cruelty to man, woman and child. That is the most effective way to make the case for doing all that we can to remove, reduce and minimise anti-Semitism and the hatred of the Jewish faith and race.

It is just inconceivable that one group of human beings could treat another in such a disgusting way. So I am pleased about the funding and the efforts that the trust receives from the Government, so that it can continue its vital work. Its work must continue to ensure for our generation of children and the next generation of children that the sheer horror of anti-Semitism at its rawest and most disgraceful is brought home to everyone.

2.2 pm

Mr. Dhanda: I have been somewhat sacrificed for the sake of Back Benchers in today's debate, but perhaps in some ways that is not such a bad thing, bearing in mind that so much of the work that we have talked about is a consequence of the all-party group's work on anti-Semitism.

I will try to respond to a few of the questions that I was asked and some of the comments that were made during the debate. First, the hon. Member for Wycombe (Mr. Goodman) said that he would like a debate on Islamophobia to be held in the Chamber. Personally, I would welcome such a debate; there is a synergy in the discussions. He also mentioned Hizb ut-Tahrir. I had one of those dubious pleasures that come up in life when I received a phone call saying, "The Department would like you to do a piece for 'Panorama' on Hizb ut-Tahrir"—something that is quite a frightening experience, to say the least. It gave me the opportunity to study the issue in depth. Although I find that group's views abhorrent, the Association of Chief Police Officers has a point when it says that we must tread very carefully when we proscribe groups. Let us face it: we must keep these things under review, and if the evidence exists to proscribe them, we should do so. However, if there is a danger that we might fail to do so or if such things went to judicial review, we would give those groups a recruiting sergeant, which is the last thing that we would wish to do. Very many ex-members of those groups are now saying that those groups are abhorrent but that we can beat them by the power of argument. I agree with that.

The hon. Member for Carshalton and Wallington (Tom Brake) said that, unfortunately, anti-Semitism issues are alive and well in the leafy suburbs of Surrey, as much as anywhere else.

My hon. Friend the Member for Bassetlaw (John Mann) handed me a copy of abhorrent graffiti that he has seen in London—we have seen it elsewhere—but I know that he will agree that, when it talks about jihad and the Jewish community, it is not representative of the views of the vast majority of Muslim people in this country who are equally appalled by such graffiti. He also made an interesting point about the role of the premier league and the Football League and the possibilities of role models doing far more to help us to tackle anti-Semitism. That is certainly something that he is on to, and the Football Foundation has approached me about it as well, because it would like to do much more about it.

The hon. Member for Daventry (Mr. Boswell) made a considered and cogent speech in which he talked about the experience of our colleagues in the Netherlands. I

[Mr. Dhanda]

have been fortunate enough to meet our counterparts in Holland and Sweden, where some great work is going on. We can learn from that work, a lot of which focuses on talking to their different community groups, whether they are Jewish or Muslim, and wherever they are from, and saying, "Actually, you're Dutch" or "You're Swedish." In the same way, we must make the point that the people who live here are British and that they should be proud to be British.

As the Minister with responsibility for community cohesion, I sometimes ask myself whether I am the right person to be doing this job, bearing in mind that my parents are from India, that I was born in the west midlands, that I represent Gloucester and support Liverpool football club in the north-west and that I unashamedly failed the Norman Tebbit cricket test by supporting India against England at cricket—but perhaps that is representative of what it means to be British in the here and now.

My hon. Friend the Member for Worsley (Barbara Keeley) made a very good point about youth offending teams. This is not just about finding people who do bad things and prosecuting them, although that is important, but about making them aware of the error of their ways.

The hon. Member for The Wrekin (Mark Pritchard) made the point about holocaust denial—a very fair point as well.

It being one and a half hours after the commencement of the proceedings, the motion lapsed, without Question put, pursuant to the Temporary Standing Order (Topical debates).

John Mann (Bassetlaw) (Lab): On a point of order, Madam Deputy Speaker. In an earlier exchange, the Opposition Chief Whip stated that two questions during business questions were planted. Normally, I would regard that as political tittle-tattle. However, planting the questions, one of which was from me, would have entailed a major breach of parliamentary privilege, because the report that was referred to was available to Members only from 11 o'clock. Therefore, the right hon. Member for West Derbyshire (Mr. McLoughlin) made an allegation of a major breach of parliamentary privilege. The allegation in relation to me is entirely untrue, and I seek your advice about a Member alleging a major breach of privilege in that way, which is untrue, and what should be done about it.

Madam Deputy Speaker: Mr. Speaker dealt earlier with a point of order from the Opposition Chief Whip, as the hon. Gentleman says, and I will therefore refer the matter to Mr. Speaker for his consideration.

Mark Pritchard (The Wrekin) (Con): On a point of order, Madam Deputy Speaker. In an earlier ruling, Mr. Speaker reminded the House of the importance in the majority of cases of giving notice and advising Members when they are going to be mentioned in the Chamber. I understand that the hon. Member for Bassetlaw (John Mann) was present in the Chamber when Mr. Speaker gave that ruling, so I am rather surprised that he has forgotten so quickly Mr. Speaker's clear ruling on the matter.

Madam Deputy Speaker: The hon. Gentleman's comments are on the record, and they will be part and parcel of the matter placed before Mr. Speaker for his consideration.

Public Accounts

2.9 pm

Mr. Edward Leigh (Gainsborough) (Con): I beg to move,

That this House takes note of the 41st and the 42nd and the 46th to the 65th Reports of the Committee of Public Accounts of Session 2006-07, and of the Treasury Minutes on these Reports (Cm 7275, 7276 and 7322); and of the 1st to the 4th, the 6th and the 9th to the 13th Reports of the Committee of Session 2007-08, and of the Treasury Minutes on these Reports (Cm 7323 and 7364).

It is a pleasure to open this debate. I will never tire of extolling to Members the importance of these bi-annual opportunities to address the issues raised by the Public Accounts Committee's scrutiny of the spending of more than £800 billion-worth of public money. As the Committee's 45th Chairman, I was proud to mark the Committee's 150th anniversary last autumn. At the event, I noted that two former Chairmen had fallen prey to the assassin's knife; I hope that my speech today does not give the Exchequer Secretary to the Treasury any wayward thoughts.

The Exchequer Secretary to the Treasury (Angela Eagle): May I reassure the hon. Gentleman that thoughts of assassin's knives have never been further from my mind? He has absolutely no worries on that score.

Mr. Leigh: That is very reassuring. On these occasions, it is tempting to recite from our canon of reports a litany of Government failures, sugaring the medicine with the occasional acknowledgement of hard-won success. I want to focus on three themes arising from the reports referred to in the motion—themes that reach the core of not just the Committee's work, but its very purpose.

I hope that hon. Members will recognise that the Committee seeks to protect the public's interests in public spending—that is what we are there for—but the public are not just providers of ready money to Her Majesty's Government: their interest goes beyond the question of how efficiently taxes are collected and spent, important though that question is. The Committee seeks to represent the taxpayers' interests in the efficiency and productivity of public services, but we recognise that taxpayers are also patients, parents and pensioners. Many of those "consumers" are those with the least voice and yet the greatest vulnerability. Alone, they are small citizens faced with a large state.

Obviously, the public—whether as taxpayer or consumer—benefit most from the Committee's activities when we have most impact. There is power in our bark, hard and even horrible though it may be to some witnesses at our hearings. There is power in our bite, too—the power of our recommendations to lead to savings for the taxpayer and better services for the consumer. I want to use this opportunity to highlight several such bites.

Recent reports have shown both light and shadow in the way in which vulnerable consumers are treated by public services. There is a clear need for the Government to design services around the needs of citizens, not the convenience of those who deliver them. For instance, our 12th report examined the compensation scheme for former miners suffering from work-related lung disease and hand injuries. The early stages of the implementation of the two schemes were seriously mismanaged. Many of those claiming were elderly and ill, and in no position to wait 10 years or more for compensation, as some did. Some claimants died while they were waiting.

I welcome the fact that money has now come through to many claimants, but the scheme's failings offer a clear example of the human suffering that was a consequence of poor planning at the start of a project. The taxpayer, too, has taken a big hit. The cost merely of administering the schemes is expected to total nearly £2.3 billion, not least because the relevant Department's negotiation of solicitors' fees was weak. I do not hesitate to say that some solicitors engaged in what I can only term profiteering.

Solicitors also featured not too creditably in our report on legal aid and mediation for people involved in family breakdown. In one third of cases, solicitors did not advise their clients that professional mediation was an option, yet mediation is often a swifter, less acrimonious path—and it is, of course, cheaper. That is not to ignore the wider social problems that family breakdown creates, but we should never forget that it is children who are the most vulnerable party, and they warrant special consideration. Even when the mediation path is taken, children are not routinely consulted.

Our work also illuminates neglected or unfashionable issues. To my great pride, we have raised greatly the profile of hospital-acquired infection and stroke care. The Committee has played an important role in bringing those issues way up the political agenda. This year, we want to do the same for dementia, one of the last great taboo subjects. We tackled it in a report this year. It affects more than half a million people in England and costs some £14 billion a year. The number of cases is predicted to soar by more than 30 per cent. in the next 30 years, yet dementia remains relatively neglected by health and social care services.

If the NHS is to discharge its duty of care to the vulnerable and those without a voice, awareness is key. Too often both the public and professionals believe that little can be done to help sufferers. Many general practitioners lack the knowledge to make a formal diagnosis of dementia. Often a diagnosis is not early enough and specialist care is not available. As a result, carers—usually family members—bear a heavy burden and play a vital role, saving the taxpayer many millions of pounds by caring for relatives with dementia at home. They need and deserve better support. In my view, dementia must be given the same priority that is accorded to cancer and coronary heart disease. Like those conditions, it should be given a single leader within the Department of Health with the power to drive through improvements in diagnosis, treatment and care.

Such reports have highlighted how Government can better serve the citizen as consumer. We have also championed the needs of the citizen as taxpayer. Spring may finally have arrived—well, not today, perhaps—but the economic climate has become distinctly chilly since our last debate. In the Budget, the Government said that they had exceeded their target of more than £21 billion in efficiency savings, and announced an even more ambitious savings target of £30 billion by 2010-11. That is all very interesting. The issue is now at the centre of political debate. Undoubtedly, as the major political parties have come closer together in ideology, ever more

[Mr. Leigh]

focus is put on efficiency savings and how much benefit they can deliver for the taxpayer. In that sense, our Committee is at the heart of political debate.

The Government say that they want to save £30 billion by 2010-11: just think what we could deliver with that amount. But how solid are any of the savings made? Our 48th report cast doubt on the reliability of nearly three quarters of the efficiency savings achieved. Smoke and mirrors are the last things that we need. Efficiency savings are nothing if they do not free up hard cash or improve delivery. We made a number of recommendations on the subject in our 48th report. For instance, we noted that

"There is evidence that some efficiency projects may be having an adverse impact on service quality. The Department of Health, for example, claims efficiencies through patients spending less time in hospital despite the rate of readmissions rising.

We pointed out that

"Improvements in efficiency may not be sustainable. Some projects, such as the Ministry of Defence's early decommissioning of some of its fast jets have achieved one-off financial savings rather than improving efficiency for the long term."

I suppose that that very detailed work might be considered anorak territory, but it is vital that we have well-informed debate in the Chamber about what is going on, and I think that we can illuminate the debate.

Mr. Nigel Evans (Ribble Valley) (Con): Some efficiency savings are hard to calculate. For instance, the closure of some of our embassies or high commissions across the world may, on paper, seem to save us money, but we could lose trade and investment in the United Kingdom as a result.

Mr. Leigh: Yes. We all have a personal view on our embassies and high commissions. I often think that those historical buildings, right in the centre of town, achieve so much more for this country, in terms of trade, prestige and contacts, than would be achieved by closing them. Often, as with the Dublin embassy—an issue on which our Committee reported—nothing is achieved by getting rid of the building, anyway.

We have some important things to say. I am pleased to say that the Treasury has listened and sought to improve measurements of savings. We have achieved something—

Andrew Mackinlay (Thurrock) (Lab): I hesitate to intervene on the subject of the UK ambassador's residence in Dublin, but as a member of the Foreign Affairs Committee I am frustrated about a monumental screw-up by senior officials who then are preferred in the honours system—one of them made the House of Lords. It seems that the biggest screw-ups get the biggest rewards in this country. Why do we not sack people who are responsible for malfeasance and irresponsibility? I shall answer my own question: it is because there is a cosy carve-up—

Madam Deputy Speaker (Sylvia Heal): Order. Interventions are to be brief, and we are discussing the Public Accounts Committee's reports.

Mr. Leigh: That was a good intervention. There is a tradition in our civil service. We never interview Ministers. Our witnesses are only senior civil servants, particularly Permanent Secretaries, and we often make the point that nobody is ever sacked. But things are changing a little. In the case of one or two people whose appearances in front of the Public Accounts Committee were poor—without going into detail; I do not want to become personal about it—their careers have been seriously compromised. The culture is changing and we are making progress.

I was saying that the Treasury has made some progress in the measurements of savings, and I give credit to it. All this sounds basic, but savings claims are now required to take account of costs incurred, which they did not originally—a fairly obvious point. I also firmly support the proposal for the National Audit Office to review value for money savings Department by Department. I note that the Government intend to look at all major areas of public spending to identify scope to improve value for money. All this is good stuff. A good start would be to examine the back catalogue of the Committee. We spend years looking into such matters, and we have a real contribution to make.

Spending taxpayers' money is what Government do, but we know that spending money is the easiest thing in the world: getting something for it is harder. Government spending on the NHS has nearly trebled over the past 10 years—we want to give them credit for that—and is set to grow still further. Where there has been such an increase in Government spending, it is important to look carefully at productivity.

It is not for me to question the level of spending, but I am entitled to voice my suspicion, based on several of our reports, that we are not getting enough bangs for that barrage of bucks. It is lazy thinking to increase spending rapidly on a service, point to more doctors, nurses and operations—I agree that there are more doctors, nurses and operations—and not to insist at the same time on maintaining improvements in productivity and efficiency, so that we pay back to the taxpayer who has contributed so much more to the service real, identifiable improvements in productivity on the front line.

Let us take one example—the pay deal for NHS consultants. The aims of the consultants' deal were commendable, but so far generous pay settlements have been awarded without any increases in productivity being achieved. Consultants' pay has, on average, increased by 27 per cent., working hours have actually decreased and, as yet, measurable improvements in productivity have been notable by their absence. With GP contracts, on which we will report shortly, we found a similar picture. Pay increases of up to 56 per cent. have been accompanied by a 2.5 per cent. decrease in productivity, plus £1.7 billion-worth of extra costs. We all agree that those who work in the NHS deserve to be paid a decent wage, but those one-sided deals have produced little in return for an enormous amount of investment by the taxpayer.

Is there enough focus on making economies? In our second report on prescription drugs, we found that the NHS could save more than £800 million a year, without affecting patient care, by GPs prescribing lower cost but equally effective medicines. A further £100 million a year could be saved by reducing the amount of unused and wasted drugs. To give the NHS due credit, these are paths that it has already begun to tread, but there is still a long walk ahead.

It is not just in the NHS that money could be saved. Our examination of sustainable employment showed that some £520 million a year could be saved if the Department could only break the debilitating cycle of insecurity faced by too many unskilled jobseekers bouncing back and forth between short-term jobs and welfare.

I regret to say that our most recent look at the sorry saga of tax credits shows little sign of improvement for recipients or for taxpayers. The amount of tax credit being lost to fraud and error is still running at some £1 billion each year. The Department has accepted our recommendations on the need to set targets to reduce this, yet still no targets are in place. The system has also generated massive overpayment to claimants, £6 billion in three years, and £2.3 billion has been written off or is unlikely to be returned.

I make no criticism of the concept of tax credits, and it may indeed be the right thing to do, but we are entitled to look at how efficiently the scheme is being carried out. About 2 million families a year have been placed in debt to the Government as HMRC seeks to recover overpayments. The vulnerable ones face a future of trying to repay the money they owe, with all the hardship that that involves. The taxpayer, in all guises, has been let down.

The Government's response on tax credits is the one glaring omission from the Treasury minutes before us. I understand that the response will appear in June, which is more than four months since our report appeared. I am sure that the Minister, twice a member of our Committee, will recognise that that is not good enough, and I ask her to see that the delay grows no longer. If the Treasury cannot provide its own responses on time, it is hardly setting an example for the rest of Whitehall to follow. I trust that the eight-week deadline will be adhered to from now on. I thought we had an agreement with the Treasury that in order to make our reports and its response reasonably topical, there would be an eight-week deadline for the Government to reply.

Let us turn aside from that sorry tale. I am proud to be able to say that our previous recommendations are now bearing fruit. In 2007, we identified potential annual savings of £500 million from better use across the public sector of external consultants. The Office of Government Commerce has launched a new programme to improve the value for money of spending on consultants. Several Committee and NAO reports on HMRC issues such as fraud, self-assessment and debt management led to savings last year of £200 million. Already, our report on prescription drugs is having an impact. I welcome the recent announcement by the Department of Health, in response to our recommendation, that it will commission research into the scale of medicines wastage and why people do not take their medicines.

Our criticism is intended to be constructive. Government action is always necessary to deliver our recommendations. We rely completely on the Government. In that respect, as in others, our Committee is truly non-partisan. Change could be accelerated and spread more swiftly across Government, but what we have already achieved is testament to the positive value of public accountability. Money is saved and services are improved by our activities, and by our working in tandem with the Treasury, which we view not as our enemies but as our allies.

We have the advantage of hindsight, of course, but hindsight also brings the foresight to do things better in the future. To paraphrase Confucius, a man who has committed a mistake and does not correct it is committing another mistake. Like Arnold Schwarzenegger in "The Terminator", Departments should know that we will be back, and not just on tax credits. We have looked on a number of occasions at the dome and at the 2012 Olympics. We are about to revisit the perplexing project that is the NHS programme for IT. That is the strength of the Committee. When the Government, through the Treasury, accept our recommendations, we increasingly ask, as the Committee for the National Audit Office, to look at that acceptance and see what has happened 12 and 24 months later.

Furthermore, we are trying to get involved and have a genuine look at fashionable projects such as the academy programme. We have issued hard-hitting reports based not on ideology or whether we like academies—I know that the issue is controversial—but on what is happening on the ground. For instance, we found that literacy and numeracy levels are still too low among academy pupils and that the Department should ask successful academies to identify and disseminate good practice. We looked at cost overruns, which have been common because cost control is not robust enough and found that the Department should disseminate the lessons learned about project management and so on.

We operate from the sound base provided by the staff and skills of the National Audit Office. Everybody knows that the Committee could not do its work alone and that it works so well because 400 civil servants work for it. We do not claim much of the credit; we are simply the voice of the National Audit Office, although it also relies on us to give our own parliamentary experience of what goes on.

In that context, I must express our gratitude to Sir John Bourn, who retired as Comptroller and Auditor General in January after nearly 20 years of unstinting support for the Committee. Every member of the Committee shares that view. I also thank Sir John's successor, Tim Burr, under whose stewardship the NAO's independence and authority continue to be secure.

I am also a member of the Public Accounts Commission, the body that oversees the National Audit Office. We have welcomed John Tyner's review of the NAO's corporate governance arrangements and have set out our own proposals for strengthening them. We agree with John Tyner and I think that the Government agree with us; there is no controversy about that. I thank the Government for promising to incorporate the necessary legislative changes into the draft Constitutional Renewal Bill.

However, Mr. Burr's appointment is an interim arrangement; a permanent successor still needs to be found. Progress is not being made at the pace that I would want. I urge the Government to make a bit more haste; surely it is not good to have an acting Comptroller and Auditor General. The process of appointing a new CAG should not be unduly delayed.

In conclusion, I should say that we are not only one of the busiest Committees of the House; I also like to think that we are one of the most effective. I pay tribute to the Committee's members, who continue to work hard to hold the Government to account. I thank the hon. Member for Mid-Dorset and North Poole (Annette Brooke), who has left the Committee. I welcome the galaxy of stars who have joined: the right hon. Member for Streatham (Keith Hill) and the hon. Members for Sutton and Cheam (Mr. Burstow), for Edinburgh, South

[Mr. Leigh]

(Nigel Griffiths), for Sedgefield (Phil Wilson) and for Morecambe and Lunesdale (Geraldine Smith). As ever, we thank our Clerk, Mark Etherton, and his team for their support and help.

Finally, I should say that the Public Accounts Committee helps to give a voice to Parliament—and, through us, to the citizen—on the delivery of public services. When services fail those in greatest need, we provide a voice for the vulnerable. When inefficient spending fails those who contribute most in taxes, we provide a voice for the taxpayer. Furthermore, we serve the citizen in all guises by putting our bark and our bite into the pursuit of real change. I commend the motion to the House.

2.32 pm

Mr. Don Touhig (Islwyn) (Lab/Co-op): I welcome this debate because it is right that the House should have the opportunity to consider the reports of the Public Accounts Committee, although very few colleagues have availed themselves of that privilege today; there are probably more Members of Parliament in Crewe and Nantwich at the moment than there are in the House of Commons.

In the previous debate on a PAC report, my hon. Friend the Member for Great Grimsby (Mr. Mitchell) referred to the Committee's work as a blood sport in which members chase civil servants and attack them, spurred on by a sort of lust to kill. He is certainly right that when Departments are found to have made significant mistakes or to have misspent taxpayers' money, we are not known for our gentleness or docility. My hon. Friend has discovered the one blood sport of which I am an enthusiastic devotee.

Nevertheless, we on the Committee had an enjoyable sitting on 30 April when, much to our astonishment, we found ourselves praising the chief executive of Jobcentre Plus, Lesley Strathie, for achieving the roll-out of the organisation's office network successfully, largely on time and under budget. Such success should be seen as an example of best practice across Government, and I hope that other Departments will learn from it.

This afternoon I am going to focus my comments on one particular report among those under consideration: the sixth report of this Session. It addresses the issue of services and support for people with dementia, a matter to which our Chairman has already referred.

When health care is debated in the House, in the media and in the public arena at large, dementia services are often the elephant in the room. It is an astonishing fact that as a nation we spend more on dementia care than we do on cancer, heart disease and strokes combined, yet the national consciousness of problems associated with dementia can appear worryingly low when compared with the scale of the problem. In our Committee's sixth report, we state that dementia affects 560,000 people in England, a figure that is set to rise to 728,000 in the next 15 years. In Wales, the Alzheimer's Society estimates that the figure is 36,500, which is expected to rise to 50,000 over the same period. Faced with that problem, it is time that we as a country woke up to the urgent need to improve our dementia services.

The Committee has also raised the immensely difficult situation faced by carers. The National Audit Office, in its report on dementia services, said that some 476,000 people act as unpaid carers for people with dementia. It costs each one about £25,000 a year to provide that care. The Government have accepted that nowhere near enough of those carers receive their carer's assessment and the help to which that entitles them. I welcome the Government's response that the NHS will now address that problem through the Prime Minister's carers strategy.

The NHS has also promised a carers' helpline and specific guidelines to support carers. I hope that those measures will be in place as soon as possible. When our report was published in January, our Chairman expressed the hope that the Committee would move dementia up the NHS agenda. I join him wholeheartedly in that aspiration.

The challenge must be thrown down to the NHS—let us see it respond promptly and effectively. I am encouraged by the news that the development of the national dementia strategy is under way, with public consultation beginning in June, and that it will be published in October. There must be no delays and no slippage, and a full consultation must be completed within the given time frame.

We need to keep the National Dementia Strategy firmly in our minds over the coming months, maintaining a watchful eye to ensure that it remains a priority. It must not be allowed to disappear into the long grass, as many well-intentioned strategies are wont to do if we in the House take our eye off the ball.

In the meantime, it is imperative that, as the Committee has recommended, a single individual should be appointed to lead dementia services in the NHS as soon as possible. That has been done for cancer and coronary heart disease, and I welcome the Government's response that they are considering appointing a national clinical director to that role based on the model used for cancer services. That appointment should be made now, so that the national dementia strategy can be driven forward by the same team who led its development. It is a constant frustration to those of us who serve on the Committee that a strategy that is begun by one civil servant frequently has to be dropped and picked up by another, who has a vast job to do to learn the ropes before they can implement what their predecessor developed. Consistency of leadership enabled Jobcentre Plus to be successful and that is, again, a lesson that can be learned across government.

Clear leadership and accumulation of experience from the strategy's inception will ensure that this vital but long-neglected area of health care is rapidly improved. Obviously our first priority must be the care of those affected by dementia, but the speedy improvement of dementia services should also be a matter of great economic interest to the Treasury. Dementia already costs the economy more than £14 billion each year, and the figure is set to rise as the number of dementia sufferers also increases.

Making dementia a high priority in the Government's approach to health care is not simply about the state providing care for those who need it—a principle to which I am passionately committed. It is also an economic necessity. If dementia is diagnosed early, more can be done for the patient and the cost of the services is much lower. If time is wasted, it becomes much harder to help the patient and the cost of treatment soars. I hope that my hon. Friends on the Treasury Bench will keep up pressure on the national health service to deliver early diagnosis of dementia, both for the sake of the patient and because of the money it will save.

The most shocking fact the Committee heard on the matter is that between half and two thirds of people with dementia never receive a formal diagnosis at all, let alone an early diagnosis. Absurdly, many dementia sufferers are not diagnosed unless they go into hospital with another illness or an injury. That is a disgrace. Reversing that situation should be a high priority for the NHS.

The main obstacle preventing correct and early diagnosis is GPs' poor knowledge of dementia and lack of the training necessary to recognise it. Currently, GPs can go through their entire career without learning about dementia at all. At undergraduate level there is no compulsory medical component on dementia or older people's mental health, and little general coverage of the condition. Once qualified, there is no requirement for GPs to spend any of their continuing professional development on older people's mental health.

The situation is hardly any better for nurses. The Royal College of Nursing told the NAO that most student nurses receive between only two and five hours of teaching on older people's mental health. That is completely baffling when we are faced with a problem that is the greatest health care challenge the country will encounter now or in the coming decades. The NHS should insist on dementia training for health care professionals. Let us see that absurdity remedied as soon as possible, with a clear requirement on the NHS that all trainee doctors and nurses learn about dementia. My hon. Friend the Exchequer Secretary has a direct interest in that happening: the saving to the economy of achieving early diagnosis of dementia will benefit the whole country significantly.

The final point from the report that I want to highlight is the lack of dementia awareness in care homes. It is a sad fact that although 62 per cent. of people in care homes are thought to have dementia, only 28 per cent. of care places are registered specialist dementia places. The shortage of specialist dementia care places is a scandal, and it is a matter of which we as a country should be thoroughly ashamed. It is tantamount to neglect of some of the most vulnerable people in our society. It is a wrong that we have to put right, and I look to my Government to take the lead in that just cause.

Furthermore, two in 10 care homes do not meet the medicines management standards required of them. Neuroleptic drugs such as haloperidol and risperidone are over-used to sedate difficult patients in far too many cases, even though those drugs are known to make dementia worse—a point well made by my hon. Friend the Member for North-West Leicestershire (David Taylor) in his ten-minute rule debate only yesterday. Professor Sube Bannerjee, an adviser to the NHS on dementia, told the Committee that those caring for dementia sufferers should resort to neuroleptic drugs only after other methods of managing difficult patients had failed. The guidelines for care homes are clear, yet the Committee found that they were being disregarded in too many cases. It is time for the Government to ensure that such unacceptable and counter-productive abuse of dementia sufferers is brought to an end.

The Committee has brought the massive issue of dementia before Parliament, and I hope that the changes advocated in the report will be introduced as speedily as possible. I cannot over-emphasise the impact of dementia on our national life. It must become a priority for the national health service, and it is up to Members of the House to ensure that the Government and the NHS make it a priority.

2.43 pm

Dr. John Pugh (Southport) (LD): I rise as a bit-part player in our Treasury team and also as a member of the PAC. In preparing for the debate I thumbed through the whole back catalogue of PAC reports, and was struck by the analogy between the Committee and an ageing pop supergroup. As with many groups that show longevity and staying power, the membership changes although certain key core figures remain—rather like the Drifters. The distinctive sound and character of the group survive despite the departure of some and the arrival of others who are usually destined to play minor, supportive and not so well recognised roles. The PAC even has its own fan base. We invariably fill Committee Room 15 with our groupies, and we feature in *Private Eye*.

Like any other supergroup, we require extensive back-up staff to put the show on the road, in the shape of the National Audit Office, the clerking team, the press officer and the excellent Mark Etherton, who plays the Brian Epstein impresario role. We have our own front man in the shape of the hon. Member for Gainsborough (Mr. Leigh), known for his forthright, punchy delivery and wild, flowing locks; the incisive tones of the hon. Member for South Norfolk (Mr. Bacon); the accusatory Welsh lilt of the right hon. Member for Islwyn (Mr. Touhig); and the uncompromising sound of working-class Glasgow from the hon. Member for Glasgow, South-West (Mr. Davidson)—plus lyrical inventiveness and flights of fancy from the hon. Member for Great Grimsby (Mr. Mitchell). None of us has yet been destroyed by excess, despite the constant heady infusions of bottled water at every meeting. As a result, a quality product emerges that is genuinely appreciated, although it has to be recognised that our following among senior civil servants and Cabinet Ministers is not what it could be.

It would be ludicrous in a brief review to try to do justice to our entire back catalogue, or even to the 33 reports under review, so I will concentrate on some of my favourite and more impactful reports—our greatest hits, I guess. To be fair, not all our reports are of equal quality. It is dangerous and tedious on occasions such as this to engage in an orgy of mutual back-slapping—such behaviour is more appropriate to their lordships in another place. We have to be self-critical at times and acknowledge that we have not got to the bottom of every issue. Largely for procedural reasons, we have not been able to follow up some fairly critical issues. Our programme of work depends on cherry-picking of the NAO, which genuinely tests the polymath abilities of elected Members and cannot be guaranteed, within the time scales, to leave no stone unturned. Important issues escape scrutiny because of a lack of time or timely information. Vehicle excise duty is a good example of that. Other long-standing issues such as BBC expenses and salaries and Saudi arms deals escape our attention because of indefensible legal inhibitions.

I will concentrate my remarks on areas that I understand reasonably well, leaving Icelandic trawlermen for other Members to fulminate on. The first of those areas is health. We have reported on clinical governance of

[Dr. John Pugh]

primary care trusts, the consultants contract and prescribing costs in primary care—all areas that have been victims of the Government's reform programme. Unsurprisingly, we found that the Maoist permanent revolution in NHS structures fomented by the cultural revolutionaries in the Department of Health left PCTs ill equipped to commission effectively, to manage the private sector—although they are encouraged to take it on—or properly to understand what was expected of them. It is no wonder that we have problems with the delivery of out-of-hours services. We identified the prevalence of a "commission and go" philosophy—not an unexpected finding. Nor was it surprising to find that consultants negotiating a new contract had successfully outwitted hospital trusts and got more money without increasing productivity.

Vested interests were in play when we examined the prescription drugs market, where useful potential savings were identified and there were clear disparities between one PCT and another as regards how capable they were of getting at those savings, which could be engineered only if the driver was the interests of patients, not those of the pharmacy industry. The report contained remarkable evidence of sheer waste and over-prescription. That was not particularly to do with the behaviour of PCTs but more with the fact that people retained drugs that they no longer needed or got them when they did not need them. The crude moral that one might draw from this is that vested interests must be challenged—in one respect, the Government are endeavouring to do so—but that Maoist permanent revolution might not be the best way of doing so. Interestingly, that conclusion was arrived at in China some time ago.

On education, I shall deal with the academies programme. The NAO report slightly sold the pass on that, because it did not examine the effects on surrounding schools of the arrival of a bright, shiny, well financed academy. The evaluation was therefore skewed from the start in favour of the academy programme. None the less, it found that academies indisputably delivered no better results than the previous excellence in cities programme. Given the obvious point that children always work better in shiny, new, well financed schools, the report genuinely calls into question whether the structural upheaval that academies represent is justified by any gains in performance. It is clear that they are not the answer to every educational ill.

Expanding our scientific base might be a smarter move, and that brings me to our report on big science. It is genuinely difficult to establish value for money in science. We concluded:

"There is a risk of leaving decisions to a small group of scientists without input from the wider community."

As a north-west Member of Parliament, I want to underline that vigorously. At Daresbury, the diamond synchrotron eluded our grasp for reasons that appeared to have more to do with the interests of the Wellcome Foundation than those of anyone else, unless it was due to the anxiety of key members of the Oxbridge and London research community about a possible dangerous move to the badlands of the Cheshire tundra.

Daresbury was offered the fourth generation light source, which, to be fair, was a reasonable consolation prize because it kept cutting-edge science at Daresbury and has strong relevance to commercial applications in the area. It has the potential to generate the highly skilled jobs that we need in the north-west. However, we now find that that is in doubt, and I should like us to return to the topic in future.

We identified no fit between science policy, regional policy and industrial policy. I hope that future PAC work will examine in depth regional disparities and the huge amount of money inexpertly spent on urban regeneration.

This happy band of interrogators has recently unearthed so much that it is worth reflecting on several conclusions. Some universities clearly do not know why their students drop out. We overspend on roads as much, if not more, than on rail. The lottery, post-Olympics, is in a fix, and that will have an adverse effect on lottery funding in the regions.

We discovered, from an extraordinarily interesting and oddly positive report, that the costs to society of dementia can be allayed by the distribution of good practice and early diagnosis. I agree with hon. Members who have already spoken that that report was one of the most important and useful that we considered.

I want to conclude with two big ticket issues. As the hon. Member for Gainsborough said, the jury is out on the Government's efficiency programme because all and sundry are unsure about the distinction between front-line and back-office staff. Everybody wants to get rid of the back-office staff; nobody wants to get rid of the front-line staff, but nobody knows the exact difference between them. There is also confusion about the difference between sustainable and unsustainable savings. There is some debate about what might constitute a sustainable saving. There is also uncertainty about the distinction between an efficiency and a service reduction. We must agree with the Treasury's somewhat philosophical conclusion:

"This can present a complex and difficult measurement challenge".

We also discovered that the Government's preferred capital investment vehicle—the private finance initiative—is in as much trouble as ever. It is the second major subject on which we should dwell at least a little more. We found inadequate benchmarking, sloppy contracts and rising unit costs. To be fair, we found evidence of a learning curve, but little evidence for elevating the PFI above traditional models of procurement and capital finance. All that simply whets our appetite for future sessions.

Although our relationship with witnesses can often appear adversarial—and, at times, confrontational, even bordering on the unnecessarily macho—our relationship with Government is not necessarily adversarial. No one in any party or position wants one pound of taxpayers' money to be ill spent. I hope that our Committee has made a small contribution to that.

On a personal note, since becoming a Member of Parliament, I have found working on the Committee one of the most useful things that I do. I am proud to be a member of the band.

2.54 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I was very keen to participate in this debate, particularly as our friend the Chairman of the Committee, the hon. Member for Gainsborough (Mr. Leigh), was so heavy in persuading us to take part. The debate is a useful and

interesting opportunity to get some sort of summation of the work we have done during the year. Reports come to us so quickly that it is often difficult to fit them into a framework or to keep pace with them. The schedule of reports up for debate today makes fascinating reading.

We have had a very successful year with some big subjects and some small, but all of them gave an insight into Government procedures that is not available to any other Committee. This has certainly been the most fascinating Select Committee that I have ever been on. If I may transfer my useful sycophancy from the leader of our party to the Chairman of the Committee, I must say that the Committee has been extremely well led. I very much admire the staccato series of bullets that he fires at officials, which gives us headings under which we do our own rifle work later in the debate. That gives an important lead to the Committee, and he has been an effective Chairman. He is effective in giving a lot of diverse characters—we are a high-powered Committee, and the Committee members here today, including former members, are particularly high powered—our heads and allowing us to do our own thing. I deprecate the kind of wry expression that he sometimes assumes as I launch into another insane attack on some institution—he should keep his feelings to himself—but he has the important skill of leadership.

The interesting thing about the Committee is that it is the one I have served on that is most relevant to the needs and interests of ordinary people. After all, it is their money that we are talking about. We produce reports on things that affect their lives, such as the cost of medicine, which hits home to many people, or the state of accommodation for servicemen, and who is responsible for the myriad failures in that area. As part of our inquiries, we have looked at whether people's doctors provide a good service, and we have helped in that area. We have considered the cost and state of our roads as we examined the Highways Agency and the effectiveness of the vehicle licensing agency in Wales.

Highlighting the failures to report and deal accurately with evasion by motorcyclists was quite an achievement. I did not realise that it is impossible to photograph on an electronic device the registration plates of motorcyclists. Having seen how easily motorcyclists can evade the speed cameras, I am considering the purchase of a high-powered motorbike for my wife, who is accumulating points in a dangerous fashion. A motorbike might be the only way out.

We had an insight into the sort of problems that ordinary people face and we have had a direct impact. People pay taxes and tax will become an increasingly important issue as the election approaches and it becomes a battleground for the parties, and more so, as the economy moves into recession. It will then be essential to see that money is well spent. Tax will become a more important issue, and we are the main agency for seeing that taxes are well and effectively spent, and that people get value for money.

The infuriating thing is that our work is, to an extent, post-mortem work. The people we get to grill are usually not the perpetrators—they are not, as the US Securities and Exchange Commission would say, in its examinations of financial fraud in the United States, the people responsible for the decisions and the deficiencies being examined, but their successors. The people who made the mistakes have usually moved on and been rewarded with some kind of honour, as my hon. Friend the Member for Thurrock (Andrew Mackinlay) has pointed out. We deal with the accounting officers and it is appropriate that we should do so. However, it would be nice occasionally to be able to call the perpetrators of the failures and problems that we deal with.

We did just that in the case of the Rural Payments Agency and the failure of the European payments, when we examined, after some delay and with some difficulty, the role of the agency's chief executive. We were able to show, essentially, that the failure was not only his, but a failure all round. It was a failure by the civil service—by departmental officials, and those right at the top, too—to stand up to Ministers when asked to do the impossible and say, "This can't be done, especially not with the staff resources that we have available." It is the responsibility of the civil service not only to be a "can do" service, but to be a "can't do" service when it sees that its work is impossible and when it sees the damage that will be done to the Department and itself. The civil service must have more confidence and speak out.

We should call the perpetrators. As my hon. Friend has said, all too often they are rewarded with an honour, just as people in business who fail are rewarded with high monetary compensation—the case of Adam Applegarth at Northern Rock comes to mind. Unfortunately, the civil service has its equivalents. There should be penalties for failure and they should be made clear.

I fear that we are occasionally bamboozled. I instance a recent inquiry into Postcomm, which seems to be dedicated to ruining the Royal Mail as a service. The other regulators seem to be concerned to give special concessions and advantages to those with power and money, who can get better prices, the costs of which are then imposed on the vulnerable, who pay more for the services that they receive. Postcomm says that it is protecting a universal service, but that service is deteriorating. We do not get Sunday deliveries now and Saturday deliveries are under threat, and there is only one delivery a day, when there used to be two.

However, after Postcomm had appeared before us and defended its procedures, it made an announcement saying not only that it continued to be dedicated to promoting competition and liberalisation, because they were providing a

"far better customer focus and strong incentives for all mail operators"

to serve larger companies, but that it wanted a part-privatisation, which was not mentioned at our hearing. Quite out of the blue, Postcomm admitted a major financial problem, with the pension funds in particular, which it had denied at the hearing. Having admitted that it had reduced the profitability of the Royal Mail, Postcomm went on to advocate making Royal Mail's activities subject to the same rate of VAT as the private operators.

None of that was mentioned at our hearing, but it all appeared subsequently. We should have known that that would happen, because it is unreasonable to take one position at a hearing and then announce something totally different the next day. That makes me think.

The Chairman justifiably paid credit to Sir John Bourn and to the devoted work of his staff, which I heartily second, but is there not a case for the Committee

[Mr. Austin Mitchell]

having a small research staff of its own for the immediate preparation of briefings for Committee members before meetings? It is impossible for us to keep up with commercial developments, consultants, companies' successes and failures and what is happening across Departments.

My hon. Friend the Member for South Norfolk (Mr. Bacon)—I shall call him my hon. Friend for Committee purposes—assiduously keeps up with such matters and must have an enormous machine behind him. I hope that all those people have not been transferred to work for Boris in the cucumber. My hon. Friend's sources of information are myriad and enthusiastic. He sits there with a pile of information that I do not have, and I try to peer at his notes so that I can ask some telling questions. The rest of us do not have that capability or support—or, indeed, the passionate enthusiasm that he shows. It would benefit our procedures to have a research staff to bring us up to date on the clippings, at least, and on the latest developments, between the publication of the National Audit Office's report and our examination of it.

I should like briefly to follow the Chairman's example—this is another example of my growing sycophantic tendencies—by following certain themes. One thing that emerges from the reports is the constant tendency to overreach, or to try to do too much. That is a political problem that comes from Ministers, who are subject to the temptation of promising certain things. They use tripartite phrases, saying that something will not only satisfy world peace and build up British defence, but will do good for Mrs. Bloggs of 13 Columbus way, Grimsby. We try to do too much, and in many cases Ministers try to impose too much on Departments that are not capable of carrying the load.

The RPA has been a disaster. There are now cuts in the British Waterways budget and proposals to sell lock-keepers' houses as a consequence of the failure of the payments scheme. That disaster and the fines from Europe for being naughty stem from the tendency to overreach. Ministers committed themselves to the most complex payment system available on the ground that it was the best way of proceeding. It was a much more complex system than anyone else used, and the results were disastrous.

The agency simply was not capable of responding, particularly because it was faced with efficiency requirements that led to the redundancies of large numbers of staff. It was firing staff and then was suddenly faced with the need to introduce and implement the most complex system of rural payments of any nation in the European Union. That was barmy, and the agency could not cope. Interestingly, civil servants and the agency tried to cope, and did not effectively warn Ministers that things were not going to happen. Ministers continued to get reports that programmes were rolling ahead and that everything was okay until a week before the payments were due, when they were suddenly faced with disaster. That was partly due to the civil servants being too diffident, but it was largely due to Ministers taking on a commitment and overreaching in the way that I have described. A ministerial head rolled: Lord Bach lost his job, although he was personally told by Tony Blair that that was not because of the disaster with rural payments, which makes me absolutely certain that it was.

That is just one example. We see the same kind of overstretch, and a tendency to try to do too much, in defence. Our major projects report showed that the budgets were being maintained largely because commitments were being shuffled on to other budgets, and therefore effectively concealed. This has led me to believe that we have too many major projects, and that they are too expensive and too technical for the system to bear. Added to all that is the commitment to update our nuclear deterrent, which is a very expensive project that has been heaped on top of other projects. All these projects are overstretching the Department's resources, and the ability of the taxpayer to finance them. This is incredible.

We do not need the nuclear deterrent. The world has changed, and we are no longer in a cold war. We can never use our nuclear deterrent. Who would we use it on? Would we ever use it without the authorisation of the Americans? It is extremely expensive, yet, because of the system of political overreach, we are now placing an obligation on the Ministry of Defence at a time when it is already stretched because we are fighting two wars, in Iraq and Afghanistan, and putting in more effort than any of our NATO allies except the United States. There is already equipment strain, and problems with coping with those who have been wounded and damaged in the war. This is another example of overstretch that emerged in our report. It is a warning to us as politicians, and certainly to Ministers, to think through the commitments before they are made.

Another example involves efficiency savings. They are now part of the magic of government. There is a pretence that we can go on making efficiency savings of 2, 3, 4 or 5 per cent. every year, but this amounts to a process of continuous anorexia. My own figure does not testify to this, but I understand that anorexia is eventually fatal, which is why I have managed to avoid it through my own personal eating habits. When it comes to efficiency savings in Government Departments, it is also a myth.

Our report on this subject states:

"The Government's Efficiency Programme is designed to achieve ongoing efficiency gains across the public sector of £21.5 billion".

Whenever politicians are told that the tax burden is too heavy, they always say, "We're going to make efficiency savings, and we'll cut out waste." But that never happens. Only two thirds of the £21.5 billion target was expected to release resources for other projects. The efficiency savings involved were often mythical. Our report also rightly pointed out:

"There is evidence that some efficiency projects may be having an adverse impact on service quality."

It gives an example in the Department of Health, where there has clearly been an impact on service quality. The report goes on to state:

"Improvements in efficiency might not be sustainable."

For example, the Ministry of Defence's early decommissioning of some of its fast jets gave a one-off financial saving but reduced the capability of the Royal Air Force to deal with certain situations. So I believe that there is a good deal of myth involved in these efficiency savings. A large proportion of them are phoney.

Jobcentre Plus made efficiency savings, but as I pointed out in Committee, they are often made by shifting costs on to the clients, who now have to be dealt with by

telephone. If they do not have a telephone, too bad; they then have to sponge on the citizens advice bureau or my office in Grimsby or a centre for the homeless and use their telephones to get through to fix up an appointment. It has to be done and dealt with by telephone and personal bonding between the Department and the recipient is damaged. That is one example and, as I have pointed out at some length, the Rural Payment Agency provides another.

Another example of overreach applies to consultants. There have been fewer examples this year of overpayments and excessive use of consultants, but whenever a problem arises, there is still a tendency to say "Bring in the consultants". The assumption is that the civil service cannot deal with the problem, but that consultants have access to some form of higher wisdom; they are the way, the truth and the light, as far as the Government are concerned, so they bring them in at inordinate expense.

What we need is an audit of the efficiency of consultants. Some are bad, some are good, some are brilliant and some are bums. I think the hon. Member for Gainsborough mentioned the role of the Office of Government Commerce. It is not providing effective advice on who to use and it is not auditing performance on a continuous basis so that it can make serious recommendations. It acts as a sort of agency for the employment of consultants rather than providing a critique of their employment.

There are certainly problems with the competence of Departments in some areas. I would cite the issue of Icelandic compensation in the fisheries industry as an example. The Department of Trade and Industry, as it was, did not have enough expertise or knowledge of the industry to provide a foolproof system. Some of the mistakes it made were laughable, and I engaged in a long correspondence over this matter. The DTI seemed to think that the Icelandic limits were 200 terrestrial miles rather than 200 nautical miles, which is much more. Indeed, the area extending to 200 nautical miles included large chunks of Faroese waters, so many people should have had compensation accordingly. Because the Department did not understand, it took ages to convince it that this was the case. It did not know the practice of the industry, decreeing that a 12-week break in service precluded people from compensation.

In Grimsby, when the fisherman who used to fish in Icelandic waters could no longer do so, he was forced to fish in the North sea. That was deemed as being a break in service, although it was part of the structure of the industry and a Government necessity. A ludicrous situation developed: some fishermen got compensation because although they had had a 12-week break, they had served it in prison and had not been paid; while others who had spent that time on the North sea and consequently had been paid were not entitled to the compensation.

Clearly, some Departments make mistakes by not listening enough to the voice of the industry, while other Departments listen too much. I was very worried by the tendency of Her Majesty's Revenue and Customs to schmooze with the big taxpayers in its dealings with big companies. I find it difficult to believe that these companies, some of which are chiselling crooks like the rest of us, comprise honest and honourable people who always rush to pay their taxes. That attitude—of rushing enthusiastically to pay taxes—is associated with no company that I have ever known on the market, yet that is what HMRC appears to believe. I was a bit concerned about that, and also by the small number of staff employed to deal with big-company tax evasion and avoidance in comparison with the number employed to deal with social security fraud, who bring home much smaller sums than are available to those dealing with companies properly.

I do not want to go on for much longer, as I have already exceeded my welcome. I sense that from the growing indifference to my jokes as the debate proceeds. However, I want to issue a few more congratulations. We have produced some excellent reports. We have speeded up the dilatory progress of the Thames Gateway scheme, which was plodding along far too slowly.

Andrew Mackinlay: It still is.

Mr. Mitchell: Is it? We suggested that it needed a driving central authority, and our recommendation was accepted. I certainly feared that it was proceeding too slowly, but I think we achieved something.

When we examined the academies programme, despite all the new techniques, solutions and approaches that were supposed to be on offer—after all, the academies had been given 20 million quid of Government money to go away and play with—we found that although there had been an improvement it was no greater than the Hawthorne effect, in which change means improvement, which then fades away.

The Chairman may not know of one brilliant achievement of mine while the Committee was examining the use of Government buildings and space in London, as opposed to the rest of the country. As I passed the Treasury each day and looked down into the basement, I saw endless equipment, particularly coffee-making equipment, but no sign of human life. I took that as an indication that the Treasury was wasting space. However, I did achieve something. The following week when I walked past the Treasury the blinds were down, so I could not see what was going on in the basement. I am sorry to have to produce that as my one success of the whole programme.

It has been a challenging year, and the programme has been very successful. I think that a little self-congratulation is very much in order for the entire Committee, its backing by the National Audit Office, its staff and its members.

3.22 pm

Mr. Richard Bacon (South Norfolk) (Con): It is a great pleasure to follow the hon. Member for Great Grimsby (Mr. Mitchell). He is a colourful member of the Committee, and he certainly enlivens our proceedings. It was also interesting for me personally to hear him confirm what I had long suspected—that he cranes over to look at my notes in order to steal my best questions. I am glad that he has finally "fessed up" to that.

I too pay tribute to Sir John Bourn, the recently retired Comptroller and Auditor General. He has rendered the country an extraordinary service in the way in which he has led the National Audit Office over the past 20 years, and the way in which he has built it up. He has done nothing less than create a world leader among supreme audit institutions. We need only speak to people in those institutions to understand that that is their view of the NAO. Having visited the Bundesrechnungshof in

[Mr. Richard Bacon]

Germany, the Cour des Comptes in Paris, the Tribunal de Cuentas in Madrid, the Government Accountability Office in Washington and the Kyrgyzstani national audit institution in Bishkek—I will not try to pronounce its name—I can confirm, on the basis of worldwide experience, that the NAO is held in very high regard. I also pay tribute to Sir John Bourn's successor, Tim Burr, and to the entire staff of the NAO. As our Chairman said, we could not possibly do our work without them.

Before I deal with the reports that are the subject of the motion, let me briefly discuss the terms of the motion itself, which require the debate to be confined to the reports from our Committee—named and numbered on the Order Paper—to which the Treasury has issued a minute in reply. There are good reasons for that, in particular that it ensures that the Treasury Minister—in this case, our distinguished colleague the Exchequer Secretary—can be properly briefed and give informed answers. It might also be argued that it prevents the debate from drifting off in too many different directions—although I think that our friend the hon. Member for Great Grimsby has proved that wrong. However, we are in any case discussing 32 different reports, whose subjects vary from the coal health compensation scheme to the Icelandic trawler compensation scheme; from costs in primary care to use of the Heritage Lottery Fund; and from the recovery of the ill-gotten assets of criminals to the management of sickness absence in the Department for Transport, so the argument that the motion as constructed stops the debate going off in lots of different directions is a non-starter, as that is in the nature of what we do.

The key question for me is whether the terms of the motion restrict the topicality of our debate in a way that is unhelpful to the public interest and to effective scrutiny by Parliament of what the Government do. I think that they do, and although I do not want to make too much of this point, I shall give two brief examples of why that is the case before I move on to discuss the reports listed in the motion.

The national programme for IT in the health service is an ongoing concern of the Public Accounts Committee, the NAO and commentators on health IT. It is the world's largest health technology programme, and it is not unfair to say that it is in serious trouble. A report will be published on the subject tomorrow. It is a curious fact that in the last of these PAC debates we could, and did, refer to the NHS IT project, whereas we could not do so in the one before that. If your eye, Mr. Deputy Speaker, was sufficiently acute in attending to the 32 reports on our list for today, you will be aware that we cannot refer to it. It seems rather arbitrary that in some debates we can and in some we cannot, when this concern is both long running and ongoing. There have been developments since our last debate. Ministers have made statements about the timetable for the deployment of systems into acute hospital trusts, and there have been problems with slippage on those timetables. It would be appropriate and topical to be able to talk about that, but it is not technically in order to do so.

My second example involves Postcomm and the regulatory framework that Royal Mail works under. We have frequently looked at regulators, including Postcomm; we did so most recently yesterday. This is an important issue for our constituents. In particular, the maintenance of the universal service obligation, which has been referred to, is a matter of great importance in rural areas such as my constituency, and it has also been a matter of some controversy in the press recently, as Postcomm has commissioned an economic consultancy firm to study the costs underlying the universal service obligation—or, to be accurate, some of those costs, because it failed to include the international component. It would be good to be able to raise this matter, and to hear the Treasury's thoughts on it. Once again, however, it is outside the terms of the motion. That seems a little odd given that yesterday we could discuss it in Committee, and that this morning the chairman of Postcomm went on Radio 4 and said that a universal service obligation that is viable for the future is most likely to be achieved through a radical transformation of the governance and structure of the Royal Mail, including the introduction of private capital to safeguard the universal service obligation. The best adjective to describe that remark might be "startling", and it at least seems worthy of debate—and debate now. However, we cannot discuss that.

For future debates, I propose the slight change—I would be interested to know what the Exchequer Secretary thinks of this—that we add that the House takes note not only of the numbered reports and the Treasury minutes, but of "the work of the National Audit Office and of the Public Accounts Committee in general." This is not an attempt to catch the Treasury out. It will plainly be the case that the Minister who appears before us will want to talk about our most recent reports, and the Treasury employs some very bright civil servants—it attracts some of our brightest university graduates—and I think they are more than capable of briefing Ministers on the work of the NAO and the Committee in general.

I must say to the Exchequer Secretary that we miss her on the Committee. She is still a member of it ex officio, but when she was a full-blown member she was a very incisive questioner, and I have no doubt that were we to have a more wide-ranging debate, technically speaking, she would have no difficulty at all in coping with it, and I doubt whether any of her Treasury colleagues would either.

With those preliminary remarks, may I turn to some of the reports detailed in the motion? The first one that I wish to discuss is "Building for the future: Sustainable construction and refurbishment on the government estate". The NAO's trend of increasingly examining real estate issues in Government is a welcome one. We examined the national health service estate a while ago, and we have examined property issues across different Departments. There are huge potential benefits for the Government in managing those estates more efficiently.

I wish to raise one particular recommendation with the Exchequer Secretary. Recommendation 4 states:

> "Departments are failing to implement Treasury guidance and assess costs and benefits of sustainable design options".

What I want to ask her touches not so much on sustainable design options but on the generic question of Treasury guidance. The Treasury issues guidance on a range of subjects, and I am interested in understanding what the Treasury does to ensure that that is followed.

The theme that one finds repeatedly across Departments—we examine £600 billion or £700 billion of income and expenditure across virtually every public

sector activity—is that guidance, advice and clear instruction was given as to what ought to happen, but that it just did not happen. Does the Treasury just rely on the NAO, which, after all, in its earlier incarnation was the Exchequer and Audit Department, to check that its guidance is being followed? Alternatively, do the responsible policy desk officers in the Treasury covering different Departments have an ongoing responsibility to check that what they say should be done is being done. I have had a deep suspicion for a long time that perhaps it is not that, as people often say, the Treasury is too powerful, but that it is not powerful and big enough, and that we need a stronger centre.

The second report that I wish to discuss dealt with maintaining river and coastal flood defences. Recommendation 2 stated:

"There are significant shortcomings in the Agency's"

—the Environment Agency—

" ability to prioritise expenditure on the highest risk areas and assets."

Prioritising expenditure is an absolute basic for any Department or Government agency, so why does a significant and important agency, such as the Environment Agency, have such difficulty doing something as basic as prioritising expenditure? Once again, what is the Treasury doing about the situation—I hope that someone is doing something—to ensure that that lesson is being learnt elsewhere and that people are capable of prioritising expenditure in the way that they should?

I commend the right hon. Member for Islwyn (Mr. Touhig) on confining his speech to the issue of dementia. I thought that our hearing on dementia was one of our most important in that Session. Professor Bannerjee, one of the chief witnesses, was an exceptional witness. The right hon. Gentleman made the point that is covered in recommendation 2, which states:

"Unlike cancer and coronary heart disease there is no single individual with responsibility or accountability for improving dementia services."

The Treasury's minutes of reply state that it is considering

"as part of the strategy work whether there is a compelling case for a national clinical director."

That reply was published at the end of March, but our hearing took place in October, so six months had passed in between. I distinctly recall the officials before us saying at the time that they would not regard any bureaucratic hurdles spoken of as a reason for delay or as preventing them from acting, and that if there were a case for a national clinical director for dementia, they would get on with it. I think that Professor Mike Richards has proved a success as national clinical director for cancer and that that system has proved a success. I urge the Treasury to apply as much pressure as possible to the Department of Health to get this matter moving along, because there does not seem to be any obvious or easily explicable reason for further delay.

The next report that I want to examine is entitled "Helping people from workless households into work". I think there is agreement across the political parties that something needs to be done in this area. Much more needs to be done than has been done hitherto in terms of welfare reform and helping the hard core of people who live in workless families. They have not experienced people going out to work, because they do not have that around them in their own households.

In recommendation 9, we say that the Department for Work and Pensions could not tell us how many of the 2.9 million people who had started a new deal programme were still participating in it, nor what proportion of workless households chose not to work rather than being out of work because of personal circumstances. That suggests that there is still a lot to do. How can we assess objectively the success of the new deal programme, which we would all like to do—there is much party political banter about the new deal, but I would like a reliable, objective assessment of its successes and failures—if the Department cannot even tell us how many of the people who started a new deal programme are still on it or what proportion choose not to work?

The coal health compensation scheme was an extraordinary subject—I know that the right hon. Member for Islwyn has a personal constituency interest in it. The scheme provided compensation for miners afflicted by various industrial diseases and was very worth while. What was extraordinary about it was that the then Department for Trade and Industry—now the Department for Business, Enterprise and Regulatory Reform—managed to make several solicitors multimillionaires. A small firm in Doncaster called Beresfords had a senior partner, Mr. Beresford, who had a personal salary of £16.7 million. I asked the permanent under-secretary, Sir Brian Bender, about that:

"Now under any view, the purpose of this scheme wasn't to make individual solicitors in Doncaster multi-millionaires, was it?"

He agreed that that was not the purpose of the scheme. Notwithstanding the difficulties about people's common-law rights, it was extraordinary that a way could not have been found—statutorily if necessary—to get the money that Parliament had voted for the purpose to the people who needed it and to contain and control the risk of people such as Mr. Beresford clawing it up for their own purposes. To me, that was unacceptable and obscene—

Andrew Mackinlay: He's good for a knighthood.

Mr. Bacon: I hope not.

The next report I wish to consider is on the efficiency programme. We have had much discussion about the extent to which efficiency savings can be relied on and whether they are cashable or non-cashable. We accept that there are technical difficulties in that area, but I hope that the Minister will accept that we all have an interest in having efficiency numbers that we can rely on so that we know that real efficiency is delivered, not measures that cut into the bone of Departments. Real efficiency will help to deliver better public services while providing more taxpayers' money for other areas. That is especially important in the light of the article in *The Guardian* that I read the other day, which said that the Government are now embarking on Gershon 2, a second round to identify savings in addition to the £21.5 billion to which the hon. Member for Great Grimsby referred.

I do not know what the second round will be called yet, although I suggest that it should be called Eagle. Then when the efficiency savings have been delivered, the Treasury can tell the Prime Minister that the Eagle has landed.

Angela Eagle: I was seven years old when the eagle landed before, and the hon. Gentleman may also remember that occasion.

Mr. Bacon: I do remember that occasion, and it is time for a reprise. Harrison Ford has made a comeback, so I do not see why the eagle should not do so.

Justine Greening (Putney) (Con): My alternative suggestion would be "Gershon and on", because that is what it will do.

Mr. Bacon: I thank my hon. Friend for that intervention.

The Assets Recovery Agency has recovered only £23 million against expenditure of £65 million. Most of us are at a loss to explain how £65 million can be spent to recover only £23 million by an agency that has the law on its side. The only thing to do with the people who were responsible for the agency—I think that they have now moved on—is plant them in the institutions of this country's enemies to find out whether they can destroy the economic and financial viability of those countries as well as they have managed the Assets Recovery Agency.

I turn to the delays in administering the 2005 single farm payment scheme in England, which is a good example of my earlier point about the unnecessary restrictions in the motion. On the Rural Payments Agency and the single farm payment scheme, the permanent secretary to the Department for Environment, Food and Rural Affairs, Helen Ghosh, told our Committee:

"Ministers were being told it was possible when it was not in fact possible".

I am glad to have got that on the record, Mr. Deputy Speaker, but it was out of order for me to do so, because that was said in a hearing that we had with the permanent under-secretary to the same Department on the same subject this January, and the report has not yet been published and is not part of report HC 893, which comes within the motion. I hope that that makes my point for me.

Mr. Deputy Speaker (Sir Michael Lord): Order. To some extent, it does, and I am grateful to the hon. Gentleman for pointing out that he was out of order. He made some valuable points earlier, but it is now important that he stay within our guidelines.

Mr. Bacon: Not only will I do so, but I am nearly finished. I have the reports with me to try to ensure that I stay strictly on the rails.

The Thames Gateway report was also interesting for the wider issues that it raised. I quote very briefly from paragraph 13, where we said:

"The Department's overall management of the programme has been weak. It is yet to establish arrangements for controlling the programme such as a budget, implementation plan, joint risk management, appropriate financial incentives, a performance management framework for delivery partners, public reporting on progress, and measurable performance indicators."

Those are among the most basic things that we would expect anyone who manages a large Department, agency or project to have taken on board from the start, but to have managed to spend £670 million without doing any of them takes some doing. I hope that the Treasury is not only on the case, but involved in allied areas where similar management failings may have arisen.

I want briefly to turn to the private finance initiative, because the figures published in the appendix of our report on tendering and benchmarking show that, when the whole stream of payments going forward is added up, the total liability that now faces the public purse is £170 billion. Of course, the Treasury was anxious to point out—Mr. John Kingman wrote to the Committee to make this clear—that, in doing so, one is adding future and non-comparable figures to present figures without applying any appropriate adjustment and that aggregating the stream of future payments gives a net present value of £91 billion. In complaining that he did not like giving us the £170 billion figure, Mr. Kingman said:

"It is rather as if we were adding a figure in £ to one in $, without converting the currencies, and ending up with one that is not denominated in any currency at all. I am obviously uncomfortable providing the Committee with a figure which is meaningless".

That takes the prize for being unnecessarily complicated and almost guilty of sophistry, because £170 billion is a fairly easily understandable number. It is fairly obviously true that £170 billion in 35 years' time will not be the same as £170 billion today—we can all understand that—and that the two factors that must be taken into account to get from one number to the other are time and interest rates; quite where foreign currencies come into it I do not know. I can only assume that Mr. Kingman, whom I know to be a very bright man, is guilty of having a trait to which many bright civil servants sometimes fall prey: an attraction to complexity. The hon. Member for Great Grimsby said that the Rural Payments Agency chose the most complex scheme available, the dynamic hybrid. Quite why it had to choose that scheme I do not know. The Germans chose the dynamic hybrid, too, but they managed to make it work. We did not.

I fear—this is probably a subject for a book—that one of the problems facing our public sector, and affecting the way in which our senior civil service conducts itself and advises Ministers, is that senior civil servants are attracted to complexity like moths to a bright light. We need a bit of simplicity. We need to concentrate on basics, including having a budget for a project, making sure that there is an implementation plan, and ensuring that the delivery partners know what on earth the project is supposed to do. If we get back to that, we will have a greater chance of ensuring decent taxpayer value for the expenditure for which Parliament votes.

3.45 pm

Andrew Mackinlay (Thurrock) (Lab): I think that I can claim to be the only hon. Member qualified to congratulate unreservedly the Chairman of the Public Accounts Committee and his colleagues on their work, their diligence in their studies, the breadth of their work, and the speed with which they have made some very important, cogent reports. I say that because I think that I am the only Back Bencher present who is not a member of the Committee. Clearly, the Government and Opposition Front Benchers can and will congratulate the Committee on its work, but their role and functions are different. The Opposition Front Bencher, the hon. Member for Putney (Justine Greening), is charged with prosecuting the case, as it were, against the Government's stewardship of many projects. The Exchequer Secretary to the Treasury will defend arrangements and explain why no blame can be apportioned to the Government.

I feel privileged to be able to say that I have come to the Chamber this afternoon because I believe that the job that the Committee does of monitoring Government

expenditure and performance is profoundly important. Its work goes to the heart of the constitution and the role of Parliament. A distinguished and very senior Whip looked into the Chamber earlier, and when he saw me sitting here, he raised his eyebrows to heaven. I try to interpret body language; either he thought that I was barking mad to be here when there will be no vote, or malevolent. Far too often, members of the Government confuse Government Back Benchers' scrutiny with malevolence and criticism. If a Government Back Bencher scrutinises a measure, the Government see them as mad or bad, or perhaps mad and bad, which is even more worrying.

Angela Eagle: I hope that I am not included in my hon. Friend's characterisation. I know that he is not mad or bad, but I think that he might be dangerous to know.

Andrew Mackinlay: I do not want to delay the House on this subject, but I think that it does go to the heart of the issue of scrutiny, which is what the volumes that we are considering today are about. Without disclosing any private or personal information relating to my political party, I can say that I owe a debt to the Minister, because I know that she had a hand in ensuring that I stayed on the Foreign Affairs Committee when others wanted to take me off it, for reasons that I have mentioned.

Mr. Deputy Speaker: Order. Foreign affairs is the last subject that we ought to stray into this afternoon.

Andrew Mackinlay: Anyway, having got that off my chest, let me say that the reports that we are considering are extremely worth while. I want to refer to a few of them, some of which relate to my constituency.

First, I shall deal with the report on the Assets Recovery Agency. The appalling failure to recover substantial assets from criminals to offset the agency's costs is a big disappointment. Clearly, the legislation was somewhat flawed, and the stewardship of the agency left an awful lot to be desired. I am not sure that merging it with the Serious Organised Crime Agency will prove to be sensible. Parliament should have done better. It should have worked harder and revisited the matter with new legislation, and the Government should have seen that the administration and management of the agency improved. It is a matter of powers and of stewardship, and the agency could have been much more successful.

I take an interest in Northern Ireland. Abandoning the Assets Recovery Agency, merging it with the Serious Organised Crime Agency, doing away with the Assets Recovery Agency in Northern Ireland and merging it in the blancmange of the new agency will prove to be a big mistake. If the Government had decided to merge the two agencies, they should at least have introduced a new statute that hived off the function in Northern Ireland. A designated Northern Ireland agency could have complemented and worked much more closely with the very successful assets recovery agency in the Irish Republic, which to some extent pioneered our legislation. It was a mistake not to ring-fence the function in Northern Ireland. There is an ongoing need to tackle organised crime and to recover the profits of crime in that part of the United Kingdom.

I commend the Committee for its work on reducing the reliance on landfill in England. I feel particularly strongly about that because my constituency, Thurrock, has been scarred by more than 100 years of landfill. It is unjust, unfair, appalling in its effect on the environment, and it is still going on. Successive Governments have not been energetic enough or enthusiastic enough in reducing the amount of waste put in landfill. Parliament has not taken seriously its moral obligations to reduce the amount of packaging and waste that is produced.

We feel strongly about the matter in Thurrock because landfill has altered the topography of Thurrock and continues to do so, with unnatural bunds in and around the Thames estuary. It is highly inappropriate. The Government should take on board urgently the recommendations of the Public Accounts Committee and other organisations. Many local authorities are not doing nearly enough to encourage recycling and the sorting of waste. I notice that the Committee drew attention to the fact that the food and restaurant sector is finding cheaper ways of disposing of the waste that they generate, but it still ends up in landfill and it still ends up in my constituency.

I unashamedly say to the House that that is unacceptable. I see it every day. The little bit of river traffic that passes this building, the tugs pulling the long craft, is heading for Thurrock. It is London's waste going to Thurrock. Each day there is an increment in pollution in my part of Essex. It is unacceptable, it is distorting the topography, and I make no apology for commending the report to the House and asking the Government to take the issue much more seriously and tackle it as a matter of urgency.

The Committee has done some important work on the Environment Agency, which is charged by Parliament with maintaining river and coastal defences in England. It troubles me that again we are fiddling while Rome burns. If one reads the report, one sees that very little has been done—may be that is not fair. I withdraw that. I should say that the energy and enthusiasm of the Environment Agency, and the stewardship that Parliament charges the agency with, have been seen to be deficient. It has to deal with things immediately, but it also has to have a long-term view. Clearly, the agency is not beginning to address the causes of what could be cataclysmic consequences—probably within your and my lifetimes, Mr. Deputy Speaker, and certainly within those of our children and grandchildren—if the problem in and around our coast is not seriously addressed.

As I said, I represent part of the Thames estuary, but not part that is covered by the Thames barrier. It is, however, part of the estuary that is the subject of another report—the Thames Gateway development, which clearly has ramifications for and raises issues about flooding. I do not think that there is joined-up government on the issue. I have some sympathy for the Environment Agency, in that it appears that it does not have the resources or responsibilities that it should. Furthermore, Ministers are transient and there are always reorganisations of Government Departments, which seem to merge and disappear and get new titles and so on. There does not seem to be a coherent, long-term strategy on how and to what extent we should defend the Thames estuary in particular.

Speaking personally, I am amazed that nothing is under way to put an additional barrier across the Thames in the wider estuary. Such a project could be self-financing

[Andrew Mackinlay]

and include a road and/or rail crossing, which is much needed for the United Kingdom economy. That is the kind of ambitious engineering that should be advanced. It cannot be advanced entirely by the Environment Agency, which does not have the resources for a major engineering construction; it should be advanced by Her Majesty's Government. If we ignore that need, there will almost inevitably be dreadful consequences. They might not come next week or in the next decade—but in the next century they will. People will look back at this Parliament and recent Parliaments, which have not really done anything to address the problem. I hope that the Public Accounts Committee report's criticism of some of the Environment Agency's stewardship will be taken on board, and I implore the Government to take on more.

I have referred to the Government's Thames Gateway strategy, on which the Public Accounts Committee produced an important and powerful report. I was much encouraged that, for the first time, some colleagues were addressing the flaws and failings of a Government initiative and strategy that was albeit well meant but was not being achieved. I intervened from a sedentary position on my hon. Friend the Member for Great Grimsby (Mr. Mitchell) when he referred to that report, the contents of which he is justifiably proud. He demonstrated some dismay when I intervened rather rudely and said that it is still the case that nothing is changing. Perhaps that was an exaggeration, but I want to share with the House something that illustrates that despite the Committee's forensic, detailed report on the failings and problems arising from the Thames Gateway project, the Government are still in denial this afternoon.

I buttress my case by saying that this very week, the Government office for the east of England produced the regional spatial strategy for the eastern region—that is parlance for a regional development plan. Almost two years ago, before the Public Accounts Committee hearings, I implored the Government, in both speech and writing, to address the fact that the bureaucrats in that Government office had decided, for some reason, that Thurrock Lakeside retail park was not or should not be designated a regional shopping centre. I do not know whether anyone knows my bailiwick, but that shopping centre is demonstrably a regional shopping centre. That decision is like suggesting that these green Benches are red. It is a barmy, crackpot view expressed by bureaucrats. Not only is it mad, but it has some consequences.

The fact that Lakeside is not designated as a regional shopping centre has an impact on the Thurrock urban development corporation, which is a creature of statute and a baby of this Labour Government. It frustrates the corporation in fulfilling its job of creating new training opportunities and ensuring that the right skills are in the right place in Thurrock and along the Thames Gateway. It needs to be able to develop the land around the Lakeside basin—I call it the Lakeside shopping centre, but basin is the technical term for the area—and for it to do that Lakeside has to be designated a regional shopping centre.

I have complained about that fact in this Chamber a number of times. I think that it hurt the Government when I said that the process was the opposite of joined-up government. People moved nervously and, of course, the Ministers were transient, because one of the great problems with the whole strategy is the turnover of Ministers charged with it. It is the opposite of joined-up government because in the Department that deals with the matter, one Minister is in charge of spatial strategy while another, to the best of his or her ability, enthusiastically tries to push the Thames Gateway strategy forward.

I have drawn attention to that problem time and again. This week, the spatial strategy came out. I agreed with a lot of it, but it had one caveat—that the Lakeside basin at Thurrock would be the subject of further consultation. The East of England regional assembly and the Government office will report in December 2009 about the category that should cover Lakeside. Ministers should not take my word for it. They should go back to their Departments and ask, "Is what the hon. Member for Thurrock said true?" They will then see that the process is the opposite of joined-up government.

Mr. Deputy Speaker: Order. I am conscious of the fact that the hon. Gentleman feels strongly about the matters that he is putting before the House, but he must be careful to distinguish between a debate on the Public Accounts Committee and subjects that might be more suitable for Adjournment debates. He has not yet been sufficiently out of order for me to stop him, but I am simply giving him some advice.

Andrew Mackinlay: I am grateful, Mr. Deputy Speaker, and I accept your advice, but everything that I have said is referred to in the Public Accounts Committee's report and its deliberations. The full and thorough report was one of the Committee's bigger reports. As you have mentioned the subject, I want specifically to mention a part of the 62nd report, which is about the Thames Gateway. It states specifically:

"Local MPs do not feel sufficiently engaged with the Thames Gateway programme."

It goes on to show the lack of involvement and consultation. The Treasury's reply, which I think that we are debating, states:

"The Department has used several techniques to engage MPs in the Thames Gateway, including a standing group of Thames Gateway MPs meeting on a quarterly basis"—

I want to emphasise the next words—

"at more informal evening briefings".

By that, it means junkets and dinners. I do not do business over dinner. I will not go to that sort of thing, and I have made that quite clear. There is far too much of that in general, let alone in relation to the Thames Gateway. There is a lot of bonhomie at those dinners, and lots of chat around the table about the problems of the Thames Gateway scheme. I made it quite clear that I would not go along with that in any circumstances.

The chief executive of Thames Gateway appeared before the PAC. I tabled a series of parliamentary questions about her management of the scheme, and eventually I told her that I would meet her over a cup of tea at the House of Commons, because I do not see people over dinner. The following week she resigned. The PAC issued its report, and as a Member of Parliament I legitimately pursued matters in the Chamber and in written questions. She was the second person charged with running Thames Gateway who resigned and disappeared quickly.

It might not be the fault of the chief executives, but the problems are indicative of those identified by the PAC. The strategy is flawed. I can give you references, Mr. Deputy Speaker, because the matters are covered in the Committee's documents and deliberations. The Committee noted that a plethora of bodies have responsibility for the so-called Thames Gateway strategy. There are too many organisations. It is stark, staring bonkers. If we had wanted to create a confusing organisation we could not have done it better.

Mr. Bacon: The hon. Gentleman is one of my heroes for the way he represents his constituents so independently and robustly. Does he recall that the hon. Member for Sittingbourne and Sheppey (Derek Wyatt), who was a member of our Committee, pointed out not only that a plethora of bodies—more than 100—was involved in the financing, but that the Thames Gateway area stopped halfway through his constituency? What kind of planning is that?

Andrew Mackinlay: I am grateful to the hon. Gentleman, because I assure you, Mr. Deputy Speaker—indeed, I shall write to you next week—that everything I have said is absolutely in the footprint of the documents.

Mr. Deputy Speaker: Order. The hon. Gentleman should relax. There is no need for him to write to me. I shall guide him if necessary.

Andrew Mackinlay: The hon. Member for South Norfolk (Mr. Bacon) raised a legitimate point. One of the things acknowledged by the PAC—thank goodness—was that the Thames Gateway is covered by no fewer than three Government regions. There is the Greater London region and the eastern region, which we are in, although what goes on in Norwich has no relevance to my people—I am sure we love Norwich and Cambridgeshire, but we are not oriented towards that area. The hon. Gentleman referred to our colleague from Kent, my hon. Friend the Member for Sittingbourne and Sheppey (Derek Wyatt), and of course his constituency is in the south-east region. That illustrates just how many confusing agencies there are. Moreover, the motorway system bears no relation to the scheme; the motorways of the Greater London region go from my region and from Kent into London.

I implore the Government not to take the view they put in their response—that everything in the garden is rosy. It is not. Sooner or later the Prime Minister will wake up to the fact that the developments he attaches such great importance to—creating new homes and quality communities with essential public services commensurate with residential growth and an increasing skills base—will not be achieved unless there is a root and branch review of the policy for the Thames Gateway, and particularly but not exclusively for Thurrock urban development corporation. The Government should use as their starting point the PAC report, which I commend to the House.

4.8 pm

Mr. Philip Dunne (Ludlow) (Con): It is an enormous pleasure to follow the hon. Member for Thurrock (Andrew Mackinlay). As a former retailer, I assure the House that the hon. Gentleman is not mad. Thurrock is one of the UK's top 20 retail centres and for it not to be regarded as such by bureaucrats shows how out of touch they are with the reality of the commercial world.

I have served on the Committee with pleasure for the past 18 months and most of my remarks will address how relevant our work is to the world of Government today, rather than focusing on one of the problems identified at our previous opportunity to debate the work of the Committee, which was how often we look back with excessive hindsight at administrative failings. Too much distance makes things less relevant both to our constituents and when making improvements for the future. In some cases, as I will explain, we are highly topical and relevant.

It is essential for the accountability of the Executive that we have a body such as the Public Accounts Committee to provide accountability to the legislature, and that is the role that we fulfil. Without wanting to pat myself and my colleagues on the back too much for being one of the more diligent Committees in the House in the work that we—supported by the National Audit Office—undertake, that diligence is shown by the number of reports that we have before us for consideration.

The vast majority of our reports tend to be connected with events that occurred at some point in the past, as my hon. Friend the Member for South Norfolk (Mr. Bacon) illustrated in relation to the single farm payments case, some of which took place a number of years ago. During the period under review, we also reviewed the Icelandic trawlermen's compensation arrangements, which meant going back not just years but decades to arrangements that were put in place in the 1970s.

Having said that, some of the reports were still topical while we were dealing with them—for example, the 55th report of the 2006-07 Session, "The Delays in Administering the 2005 Single Payment Scheme in England", which was published in September 2007. We reviewed the report with the NAO after we had eventually managed to persuade the former chief executive, Mr. McNeill, to come before the Committee. We had a session in June 2007 at which point there were beneficiaries of the payment scheme who had still not been paid the moneys from 2005 to which they were entitled. Although that applied to a relatively small number of people, and in most cases related to farms that had gone into probate, it was still causing considerable anguish among the people who were entitled to the payments.

We encouraged the Department for Environment, Food and Rural Affairs to bring forward payments for the subsequent years of 2006 and 2007, and now of course 2008, in order to learn the lessons of the failures of the past and to try to ensure that payments were made in a much more timely fashion. I called on DEFRA's permanent secretary to give an undertaking that payments for 2008 should be made within that calendar year. DEFRA will have had more than three years to put this fiasco right, and we are talking about a relatively small number of claimants—118,000 at the time of the report; I think that the number goes down slightly each year instead of going up. In terms of the scale of administration of support schemes, this one is relatively small, and most of the challenges of putting it in place should have been ironed out by now. We will await with interest how it gets on in relation to 2007 and the current year.

My second example of a report that had considerable topicality when we were working on it is the fourth report of the 2007-08 Session—"Environment Agency:

[Mr. Philip Dunne]

Building and maintaining river and coastal flood defences in England". We met to consider the NAO report in the week after the first of the dramatic floods had occurred last June. We therefore had the opportunity to quiz the chief executive of the Environment Agency about what it had been doing in the interval between that hearing and the previous occasion five years earlier when she appeared before the predecessor Committee. It was most revealing to establish that although the agency had then committed to produce a flood management action plan for each of the 67 separate river catchments, by April 2007 only four of those had been completed, one of which happened to cover the area that I represent.

Ludlow is within the catchment of the upper Severn river basin, where we had suffered very significant flood damage, if not as bad as some of the damage in the areas around Hull. More than 300 houses were flooded and a bridge on one of the main arterial routes into the town of Ludlow was swept away. That bridge was not even identified as being at risk under any of the categories in the flood management defence plan, which the Environment Agency proudly claimed that they had completed for our area. That throws into question the value of such plans if they do not even pick up significant infrastructure elements such as a road bridge. Our Committee was able to highlight, almost contemporaneously, some important aspects of Departments' administration. That shows its significance.

We are not only occasionally topical or contemporaneous but increasingly forward looking. I shall cite two examples of that. We have begun a scrutiny role for the spending on one of the largest public infrastructure projects that the country is undertaking—the London 2012 Olympics and Paralympics. I am vice-chairman of the all-party London 2012 group, the chairman of which is a former member of the PAC, the hon. Member for Sittingbourne and Sheppey (Derek Wyatt), who was mentioned earlier. He held a conference today to update Members of Parliament and other interested parties on progress.

I support the games, but our Committee has the opportunity to scrutinise the spending to an extent that is not otherwise available to the public. We intend to do so on a basis that, we hope, will allow the games to be delivered on time and on the new, revised and much increased budget, as opposed to looking back in several years to ascertain whether they were delivered on time and on budget. That would not be much use to anyone because I cannot imagine that we will host another Olympic games in my lifetime. The Committee therefore fulfils a valuable role and we are looking forward to seeing progress every year. It was apparent from our first session, which was held last November, that the information provided to the Olympic Board was perhaps not as full as it might have been. When we next consider the matter, it will be intriguing to learn how much more financial information has been made available.

The financial information that the Olympic Delivery Authority reported to its accountable body—the Olympic Board—could be included on less than two sides of a sheet of A4. For a project of more than £9 billion, that seems a little light. I hope that the most recently appointed member to the board, following the local elections, can bring his forensic eye for detail to its deliberations and that Mayor Boris Johnson will insist on much more vigorous financial information and scrutiny of spending, as, indeed, we will.

The second more or less contemporary role that the Committee has undertaken in the past six months is that of shedding some light on the single largest potential security breach, which did so much to undermine confidence in the Administration's competence—the loss of data held by Her Majesty's Revenue and Customs. Given that the loss occurred during transmission of data from Revenue and Customs to the NAO, our Committee was quite properly briefed by the Comptroller and Auditor General in a session last December. As a result of that session and our ability to question one side of the transfer, by asking the Comptroller and Auditor General I secured the exchange of e-mails between Revenue and Customs and the NAO, which explained what information was being sought, the manner in which delivery was requested and the individual titles of those in Revenue and Customs who had been copied into the correspondence. Without that, we would have been left with only the Chancellor's statement, which shed little light at all on the detail of what transpired.

I believe that it was a result of that session—in addition to the work of many hon. Members, particularly those on my Front Bench—that the Government were persuaded to appoint Mr. Kieran Poynter of PricewaterhouseCoopers to undertake a detailed review of what had happened. We have had the first part of that report, but we are eagerly awaiting the second stage to see whether it provides any further illumination on what happened, and whether Government procedures for information, transmission and management of personal information will be improved. Let us hope that the lesson learned from this sorry affair means that better procedures are put in place, which Ministers assure us will be the case.

I do not intend to go through the work that we have done on other reports because they have been adequately covered by other Committee members, but I would like to conclude by saying that the Committee is a pleasure to work on. It has been a great privilege to have the opportunity to work with Sir John Bourn during the final year or so of his tenure, and I would like to join other hon. Members in wishing him well in his retirement.

4.21 pm

Justine Greening (Putney) (Con): It is a pleasure to participate in this debate on the reports of the Public Accounts Committee. The Committee plays a vital role, and its impact is felt not just in Parliament but outside the House. If we were to ask members of the public which Select Committees they were aware of, they would probably name two: one would be the Select Committee on Transport, which was chaired by the excellent former Member for Crewe and Nantwich, whom we all miss, and I am sure that the other one they would mention would be the Public Accounts Committee. Having listened to members of that Committee contribute to the debate this afternoon, I have a real sense of why it is so effective, and I shall come on to that later.

The Committee has obvious strengths, including the fact that it is cross-party in nature, leading to a need to find common ground. That forces people to remove the politics from the situation and focus on the underlying issues. It also has a particularly clear ethos, which is

about unashamedly shining a spotlight into crevices of Government activity—some deep and dark, others very large—where it feels that things are not working quite as well as they might. The spotlight may be blinding and perhaps not particularly welcome to the Government, but the light cast on the issues that are subjects of the Committee's inquiries is ultimately extremely productive.

The contributions we have heard today, and the knowledge base of Committee members, demonstrated the impressive breadth of issues that they have to consider. I pay tribute to the Committee members, because it is clear from the numbers of reports talked about that the amount of briefs they have to read every week must be phenomenal. I remember when I was lucky and privileged enough to serve on the Select Committee on Work and Pensions that we had to deal with a lot of briefs, but that was nothing compared to what the members of the Public Accounts Committee have on their desks, which they have to digest fully, understand and make the most of when they are carrying out their work. I also pay tribute to the Committee for developing its reports. Given the diverse group of people serving on it—I got a sense of the individual personalities whom the Chairman has to cope with—it is incredibly impressive that it is able to come up with reports of such quality, decisiveness and forensic detail.

As well as having real breadth, the Committee covers a variety of topics, unlike perhaps any other Select Committee. Its focus on public accounts means that it can cover the whole range of activities across Government, in an almost unrestrained way, which is a helpful ability. I welcome the Committee's reports not only for that reason, but for a number of others.

First, the value of the reports lies in the meticulous way they are pulled together. Critically, they are undeniably fact-based, as I have mentioned. Whether the reports are on the conclusions reached on efficiency savings processes across Government in dementia policy, which the right hon. Member for Islwyn (Mr. Touhig) mentioned, or other issues, it is the facts contained in the Committee's reports that make them so hard for Ministers to ignore.

Obviously I am disappointed to hear that the Committee is still awaiting a response from the Treasury to one report, but Treasury Ministers have probably been slightly busy over the past few months on other matters, including the Budget, re-writing the Budget, re-writing policies on capital gains tax and non-doms, and various other matters. On this occasion, one can understand why Treasury Ministers have not had the time to get back to the Committee so promptly. However, I am sure that, having listened to the Chairman's comments this afternoon, Ministers will respond promptly with the outstanding comments that they owe the Committee.

If one wanted to pick a success metric for Select Committees, the most effective would probably be the number of recommendations made in their reports that the Government took up. The Public Accounts Committee has a particularly good record on producing reports whose recommendations are so constructive that the Government take them up. The other key point about the Committee's success is its clear willingness to take a second look at issues that it has already examined closely and produced recommendations on, if it is concerned that action has not been taken and feels that considering the issues again will bear fruit. That tenacity is a further reason why the Committee's work is so well regarded.

The flip-side to the Committee's unrelenting desire to get to the bottom of the situations that it investigates and to take a fact-based approach is that it sometimes discovers that the facts are not there. The facts that exist are not the problem that the Government face, so much as the fact that people do not understand or have the information that they need to take good decisions.

The hon. Member for Southport (Dr. Pugh) mentioned that issue in the context of the Committee's inquiry into university drop-out rates and my hon. Friend the Member for South Norfolk (Mr. Bacon), who made a brilliant speech, mentioned it in relation to the new deal. He made the particularly valid point that projects such as the new deal can become mired in politics. In that policy area, what was so badly needed was a dispassionate look at the flaws in the implementation of the new deal, such as the lack of data available for the people trying to run it. The Committee's fact-based—or often lack-of-fact-based—approach is critical.

The second reason why the Committee's work is of such value is its attempt to look at Government in a more holistic, joined-up way. The hon. Member for Thurrock (Andrew Mackinlay), who I think would fit into the Committee quite well in terms of personality, made that point incredibly well. For what it is worth, judging by when I have been shopping at Thurrock Lakeside, I would have thought it was a regional centre. I base that on the fact that pretty much every time I have been, I have got stuck in traffic on the M25 trying to get in. Clearly, it is being used by people who are not particularly local.

Returning to my point, the way in which the Public Accounts Committee ranges across Departments means that its reports have a broader aspect than those of other Select Committees, as well as forensic detail. It therefore does a more valuable job by giving an overarching view of particular issues from an holistic perspective, which, critically, reflects how the Government's performance affects the public.

I think that my hon. Friend the Member for Gainsborough (Mr. Leigh) made the point, when he opened the debate, that what the Committee can do incredibly well is reflect the experience of the public in its reports. People experience public services through joined-up government, and, when a Select Committee focuses on a particular Department, it often might not have the chance to reflect on the impact that the Department's failures or pieces of work have across broader government. Critically, that aspect works very well for the Public Accounts Committee. That is another reason why the Committee is listened to both inside and outside the House when it publishes reports. I am sure that many Select Committee Chairmen would love to be on Radio 5 Live and Radio 4's "Today" programme as often as the Chairman of the Public Accounts Committee is.

I could not participate in this debate without mentioning the Committee's work on value for money and on the challenging efficiency savings programme that is ongoing and will be moved up to the next level. At the heart of the Committee's consideration is money—taxpayers' money—and how effectively the hard-earned cash that the public hand over to the Government, in the hope

[Justine Greening]

that they will deliver effective public services in return, is spent. That key strand runs across all Government Departments and enables the Committee to take such a wide-ranging approach to its reports. Its work on efficiency savings was critical because it was about a programme that is being carried out across government, not just in one Department. It made some profound and positive recommendations about the efficiency savings programme that could have been implemented across the whole gamut of government activity.

Having been involved with the Select Committee on Work and Pensions, which considered concerns about the efficiency savings programme as it was carried out in Jobcentre Plus, I recognise many of the issues that the Public Accounts Committee raised in its report. One such key issue was mentioned earlier—that efficiency savings were being carried out without a clear understanding of the cost that was incurred to get those savings. Before I came to the House, I was an accountant who worked in industry. I remember asking a civil servant at the Department for Work and Pensions about the cost of the efficiency savings programme in Jobcentre Plus and being flabbergasted when he told me that he did not know how much had been spent on delivering savings. I am therefore pleased that the Committee highlighted that issue in a report, and I hope that Ministers will not only respond positively to that, but act on the Committee's recommendations.

The Committee's achievement of getting the Government to accompany claims of savings with the cost of achieving those savings was a real win, not only for the Committee, but for Parliament and for the public. As we address the challenging targets on saving resources that the Government have set across a range of Departments—we know that more are coming; it sounds as though there will be a next wave—it is vital for the public that those savings are made not only efficiently but in a way that does not undermine the quality of the public services that people receive on a day-to-day basis.

I know from my time before becoming an MP that it is possible to make savings in two ways. The first involves making a bit of a cut and taking short-term decisions to make the figures add up in whatever way is possible. The other way is far more challenging, but it is the right way to do it. It involves genuinely looking at how to improve the way in which the team and the organisation are working. The Public Accounts Committee has flagged up the fact that it is vital to put the processes in place to ensure that the second approach is taken, rather than the first.

I pay tribute to the Chairman of the Committee, my hon. Friend the Member for Gainsborough. He set out the achievements of the Committee very well at the beginning of the debate. Given the venerable and individual personalities involved in the Committee, some of whom we have heard from today, it is no mean feat to be able to lead that group and to get it to produce a report at the end of any given inquiry. I am sure that, as long as the ability of a Chairman of a Select Committee to stay in post is performance related, my hon. Friend will remain in his position for quite some time. Given that the Government's performance in any number of areas these days is all too often rather shambolic, there is probably enough work for several Public Accounts Committees working simultaneously.

The reports that the Committee produces are often challenging to the Government, and they might at times feel like harsh medicine. They might make uncomfortable reading, but they are always constructive, and the Government ignore them at their peril. We all look forward to the next gamut of reports from the Committee. As a group of people working closely together on a whole range of issues, they no doubt have a massive contribution to make to ensuring that scrutiny of the Government continues in the way that it needs to on behalf of the public. I congratulate the Committee, and we all look forward to hearing the Minister's response to the contributions from Committee members and Back Benchers today.

4.37 pm

The Exchequer Secretary to the Treasury (Angela Eagle): It is a great pleasure to respond to what has been a very good debate. We often get quality rather than quantity in our Public Accounts Committee debates, and we have seen that again today. I start by thanking the members of the Committee for their work. The Chairman, the hon. Member for Gainsborough (Mr. Leigh), is rightly proud of its role in driving through efficiency and the accountability of all Government Departments to Parliament. That is a key part of its work, and it was that aspect of the work that I particularly enjoyed as a Back Bencher, and as a member of the Committee twice. I am now on the Committee for a third time, albeit in an ex officio role, which also gives me great pleasure.

The hon. Gentleman managed to get Confucius and Arnold Schwarzenegger into the same sentence.

Mr. Bacon: No mean feat.

Angela Eagle: Indeed. I would not even attempt to compete with that, even with three hours' notice, and I congratulate the Chairman of the Committee on his achievement.

The PAC highlights problems and points out specifically where things have gone wrong. That is a key part of its work of ensuring that lessons are learned, that best practice can be spread and that bad practice can be driven out from whatever corner of Government it exists in. The hon. Member for Gainsborough was right to say that there were signs of changing cultures and increasingly positive responses to the Committee's reports. It is important that there should be criticism when problems arise, but it is important to use praise as well, which the Committee does. When it sees elements of good practice, it rightly highlights them. For example, as mentioned earlier in our debate, the roll-out of Jobcentre Plus was done successfully and under budget, while the pensions regulator and NHS financial management could also be mentioned.

Mr. Bacon: Before the Minister moves on from the subject of praising Government Departments and the roll-out of Jobcentre Plus, I want to say that the report on that was exceptionally impressive, highlighting that the roll-out had won nine awards. One thing that greatly struck the Committee was that although the three witnesses in charge who came before us had between them 112

years of experience of administering social security, not one of them had started out as a fast-stream administrative trainee. They had all worked up from the bottom and they plainly knew the consequences of their actions on the people who were still at the bottom.

Angela Eagle: That is a key point and I hope that the head of the civil service will have noticed it in his regular perusals of the Committee's reports. When I was a Minister in the then Department of Social Security, I was anxious to ensure that there were feedback loops and mechanisms from the front line to those working on policy. Policy will be more successful when those feedback mechanisms are healthy, so I entirely agree with the hon. Gentleman's comments. It is important to learn from good and best practice, as well as from criticisms. When they are justified, as they often are, we should accept them, hold up our hands and learn the lessons.

My right hon. Friend the Member for Islwyn (Mr. Touhig) made an impassioned speech. He rightly pointed out the importance of the report on dementia inaugurated by the Public Accounts Committee. In a powerful contribution, he highlighted the importance of making progress on that issue. The Department has said that it will consider whether a compelling case can be made for having a strategy and a national clinical director for dementia. The Department agrees with the Committee on the need for early diagnosis—an issue that will be addressed by the creation of a national dementia strategy—and it also accepts the need to improve public and professional awareness. It has already commissioned a public awareness campaign by the Alzheimer's Society, which will be launched later this month. The PAC has done the country a singular service by raising this issue. As my right hon. Friend said, dementia does not often come to the forefront of debate, but it is an important issue.

The hon. Member for Gainsborough said that we were not getting a bang for our buck in respect of the extra money that we are putting into the NHS. He mentioned the second report on prescription drugs and pointed out that 752 million prescriptions were dispensed in primary care, which cost the NHS £8 billion. That is true. He rightly pointed out that 98 per cent. of those prescriptions were written by GPs. However, to put the other side of the argument, 83 per cent. were for generic drugs, which are cheaper than branded drugs, and that is the highest percentage in Europe. Although there is clearly scope for more savings, I want to put on record the fact that the percentage of generic drugs dispensed in the NHS as a proportion of the total number is high. We must all chase the possibility of making more savings, but I want to point out that the NHS does not do too badly in that respect.

Dr. Pugh: The Government are making appreciable progress in that area, but the remarks of the hon. Member for Gainsborough (Mr. Leigh) about efficiency and getting value for money are more appropriate to the Public Accounts Committee report on the consultants' contract, which showed an increase in costs but no gain in efficiency.

Angela Eagle: The hon. Gentleman is right to raise those important issues. We must continue to work on our definition of productivity in the public sector if we are not to produce perverse results, and we need the tools with which to analyse how well expenditure is being used. We must do more technical work on all those issues, as he suggests.

My hon. Friend the Member for Great Grimsby (Mr. Mitchell) announced to the Chamber that he was developing increasingly sycophantic tendencies. I can hardly believe that that is true: having known him for as long as I have, I should be amazed if such a thing were happening. I am not sure that he has made the appropriate assessment of the way in which his character is evolving over time.

My hon. Friend said that he had made some interesting discoveries during his membership of the Committee, particularly the discovery that motorbikes escaped automatic number plate recognition technology and could thus evade vehicle excise duty and even, perhaps, speeding fines with impunity unless caught by a handy police officer. I am afraid I have bad news for him if he is thinking of mitigating the costs incurred by his household in the form of speeding fines: automatic number plate recognition cameras can now identify motorbikes, so I fear that his method of evading motoring law and potential extra costs has just slipped through his fingers.

Mr. Mitchell: Bang goes my wife's Christmas present.

Angela Eagle: My hon. Friend will have to think of something more useful to buy his wife for Christmas.

The hon. Member for South Norfolk (Mr. Bacon) asked a series of, as always, relevant questions. He spoke of ending the ban on what can be debated under the motion so that our debates could become more contemporary. The Government do not have a particular view on that; it is a matter for the House. If the House decides that it wants to change the way in which we debate PAC reports, I shall do my best—or whoever succeeds me in my post will do their best—to respond in a timely fashion.

The hon. Gentleman asked about the following up of Treasury guidance. Such guidance takes a number of forms. A recent example is the "Dear auditor" letter which was sent to all Departments after I had been in correspondence with the hon. Member for Gainsborough about the follow-up to a PAC report in a certain non-departmental public body. It instructed Departments to follow up and publish in their annual reports what they are doing about the recommendations agreed in PAC reports. The NAO often alerts the Treasury to emerging problems in particular areas, and there is a great deal of constructive discussion and debate between them. We do not like anything to slip through our fingers, and we are trying to establish programmes that will ensure that no recommendations issued either to Departments or to other bodies slip through the net in future. Every Department has a team in the Treasury that has its ear to the ground and tries to keep an eye on things. It is obviously regrettable if something slips through the net, but we try to minimise that.

My hon. Friend the Member for Thurrock (Andrew Mackinlay) made an extremely good contribution on landfill, and on the prospect of a new Thames barrier to mitigate flooding risks. He also spoke about the Thames Gateway in principle, as well as about his local shopping centre. He clearly has views on the way in which the gateway has been set up, but I cannot stray into them because they are not in my ministerial area. I will say,

[Angela Eagle]

however, that major progress has been made in the development of the Thames Gateway. More than 42,000 new homes were built in the gateway between 2001 and 2007. The number of jobs created in the gateway has grown by 10 per cent. between 2001 and 2006, compared with an average 4 per cent. increase in England as a whole. The Government have never believed that a top-down centralised structure is right for the gateway, which is an area 40 miles in length with a population of 1.5 million and dozens of different towns and communities. However, my hon. Friend has robust views on the matter and I am sure he will continue to express them to the appropriate Ministers. I undertake to write to the appropriate Minister about his retail park, which is clearly bugging him greatly; I would like to find out whether I can do anything to assist him in that.

The hon. Member for Ludlow (Mr. Dunne) has during his parliamentary career been involved in some of the same Select Committees on which I have, as a Back-Bench Member, had the privilege to serve: the Treasury Committee and the Public Accounts Committee. He is clearly enjoying himself, and he made an extremely good speech on some of the reports he has been particularly involved in. I hope he continues to enjoy his membership of the Committee as much as I did.

The hon. Gentleman made a point about hindsight and looking at things retrospectively—after the horse has bolted, so to speak. That is because the Committee looks at value-for-money issues. If the PAC wishes to change its remit, that is a matter for the House. The Committee would have to develop its views on that, and the House would then have to decide whether to agree to the change. I agree with the hon. Gentleman that it is important that accounting officers are questioned—my hon. Friend the Member for Great Grimsby made this point, too—as the Committee has never concerned itself with policy, but deals with value for money and efficiency. That is an extremely important part of its focus.

The hon. Member for Putney (Justine Greening) was right to highlight the strengths of the Committee's cross-party structure and the holistic approach it takes, and the importance of the focus on value for money and efficiency savings, which are at the heart of its work.

The Chairman, the hon. Member for Gainsborough, drew our attention to the tax credits system. Tax credits provide support for 6 million families and take-up is now at unprecedented levels. The system has helped lift 600,000 people out of poverty since 1998-99. Figures published in March 2008 show that in 2005-06 take-up of the child tax credit was 82 per cent. with more than 90 per cent. of allocated money being claimed. Importantly, for those on incomes of less than £10,000, take-up is now at 96 per cent. For lone parents, it is now up to 95 per cent. Furthermore, Her Majesty's Revenue and Customs has established the tax credits transformation programme to improve the services that families receive. That includes a new service that allows couples whose relationship has broken down to initiate a new single claim by making a single telephone call.

We have also improved performance, so that far fewer overpayments are caused by processing or software error. Accuracy in processing and calculating awards has risen from 78.6 per cent. in 2003-04 to about 97 per cent. in 2006-07. HMRC has revised its code of practice on recovering overpayments, replacing the reasonable belief test with a clearer test that will set out customers' responsibilities for checking factual information. In effect, there is a contract of responsibility. For instance, the recipient is expected to check that the amount going into their bank account matches the amount in the award notice. As before, they will not be expected to check the calculation; that will be a relief to all Members in terms of our constituency surgery work. If there is an official error and customers meet their responsibilities, the overpayment should be written off. The change will mean a fairer balance of responsibilities between the customer and HMRC. The Government regret the amount of error and fraud. The clear intention is for them to be reduced. HMRC will set targets to reflect that intention during this year.

Officials are working hard to publish at the earliest opportunity the Treasury minutes on tax credits that Members are awaiting. Although the delay is regrettable, I should add in mitigation that the record for meeting deadlines for such minutes is extremely good.

Various hon. Members have mentioned the Government's efficiency programme. The Committee has, on several occasions, rightly focused on this ambitious programme and I welcome its support for what we are trying to achieve. I am, of course, aware of the Committee's concerns about the robustness of the efficiency gains identified by the Government. Hon. Members are of course right that the savings claimed need to be genuine and credible. However, we should not overlook the National Audit Office's view that

"projects across the public sector are making significant improvements to the efficiency of public services".

I hope that hon. Members on both sides of the House will welcome that view. Nor should we ignore the fact that the programme is the largest concerted and continuous efficiency drive embarked upon by any Government in modern times.

By December last year, we had achieved some £23 billion of efficiency gains. Our target for the current comprehensive spending review period up to 2010-11 is to achieve another £30 billion of savings. We have already seen some 78,000 net reductions in staff numbers as well as 12,600 posts reallocated to the front line. We are incredibly proud of the dedication and professionalism shown by civil servants across the country who have accepted the message that the Government need to work smarter and faster to deliver public services.

We are determined to seize opportunities to provide taxpayers with genuine value for money wherever possible. We are also on target to reach our target of relocating some 20,000 jobs from London and the south-east by 2010 and, by the end of last year, had already moved 15,700 posts to the rest of the United Kingdom. That good progress has strengthened local economies and enabled the civil service to tap into a broader pool of talented recruits from across our country. All nations and regions in the UK have benefited from these moves, with 3,275 posts moving to the north-west, 3,259 posts moving to Wales and 3,268 posts moving to Yorkshire and the Humber.

Thirdly, I shall turn to financial accountability. Full and open financial transparency is an essential and defining characteristic of a modern parliamentary democracy. The PAC, supported by the NAO, continues to be at the heart of the scrutiny process in our democracy and its unstinting and challenging examination of the use of scarce public resources contributes to our story of accountability in the United Kingdom.

The hon. Member for South Norfolk gave a dizzying list of PAC equivalents that he had managed to visit the world over on his travels, but pointed out that the UK version is still a world leader. However, Parliament and Government cannot afford to be complacent about financial scrutiny. This point was clearly recognised in the Liaison Committee's report, "Parliament and Government Finance—Financial Scrutiny", which was published just over three weeks ago, on 21 April, and which the Government welcome.

We are particularly grateful for the Liaison Committee's support for what has become known as our alignment project, which the Prime Minister announced last July. The project aims to bring all the Government's publication of information about public spending into a common format. This comprises public spending plans, parliamentary estimates and published resource accounts. Implementation of the alignment project will make a significant contribution to greater transparency and accountability and will allow Parliament and the public to track more readily Government spending from planning and budgeting stages right through to actual out-turn. As a result, Parliament will enjoy greater financial control over departmental budgets and, at the same time, have clearer and better financial information on the efficacy of planned public spending.

The PAC must share some of the credit for these reforms, as is evidenced in its welcome paper, "Improving Financial Scrutiny", published as far back as July 2006. Hon. Members will recall that my predecessor as Financial Secretary promised to work with Parliament in bringing about change in the public interest. The alignment project clearly demonstrates our commitment to this worthy ambition and the Government continue to look forward to working with Parliament to achieve our common goals.

Turning from projects, I should like to reflect on the developments under way to modernise the NAO's governance structures—another matter referred to by the hon. Member for Gainsborough. Members have already welcomed the Public Accounts Commission's 15th report on the governance of the NAO. I should like to restate the Government's support for those reforms. We support the Public Accounts Commission's objective in establishing systems of governance and internal control at the NAO that are consistent with best practice but that do not fetter its ability to form completely independent judgments.

The current governance arrangements for the NAO and the Comptroller and Auditor General give priority to independence at the expense of good governance. The Government believe that the Public Accounts Commission's report strikes the right balance between the Comptroller and Auditor General's independence and the governance expected of an organisation that operates in the 21st century, rather than perhaps the 18th or 19th centuries. The new governance arrangements will give the Comptroller and Auditor General and the NAO the authority that they need for the important work that they do and spur them to improved performance. As hon. Members will know, the Prime Minister agreed that such provisions would be included in the Constitutional Renewal Bill, which has now started its pre-legislative scrutiny under a Joint Committee. It is important that Parliament and the Government work in harmony towards our shared objectives.

I understand the hon. Gentleman's enthusiasm for bringing about the agreed new governance arrangements at the NAO—a point that he made very powerfully in his speech today. However, the important thing is to settle on a robust governance structure and to ensure that it commands the public support that it must have for credibility.

I should like to thank Tim Burr not only for agreeing to serve as the Comptroller and Auditor General until the reforms are completed and in place, but also for presiding over a seamless transition from the previous regime. That reflects his outstanding ability as a public servant. He is clearly demonstrating his ability to preside over the NAO in these times and to prepare it for the new governance arrangements.

It has been a pleasure to listen to the debate today, and I congratulate all hon. Members on their contributions. Before I sit down, I should like to add my voice to those who have wished the outgoing Comptroller and Auditor General, Sir John Bourn, under whom I served two terms as a Back-Bench member of the Public Accounts Committee, a long and happy retirement.

5.2 pm

Mr. Leigh: If I may crave your indulgence, Mr. Deputy Speaker, just for three or four minutes, I shall thank all the hon. Members who have taken part in the debate, particularly the right hon. Member for Islwyn (Mr. Touhig), who sat through the entire debate and backed up what I and others have said about dementia. He made a very moving speech, and if people think that our work is rather dry and does not concern real people and that it is just about accounts, I hope that they will read and listen to his speech. I seriously think that that report is one of the most important things that we have done this year, and it will make a real difference to millions of people's lives.

On a slightly lighter note, we much enjoyed the speech made by the hon. Member for Southport (Dr. Pugh), who referred to us as some kind of pop group. Seriously, I think that there is a need for the public sector to take a few hints from what is going on in the private sector. We perhaps need to engage the media more in what we do. Perhaps there should be a public sector version of "The Apprentice", in which the hon. Member for Thurrock (Andrew Mackinlay) or perhaps the hon. Member for Great Grimsby (Mr. Mitchell) could play the part of Sir Alan Sugar and say to some of those civil servants, "You're fired."

Andrew Mackinlay: You mean the nice guy.

Mr. Leigh: Indeed. Of course, that leads me straight on to the hon. Member for Great Grimsby, who brought us down to reality in a typically robust, wide-ranging speech. He reminded us again not only that much of our work is about helping the lives of ordinary people,

[Mr. Leigh]

but that many of the problems that we face in this country relate to our excellent civil service gold-plating European directives. We saw that particularly with the Rural Payments Agency.

My hon. Friend the Member for South Norfolk (Mr. Bacon) gave a virtuoso performance. The temptation in our debates is always to read out our speeches, because we want to get everything in and be serious, but he did not read his speech at all; he just produced about 20 reports and used them brilliantly as a prop. After what he has said today, we have to try to modernise our procedures in this debate and ensure that they are up to date. The concept of having to stick rigidly to matters on which there has been a Treasury minute is outmoded. It was outrageous that yesterday, when Postcomm was before the Committee, its representatives did not once say that Postcomm was to come out with a major announcement two hours after appearing before us, the senior Committee of Parliament. It is unbelievable. It is perhaps even more wrong that we cannot have a proper debate about that today.

Of course I thank the hon. Member for Thurrock, not least because he is not a member of the Committee. It is important that these debates do not become a Committee love-in, in which we all pat ourselves on the shoulder. We want to bring in people who are not Committee members. His constituency was the common thread in his comments on all the reports that he mentioned, including the reports on the Thames Gateway, flood alleviation and landfill; I thought that that was an excellent way to go about making his speech.

I thank my hon. Friend the Member for Ludlow (Mr. Dunne) for hot-footing it back from Crewe and Nantwich—I know that he has spent a lot of time there recently—to grace the Conservative Benches in his typically diligent way. My hon. Friend the Member for Putney (Justine Greening), the Opposition spokesman, is a newcomer to our debates. She put her finger on it: the point of our reports is that they are based on evidence and fact, as the right hon. Member for Swansea, West (Mr. Williams), who is the Father of the House and the longest-serving member of the Committee, always says. Our reports are only as good as the facts on which they are based, and that is why it was such an appalling let-down when the Department for Transport gave us incorrect figures on motorcycle evasion. We never want to see that happen again. It destroys the credibility of the Committee, and of Parliament, when we are given wrong information.

Lastly, may I thank the Exchequer Secretary to the Treasury for a typically witty, charming tribute to our work? Quite rightly, she set us right a bit when we perhaps strayed into criticism of the Government on tax credits or prescriptions. As always, the debate was not a party political affair. It genuinely sought to shed light on the workings of Government, and not to generate only heat. I thank the House for its attendance.

Question put and agreed to.

Resolved,

That this House takes note of the 41st and the 42nd and the 46th to the 65th Reports of the Committee of Public Accounts of Session 2006-07, and of the Treasury Minutes on these Reports (Cm 7275, 7276 and 7322); and of the 1st to the 4th, the 6th and the 9th to the 13th Reports of the Committee of Session 2007-08, and of the Treasury Minutes on these Reports (Cm 7323 and 7364).

Boiler Room Fraud

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Khan.]*

5.7 pm

Mr. Nigel Evans (Ribble Valley) (Con): I am delighted to have this opportunity to raise an issue that should be of interest to everyone in the House, although I suspect that many Members do not even know that the scam I shall describe is going on. There are people who are ignorant of the fact that they are victims of boiler room fraud. I am delighted that today's business finished a little early, because it gives the Solicitor-General and me the luxury of a little more time to elaborate, to explore the issue fully, and to identify what we all ought to do to ensure that people are properly protected. I am chairman of the all-party identity fraud group; that is how the scam was brought to my attention. I am grateful to see that the Solicitor-General is present. That gives an important signal that the Government intend to take the issue very seriously.

In the past few days, I have mentioned the debate to a number of MPs, and others have seen it announced on the Annunciator. Some of them thought that it had something to do with plumbing. They had not the faintest idea what boiler room fraud was. They asked, "What's that all about, then, Nigel?" When I explained it to them, they took it very seriously. They went white when they realised the scale of the problem.

Boiler room fraud is a big crime, yet not many people know about it. The police have called it the biggest fraud threat to households. It is even bigger than credit card fraud. The estimated loss last year was more than £500 million. One estimate puts the figure close to £1 billion. The fact is that nobody really knows what the top-level figure is, because, as I said earlier, not everybody involved knows that they are a victim.

Boiler room fraud is the name given to share investment scams—mostly share investment scams—where crooks posing as brokers use high pressure marketing techniques to sell investors shares that turn out to be worthless. This usually happens over the telephone, and usually the victims are cold-called—they receive calls that they have not initiated. The shares might be shares in real companies, but they are sold above the market price and turn out to be highly illiquid, preventing the investor from selling them on, but as often as not, investors are sold shares in companies that do not even exist.

The criminals will do anything to part victims from their money, including lying, cheating and threatening. They are persistent and they are ruthless. The conmen who operate the boiler rooms try to locate themselves beyond the reach of UK law enforcement. Many of the boiler rooms targeting the UK appear to be located in Spain. The police estimate there are around 400 boiler rooms operating in Spain, employing over 600 people. They earn big money. I should not use the word "earn"—they steal big money.

Other popular locations for boiler rooms are the USA, Dubai, Berlin, France—they can operate from anywhere. In this era of the telephone, fax and email, a boiler room can be located anywhere in the world, and tracking them down can be difficult, because they are dishonest about their true location.

Many boiler rooms go to great lengths to build up a believable facade of respectability. They choose respectable names such as Bayer Investments, Legacy International, and Total Asset Management, which all sound legitimate. They might have a UK telephone number, but this can just be a forwarding service to anywhere in the world.

The people used by boiler rooms are highly trained to con victims out of their money. They have posh British accents or American accents, and many of them adopt what may seem to be Biblical names so that people will trust them from the beginning. Mostly, the names are false. Boiler rooms hire young people by advertising in newspapers to get them to come to Spain—I shall use Spain as an example because it seems to be very popular. The advertisement invites young people to come and work in Spain as a financial adviser, or young people may be recruited at employment fairs and lured into a job. In some cases their passports are taken from them when they arrive in the country, and they are threatened that they had better not tell anyone what they are doing. It is frightening.

My advice to newspapers is to take more responsibility for the advertisements that they accept. I also have advice for parents. Boiler room conmen seem to be picking on gap year students—young people between school and university, or those who have just left university—or young people who happen to be out in Spain already, who see people coming to bars flashing lots of money and driving fancy cars. That seems attractive to them.

I advise parents to pay more attention to what their youngsters get up to in their gap year. They should investigate far more thoroughly what their jobs are all about, because if a young person is offered a job as a financial adviser working abroad, the chances are that it is one of these scams.

The youngsters have to learn a script. They are drilled and trained thoroughly so that they sound believable. They do their homework about their would-be victims. They look up share registers to find out whether people regularly invest in shares, and the sort of shares that they invest in. They go so far as looking through yachting magazines or car magazines such as *Auto Trader* to find out who is selling those items. They know that if those people sell their car or yacht, they will shortly have a few thousand pounds in their pocket, and their telephone number may appear in the magazine, so the conman has all the information necessary to try to part them from their cash.

Why have I called for this debate? Members and their constituents might wonder, given that the crime is not new. I have done so because only very recently has the massive scale of the crime become apparent in the UK. I first heard about it when I was contacted by BBC Radio 4's "You and Yours" programme for a comment. Reporter Shari Vahl has conducted an investigation into boiler room fraud for the past two years; I pay tribute to her determination and doggedness and to "You and Yours" for raising this issue. Every time it is mentioned on the radio or television, the police are inundated with mail, phone calls and e-mails from people who have finally concluded that they have been conned. The more we get the issue on the TV or in newspapers, the more people will come forward with their own evidence.

[Mr. Nigel Evans]

Even the police have been shocked by the scale of the crime. One officer on the case has admitted that the problem is much bigger than he had realised. I am sure that the majority of hon. Members have constituents who have been affected. I suspect that even today some of our constituents will have written cheques to send the con men; some may not yet have sent the cheques. One clear piece of advice would be that they should not send that cheque, no matter what harassment they are getting from the con men, but seek independent financial advice today—otherwise they will be the next victims. The con men may well lie low for a little bit while there is more publicity about this issue, but then they will come back again; as one boiler room closes down, another opens. The con men are persistent.

I want the Financial Services Authority to do more and the police to be given more resources, more training and better guidance. I have nothing but praise for the City of London police. I was with them today, and they are clearly focusing on and specialising in this scam. Other police forces, however, will not be up to speed with what is going on; I shall give examples of that later.

Boiler room fraud has been called a billion-pound business by an insider. As I said, that figure is hard for the police to verify, but they admit that they are merely scratching the surface of the problem. The police have given the figure of £500 million, which reflects the boiler room fraud that they know of. A senior fraud squad officer said:

"I've never dealt with a crime where there are such consistently high losses and so many victims. There's a tidal wave of grief coming from these people."

Here are some examples that give an idea of the scale of the problem. In the past two months, the FBI in Florida raided a $50 million boiler room based in Sao Paolo, Brazil. Twenty people were arrested. There are known to be thousands of victims of that one boiler room, and all are thought to be British. In another recent case, a British fraudster was arrested in the United States of America. This man, Mr. Gunter, and his daughter, had an estimated 15,000 British victims. He stole about £16 million.

Whom do boiler rooms target? Boiler room fraud is causing untold harm to ordinary people trying hard to save money for their retirement or to put their children through university. People even borrow money to invest in some of these scams—and when they think that they are on to a good thing, they tell their friends about it, and their friends invest as well. The issue is not about reckless city traders gambling on the stock markets with other people's money; the people involved are victims of professional, clever crooks.

It is important to emphasise that this is not a crime that happens to stupid, greedy people with more money than sense. I know that a lot of us find it rather hard to believe that someone can get cold-called and, in a matter of months, start to part with thousands of pounds. We think, "I wouldn't do that, so why would anyone else?" We have not had the telephone call from those professional con men, so, fortunately, the vast majority do not know what it is like to be on the receiving end.

One of the biggest misconceptions about boiler room fraud, which needs to be dispelled, is that its victims are stupid and greedy. The criminals play sophisticated tricks to steal people's money. Even when money has been stolen—when people find that the shares that they bought were worthless or when they do not do as well as expected—the fraudsters come back. People think, "I can make up my losses." It is just like the old casino stuff. People will part with even more money to try to get their money back.

Victims who have recently come forward to tell their stories are intelligent, educated people. They include university professors, architects and lawyers. I even know of one case where an independent financial adviser lost £20,000. Part of the problem is that people are embarrassed, and that is why we have not scratched the surface of the problem. Not everyone tells their wife or husband what they are doing with the money. I know of one case where the victim kept it secret and lied about how much money they were investing. Victims are embarrassed when they find out that they have lost all the money. In some cases, they will not even go to the police and report the crime. I say to anyone who has been a victim of boiler room fraud, "Please go to the police and ensure that they know about it." It should not be kept secret.

The criminals tend to pick on elderly people, although they do not do so exclusively. Sons, daughters and relatives should advise parents and grandparents about the scam. They should tell them what is going on and ensure that they have not been taking any cold calls whatsoever, let alone starting to invest their money with so-called brokers who are only out to steal it. It goes the other way, too. Parents should ensure that their sons, daughters and other younger relatives know about these scams. Everybody should tell everybody else about the scams, or else they could find that their relatives are soon victims.

Mark Pritchard (The Wrekin) (Con): My hon. Friend is making an excellent speech on a serious issue. Does he agree that as many of these crimes are perpetrated by those involved in organised crime and are often transborder crimes, they might be an issue for the Serious Organised Crime Agency?

Mr. Evans: Organised crime is certainly involved. There are no two ways about it. The police have broken up boiler rooms before, but others have sprung up. The real problem is that the pickings are so rich that the criminals are preying on people's entire life savings. They are callous, cruel people without an ounce of compassion. Their only intention is to try to steal people's money. They drive around in flash cars, such as Ferraris, and flash their money all over the place, but it is not their money. They have stolen it. Later, I shall say a little more about what I believe that all sorts of organisations, including SOCA, ought to be doing.

I mentioned elderly victims and the fact that the criminals are trying to steal their life savings. That is what it is all about. Let me give some examples. The first, sadly, led to a suicide, as the consequences of this crime can be devastating. I spoke this week to the widow of a man who committed suicide in October last year as a direct result of his losses.

The story of how the victim was conned is fairly typical. He had made some investments previously so his name appeared in several places as a share owner. The crooks obtained his details from a publicly available

register of shareholders, which is a common tactic. The fake brokers were in touch with him for some time before they got him to part with his cash. They build confidence by saying, "Something may be happening. We've heard that there may be an investment opportunity but we don't want you to send any money yet. Are you interested if it comes off?" They learn dialogues to build up people's confidence and persuade them that they will get a share of something big.

After the fraudsters build up people's confidence, they go in for the kill. In the case I am describing, at first it was only a few thousand pounds, then a few thousand more and so on. The largest cheque the victim signed was for £38,000. It was two years before he admitted to his wife—in October 2007—the scale of his losses. The crooks had stolen more than £200,000 from him. The shame of having been conned and losing so much money, which was meant to support his wife and his young daughter, caused him to commit suicide.

Astonishingly, within weeks of his death his wife was contacted by another group of fraudsters—perhaps related to the first group, or even the same people. They told her that her husband had bought as an investment 36 bottles of Chateau Lafite worth almost £13,000. They threatened the widow and her young daughter with losing her home if she did not pay the money. How callous. How could they stoop so low? The fraudsters are clever. They sent flowers to one of their victims when he was in hospital. They wished him well, but they were still trying to sell him shares while he was in hospital.

This morning I visited Operation Archway, which is run by the City of London police to combat boiler room fraud. The police showed me piles of mail, much of it handwritten by elderly people—their evidence on lavender writing paper. I saw a letter from a man aged 83 who had lost £95,000. I saw a letter from a couple in their 80s who had lost £50,000. I was shown their e-mail inbox, which contained almost 1,600 e-mails sent over recent months.

I have been contacted directly by a lady whose parents lost more than £100,000. Her father contacted the largest firm of stockbrokers in Liverpool for advice because he had suspicions about the company. Not one person mentioned boiler room fraud. Only after several phone calls did a junior member of staff suggest that he should contact the police.

The House can imagine the outcry if £500 million a year had been stolen from people's houses in burglaries. I pay tribute to the BBC programme "Working Lunch", which today featured Mr. and Mrs. Fudge from Bournemouth who had £20,000 stolen from them. Mrs. Fudge said:

"It's like having your house broken into. They've stolen everything we've ever worked for."

The Financial Services Authority has made a poor response. The authority is supposed to be the UK regulator responsible for protecting consumers, including shareholders. I put a question to the Treasury earlier this month and received the following answer:

"The Treasury does not undertake consumer protection activity or raise awareness of boiler room frauds directly. The Financial Services Authority has a specific statutory objective to protect consumers, which includes advising and protecting investors against boiler room frauds."—[*Official Report*, 12 May 2008; Vol. 475, c. 1427W.]

The FSA has gone on record as saying:

"Boiler rooms are not authorised by the FSA, and are based abroad outside our reach, so victims are not protected by the financial services compensation and complaints schemes. Our strongest tool is to make people aware of the scam".

I would argue that it is utterly failing in its remit to protect consumers and to help them to get a fair deal, and failing in the objective that it has set itself:

"to make people aware of the scam".

The FSA says that it has been proactive, so what has it done? First, it has a page on its website about boiler room fraud. However, when I went online I found it incredibly difficult to get to that page. There is nothing on the front page of the website to warn people about boiler room fraud; one has to know what one is looking for. Several different pages refer to boiler rooms and investment scams, but they do not all link to each other. Unbelievably, there is no reference at all to Operation Archway on the boiler room fraud page.

Secondly, the FSA claims that most existing shareholders should have received warnings from their legitimate brokers. In fact, it has given brokers a form of words to use and asked them to fund their own publicity. As a result, many people have never seen a warning. That is astonishing complacency from the FSA and from legitimate brokers who risk having their reputations tarnished by the criminals who imitate them. I received from my hon. Friend the Member for Croydon, South (Richard Ottaway) a letter from one of his constituents who had heard me on the radio and written to Mr. Phelan of the FSA, who was on the same programme. The constituent—I will not name him—says:

"In the programme you say that Registrars have been sending out FSA advertisements about boiler rooms for the last two years and that the vast majority of investors should know about boiler room fraud as a result. I fear you may be out of touch with reality."

I concur. He continues:

"It is precisely because I had never ever received any boiler room fraud warning...that I wrote to you on 27 March 2008 with some suggestions. One of those suggestions was 'Have you enclosed information leaflets with, for example, Tax Returns or pension advices, or contacted registrars so that something can be sent with company Annual Reports?'. I was quite surprised to hear you claim this had been going on for 2 years."

He therefore asked some of his friends, most of whom—apart from one, who is involved in the finance industry—had never seen anything about boiler room frauds and knew nothing about them. He went on:

"There are three major Registrars, Capita, Computershare and Equiniti. Capita tell me they do not send out any FSA advertisement or warning about boiler rooms. They do have an advice line though if people telephone about boiler rooms. Computershare will only enclose a warning if requested to do so by the company concerned. Computershare look after about 1000 UK companies. I have asked how many of those 1600 agree to the boiler room warning being included. The compliance department at Equiniti are still due to contact me."

I think that speaks for itself. The FSA believes that these warnings are going out, but they are not. People are totally ignorant about what boiler room fraud is, and there is astonishing complacency on the part of the FSA.

So what can we do? A publicity campaign is vital. There is a strong case for a national awareness-raising campaign, which should be led by the FSA—that is its job, and it should be getting on and doing it. All

[Mr. Evans]

legitimate brokers, banks and financial institutions should be giving out leaflets to customers, shareholders, and people who bank with them. Credit card companies should also be involved. We could even consider asking telephone companies and other companies that regularly send out statements to warn their customers about boiler room fraud. Many victims and potential victims do not use the internet, so just putting something up on the internet is not good enough. As I said, the FSA is not doing enough in that regard.

The City of London police are trying hard to raise awareness in innovative ways. For example, they are reaching out to older victims by putting articles in *Saga* magazine; publicising the scam through the Caravan Club and its members; and producing a DVD to show on holiday cruise ships. That is clever. They are thinking outside the box to try to reach as many people as they can.

The FSA should take the lead on awareness-raising. It should work closely with trading standards and the UK Consumer Protection Agency to conduct a national campaign. It should spearhead an advertising campaign to raise people's awareness of boiler room fraud. The FSA also needs to work more closely with the police. It is not good enough that it does not even have a link to Operation Archway on its website. It should correct that immediately.

The national police need more resources. I welcome the creation of the National Fraud Strategic Authority, which will co-ordinate national counter-fraud efforts. I also welcome the Government's announcement of the creation of a national fraud reporting centre.

Will the Solicitor-General assure me that those new initiatives will mean more officers and resources to tackle boiler room fraud, not just a rebranding of existing assets? What recent talks has the Solicitor-General held with her counterparts in the Home Office, officers in the Serious Fraud Office and in the Serious Organised Crime Agency, which my hon. Friend the Member for The Wrekin (Mark Pritchard) mentioned, and the City of London police about a co-ordinated approach to tackling boiler room fraud?

Spain is a favourite destination for the boiler room fraudsters and it took the City of London police some time to get any co-operation from the Spanish authorities. They are getting it, but it is belated. They say that United States of America is fantastic and co-operates brilliantly. One would think that an EU country might be a little more proactive in trying to help protect the citizens of the so-called union. It was suggested to me today that the lack of co-operation was because the victims were British, not Spanish, so perhaps the Spanish authorities did not perceive the fraud as important to them whereas, of course, if such fraud takes off here, it will happen everywhere. Police authorities throughout the EU should consider a co-ordinated approach to the matter.

Local police need more guidance. People currently report cases of suspected boiler room fraud to their local police station. They should be directed to their local fraud squad and Operation Archway. However, I know of a case in north Wales in which a victim was left in limbo after discovering that the local police force did not have fraud officers. Not all the police stations in the country know about boiler room scams and they should be brought up to speed.

Does the Solicitor-General believe that trying to combat international organised crime through local police forces is the most effective approach? Perhaps we should think out of the box

As I said, the City of London police told me this morning that their co-operation with counterparts outside the EU is much better than with those in it. Clearly, that should not be the case. Will the Solicitor-General assure me that she will speak to her Cabinet colleagues to ensure that all relevant Departments work together to get maximum co-operation at European Commission level and with our European and international partners?

I want to send a message to anybody out there who may be on the receiving end of such calls and who may think that the so-called brokers are legitimate. Of course people may think that they are legitimate—it is their job to con. I say to those on the receiving end, "Be aware." If they have an envelope on the mantelpiece with a cheque in it already, they should not send it. Indeed, if they have sent a cheque in the past 24 hours, they should take speedy financial advice about whether to allow it to clear. They need to protect themselves.

We are considering a seismic scam, which leaves a trail of misery, despair, tears and, sadly, in one case that was brought to our attention, suicide. If people do not know about the scam, they cannot protect themselves against it. They cannot protect their money or financial security. If they are left ignorant, they could lose everything, including their lives. That is not good enough. We must all do more.

5.39 pm

The Solicitor-General (Vera Baird): I congratulate the hon. Member for Ribble Valley (Mr. Evans) on securing this debate and on bringing this extremely serious issue before the House. I also congratulate him on his pursuit of the issue in his speech and through the all-party parliamentary group that he leads with the vigour that he has shown today. I thank him further for the unusual step, which should be taken more frequently, of kindly letting me have a summary of what he wanted to say, so that I knew in advance the points he wanted me to tackle. That is a better way of ensuring that we have a good debate than leaving things a mystery and providing the questions all at the last minute.

I agree entirely with what the hon. Gentleman said about the misleading nature of the name boiler room fraud, which does tend to make one think of central heating or ballcocks although it concerns things that are much more venal than that. The cost of fraud is devastating and affects us all. Fraud against business does not just drive up costs for consumers; the cases of Enron, the Bank of Credit and Commerce International and Barlow Clowes show that it puts whole communities at risk. The Government, too, are a regular victim of fraud, and when they are, fraudsters are robbing taxpayers of the modern public services that they have paid for. As the hon. Gentleman has shown, the fraudster's victim of choice will often come from among our most vulnerable citizens, who are targeted for their life savings and their livelihoods.

Boiler room fraud shows that although fraudsters' methods may be complex, internationally organised and highly sophisticated, their motive is just simple criminal profit—deliberate, cruel and totally unchecked by any compassion for victims. Numbers are very hard to determine, as the hon. Gentleman said. We get about 100 new victims of boiler room fraud contacting the police each week. Losses range from £3,000 to more than £1 million—a very substantial amount for an individual. The Financial Services Authority estimates that about 2,000 victims contact it each year, with average losses of about £20,000.

The human cost, as well as the financial cost, is often appalling, as the hon. Gentleman's examples showed. I am glad to hear that he has visited the City of London police; the Attorney-General and I went there a month ago, and indeed, we found them impressive, as the hon. Gentleman clearly did. The appalling story he was told of the lady whose husband was driven to suicide—he lost his life savings of about £200,000 and was obviously completely unable to live with that fact—is a human tragedy of matchless proportions. Another caller to the City of London just sobbed on the telephone and could not explain to the officer at that time any detail of what had happened; she was clearly devastated. One man in his 80s had lost more than £400,000 and was about to buy some more worthless shares when the City of London police were apprised of the scam and arranged for an officer in his local force, which was in Scotland, to explain to him what was happening and head it off.

Those are the depths to which the fraudsters sink. Amazingly, it is not generally seen as evil crime, like violent crime, rape or armed robbery, but it does massive damage to people's lives. For people to lose the cash that they and their family were depending on for the future produces shame and guilt, and there will be massive under-reporting because such feelings are an ordinary human reaction. People suffer a loss of faith in their own judgment and a loss of self-esteem, all of which is massively more injurious to health than a punch on the nose in the street.

It is a very serious crime that the Government take very seriously, and the risks are rising fast for the perpetrators of such crimes. In recent months, a multi-agency taskforce, co-ordinated by the City of London police, joining with key agencies such as the Serious Organised Crime Agency, the Serious Fraud Office and the FSA, has become increasingly public in its work. That is Operation Archway, about which the hon. Gentleman has spoken. It provides a contact point for victims and a concentrated pool of expertise that turns national intelligence about boiler room fraudsters into action against them.

I acknowledge the hon. Gentleman's concerns about whether local police are the appropriate people to tackle the issue internationally. However, Operation Archway has worked fluidly across borders, with operations, supporting action and arrests by international partners in the US, Ireland, Hong Kong, Singapore and Gibraltar so far. In the example that he mentioned, the father and daughter who were suspected of boiler room fraud totalling £35 million to £50 million were indeed arrested in the US, but that was with the critical assistance of the City of London police who were safeguarding British victims. Numerous people have been detained in this country and abroad over the past year, as part of seven major multi-agency operations against boiler rooms. For instance, last week, an arrest operation across five English counties produced a series of arrests of both men and women who were engaged in boiler room fraud.

Although such operations are vital in increasing the risks for fraudsters, parallel efforts are helping to remove their rewards, by tracing, freezing and seizing their stolen assets around the world. Letting fraudsters know that they will not be able to keep their ill-gotten gains is the way to get to the heart of the problem. Anti-money laundering specialists in the City of London police—I will come to more police forces in a moment—found assets in the US, Canada, Belize, Nevis, Cyprus, Tanzania, Lebanon, Latvia and, despite what the hon. Gentleman said, Spain.

The Government's major reforms have in recent years put criminal assets at risk in a major way, as they never have been before. We have introduced tough asset recovery powers. They were not universally supported as they went through the House, because they appeared at first sight to be quite draconian, but they are working. Those powers are popular and are becoming increasingly tough in their implementation. Financial investigation is becoming an increasingly mainstream part of police work. We are aiming to make the UK a tougher target for boiler room fraud.

Contrary to the hon. Gentleman's concerns about local police forces and the absence of fraud officers in some places, I am pleased to say that every police force in the country has contacted Operation Archway for advice and support. Those forces will be referring to Archway complainants in inquiries that Archway is taking on. However, local forces are simultaneously taking away advice and support to build up their own capacity, so that they can better tackle such crimes nationwide. There is, I am fairly sure, an element of regionalisation in the location of fraud officers, so that that expertise builds up in bodies that deal with such issues regularly.

We are, however, taking the challenge to boiler room fraudsters beyond the operational front line. We will use all the tools in our power to protect the public and will acquire new ones where necessary. The fairly recent Fraud Act 2006 has brought about a major simplification of legislation on fraud, which is helping to get boiler room fraudsters to justice more quickly. Over-complex law is a recipe for criminals who are used to scheming in the first instance to try to play the system and extend trials. Fraud law is "relatively straightforward", or at least much more so than it used to be, so that people can see where it is going and jurors can better understand it. As the hon. Gentleman will know, we are holding a public consultation on the implementation of a plea negotiation framework, to enhance the ability of prosecutors to get an early settlement in what might otherwise be complex and lengthy trials.

The Financial Services Authority is not a part of the Government for me to defend or criticise. Essentially, it is an independent authority. However, the hon. Gentleman has put what he wanted to say about the FSA very courteously in this debate. I have read a press releases by him in which he said that it was time that the FSA got its finger out. I am never one to avoid mixing my metaphors, but the FSA would say that it was "all hands on deck". The FSA regards itself as being tough

[The Solicitor-General]

in supervising the UK framework of financial regulations and has used its powers to shut down any firm in the UK that has helped boiler rooms, closing seven firms last year, with two people subsequently reported to the police for arrest. A solicitor who had authorised adverts promoting boiler rooms was fined £150,000 and is, I hope, currently in the middle of disciplinary proceedings.

The FSA would say that it is building coalitions against the fraudster with its sister agencies overseas. Co-operation between the FSA and its counterparts in Ontario and British Columbia has helped to recover £1 million of UK victims' funds. We have to do things all ways. It is fine to simplify prosecutions and to make arrests, but that is after the event, and the money is often a long way away by the time we get to that stage. It is therefore important to think not only about prevention but about earlier intervention, when the money will not be so far away from concealment and might be easier to recover. It would save people who have suffered from that fraud from being demoralised if they realised that they were not alone. It helps them to realise that the fraud is happening across the board, and that they are not so foolish as they think when they self-stigmatise.

We are trying to take action across the board to hold fraudsters who prey on British victims to account, wherever they try to hide. We have to look at prevention, deterrents and detection, as well as disruption. The key agencies with responsibility have taken new steps to make boiler room fraud harder to commit. The FSA shares its intelligence by listing suspected boiler rooms, and its website is much visited, so I think that the hon. Gentleman must have found only one or two pages that were relevant. About 18 new firms are listed each month on the website, which appears to have received a substantial number of hits. The FSA has also shut down sites that are run by suspected boiler rooms.

The hon. Gentleman talked about working with share registrar companies. We understand from the FSA that it works with such companies to include preventive advice as part of the annual reports of legitimate companies, because—we agree on this much at least—people who are already shareholders are commonly the victims of this fraud. The FSA informs us that it is doing that, but, in view of the hon. Gentleman's comments and the correspondence that he has had, we will go back to it to ask about this. I will write to him to ascertain that I am not in danger of misleading anyone by saying that the FSA is confident that it is spreading information to the people who are most commonly victims.

The FSA takes an up-front role in media activities, working with local and regional radio, TV news programmes and features, and print media. The list gets longer every week. It has not excluded the national press, but people take note of what happened to Mrs. Smith up the street, so they are more likely to be put on notice by something local than by something that they read about nationally.

The FSA also runs a website called "Money made clear", which is intended to be a public awareness site that rolls out material to raise public awareness about all kinds of scams and swindles, including boiler room frauds. It has a contact centre for people who respond to what they see on the site and who might, as the hon. Gentleman said, appreciate for the first time that they are in the middle of something and so not write the cheque that someone has been trying to get them to write.

We will build on such progress more centrally in the months ahead. The hon. Gentleman mentioned the new institutions that we are setting up. Fraud has never been higher on the agenda, and the major reforms that he mentioned are under way to make the UK a tougher target for all kinds of fraud, including boiler room fraud. Concerted action is needed to tackle the threat, and not just from the Government. Action is also needed from criminal justice practitioners, charities, business, all the regulators and all the public. They each have a vital role to play and a stake in each others' success.

As the hon. Gentleman knows, the Government have carried out a fraud review, consulting widely and getting a substantial response. They are driving forward with major changes that are backed by new funding. He asked for reassurance about that: £28 million was allocated for the new institutions in the comprehensive spending review. That funding must be added to the money that already goes to the Serious Fraud Office, which receives both core funding and what is known as blockbuster funding for individual cases. The Crown Prosecution Service has a fraud prosecutions division, which is accumulating a body of expertise. The Revenue and Customs prosecution office prosecutes fraud, as do the Departments for Work and Pensions and for Business, Enterprise and Regulatory Reform. The funding—which will go to different institutions, and also boost the investigation and prosecution arm—is in addition to all of that. The reform programme is not just about prosecuting; it is about concerted action.

The national fraud strategic authority will deliver on the core recommendations resulting from the responses to the consultation. It reports directly to Ministers. The hon. Gentleman asked me when I last had contact with—he was pleased to say—my Cabinet colleagues. There were important Ministers present at the time, and I am in the group. The Attorney-General, who does attend Cabinet, is also in the group, as are all the Ministers to whom the hon. Gentleman referred.

The strategic authority has a mandate to develop a national strategy on fraud that, interestingly, involves setting out a vision of success. This is not a straightforward process; it is important that there should be prosecutions and convictions, but they are after the event for the victims, and asset recovery is absolutely key. Perhaps we should judge the success at least partly by the increasing number of reports. People are often unwilling to report this kind of fraud, but an increase in reporting would make it look as though it was escalating. There will be elements of that, I am sure, and the incidence of fraud will look as though it has gone up when the proposals get on their feet. However, if the strategic authority can set out a vision of what success means, it will be able to develop a national strategy for fraud. There will be a programme of action that involves deterrence, prevention, detection, investigation, sanctions for perpetrators and redress for victims.

A further important component is the national fraud reporting centre, which will have to set up strong links with industry, business and other law enforcement agencies, so as to receive reports. It will need to have networks and tentacles everywhere, so that when Mr. Jones in

Redcar makes a report, it will know that that is a problem not only in Redcar and that there have also been examples in Ribble Valley, for example, and elsewhere. It will then work with intelligence analysts, who will work out, from the individual reports, a better picture of the networks involved, their techniques and the opportunities to bring them to book. It will then send back to the institutions involved—the banks, businesses or whatever—the recipe to deal with the problem.

Mr. Evans *rose—*

The Solicitor-General: I shall give way to the hon. Gentleman—I hope fairly briefly, as I have a little left to say.

Mr. Evans: I understand that we can go on until half-past 6, so we are not under a great deal of time pressure.

On financial institutions, why does the Solicitor-General think that the banks and the credit card companies—they are often interlinked—are not taking this matter more seriously? I was given an example recently. If a customer does something that is "out of profile" with their credit card, even if only a small amount of money is involved, the credit card company might intervene and stop the transaction until it can be assured that it is legitimate. The company is afraid that it, or the bank, might lose money. However, if a person who regularly spends small sums of money suddenly tries to wire £100,000 to the Dutch Antilles, the banks are not interested. Does the Solicitor-General not agree that these financial institutions should play a far greater role in trying to protect their customers?

The Solicitor-General: That is absolutely imperative. The hon. Gentleman has put his finger on an important point. The strategic authority, although it will be responsible to Ministers, will have to work—and is working—with business on all levels and across the entire range of organisations that he has mentioned.

This is about focusing on a crime that has been very dispersed and diffuse in its effects, and for which no one has taken central responsibility. Once we embarked on the consultation and began to appreciate the task that faced us, it became imperative for us to involve all the organisations in the financial sector. That is what the strategic authority intends to do. We hope that the reporting centre will work in a preventive way, by sending back packages about how to deal with the fraud that people are experiencing. It will also deter, as well as helping with investigation. Although it will not necessarily give people their money back, we hope that it will stop them losing it in the first place.

I have a little more to say, for perhaps another three or four minutes, if that is a practical proposition, about the lead force, policing and prosecution. The hon. Gentleman asked me specifically about funding in that regard. Better intelligence and knowledge of fraud can, of course, be an end in itself up to a point, but part of its purpose is to increase the risk faced by fraudsters and to target their reward.

It being Six o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Khan.]*

The Solicitor-General: I am sure that the public are utterly baffled, but we are all pleased that we can go on a little bit longer—but let me reassure those people that it will only be a little bit longer.

We are investing up front—this is the important point I want to put to the hon. Gentleman to help him with his concerns—to build up the specialist skills we need to make action against fraud a mainstream part of British policing. We are expanding the highly successful role—he agrees that it has been successful—played by the City of London police as the lead force in the south-east. It has £8 million of new ring-fenced funding, which is separate from the £28 million in the spending review, to which I have already referred, and it will become the national lead force as well. Apart from that money to boost its role in the south-east, it will have additional moneys of £28 million from the comprehensive spending review to enable it to boost investigations around the country and, as a centre of excellence, to build investigative expertise around the country. Two quite separate pots of money are going to that excellent force, which works so well and with such commitment—and, indeed, with such excitement at the chase.

We will go further, because we will need to look at how the framework of performance management for the police can be adapted to strengthen incentives to chase such crime and recognition for delivering strong action against fraud. It is very important that fraud is dealt with and that people locally gain confidence that action will be taken.

I have mentioned in passing the Crown Prosecution Service, which is already funded to do fraud prosecutions. It has a fraud division and it is accumulating expertise from people who are doing the work in depth. Those involved did 117 cases last year—they are very new—and had an 80 per cent. conviction rate, while there are currently 250 active cases. The Serious Fraud Office had 67 cases last year with a conviction rate of 68 per cent. The Fraud Act 2006 is helping to ensure that those investigations are brought to fruitful prosecutions.

We are now determined and very committed to delivering an integrated response to fraud such as the plague of boiler room fraud that preys on the vulnerable, but also to fraud across the board. We must ensure that knowledge of fraud is managed effectively so that we can improve nationally in how we tackle it. We need activity across the system that is properly co-ordinated for maximum impact, and law makers and law enforcers must work together to change the balance of risk and reward against the fraudster. We must also earn public confidence by delivering justice and redress, not least so that more people will be relieved from the burdens that the hon. Gentleman spoke about and so that more people will report, enabling us to pre-empt more of this invidious crime. By focusing very hard on immediate key threats such as boiler room fraud, but also by addressing the longer-term challenges for the future, we will make this country—this is our mission and we intend to do it—the hardest target in the world for fraudsters.

Question put and agreed to.

Adjourned accordingly at three minutes past Six o'clock.

House of Commons

Friday 16 May 2008

The House met at half-past Nine o'clock

PRAYERS

The First Deputy Chairman of Ways and Means took the Chair as Deputy Speaker, pursuant to the Standing Order.

David Howarth (Cambridge) (LD): I beg to move, That the House do sit in private.

Question put forthwith, pursuant to Standing Order No. 163 (Motions to sit in private):—

The House divided: Ayes 0, Noes 30.

Division No. 190] **[9.33 am**

AYES

Tellers for the Ayes:
Annette Brooke and
David Howarth

NOES

Baron, Mr. John
Bercow, John
Berry, Roger
Blunt, Mr. Crispin
Bottomley, Peter
Brennan, Kevin
Burden, Richard
Byrne, Mr. Liam
Chope, Mr. Christopher
Dismore, Mr. Andrew
Evans, Mr. Nigel
Fitzpatrick, Jim
Harris, Dr. Evan
Hoban, Mr. Mark
Hollobone, Mr. Philip
Hopkins, Kelvin
Keen, Ann
Lilley, rh Mr. Peter
McAvoy, rh Mr. Thomas
Miller, Mrs. Maria
Munn, Meg
Pritchard, Mark
Randall, Mr. John
Shaw, Jonathan
Skinner, Mr. Dennis
Sutcliffe, Mr. Gerry
Thomas, Mr. Gareth
Ussher, Kitty
Williams, Mark
Wright, Mr. Iain

Tellers for the Noes:
Mrs. Sharon Hodgson and
Mr. Sadiq Khan

Question accordingly negatived.

It appearing on the report of the Division that fewer than 40 Members had taken part in the Division, MADAM DEPUTY SPEAKER *declared that the Question was not decided.*

Orders of the Day

Special Educational Needs (Information) Bill

Not amended in the Public Bill Committee, to be considered.

New Clause 1

INFORMATION ON SCHOOL PROVISION

'(1) Section 332A of the Education Act 1996 (c. 56) is amended as follows.

(2) After subsection (1) insert—

"(1A) Information provided under subsection (1) shall include information on all types of school provision available in any local education authority area which the authority determines is relevant to them."

(3) At the end of subsection (3) insert "which shall include the annual publication of information provided under subsection (1)."'.—*[Annette Brooke.]*

Brought up, and read the First time.

9.45 am

Annette Brooke (Mid-Dorset and North Poole) (LD): I beg to move, That the clause be read a Second time.

Madam Deputy Speaker (Sylvia Heal): With this it will be convenient to discuss the following amendments: No. 2, in clause 1, page 1, line 9, at end insert—

'(1A) For the purpose of subsection (1) the information shall include (but not be limited to)—

(a) the amount of special educational needs training received by teaching staff and classroom assistants as part of their initial training,

(b) the amount of special educational needs training received by teaching staff and classroom assistants as part of professional development training.'.

No. 1, page 1, line 22, leave out from 'and' to 'assist' in line 1 on page 2 and insert 'a report on how this may'.

Annette Brooke: In Committee, I indicated that I wanted to return to the issue of information provided to parents by local authorities. In Committee, the Minister pointed to an existing duty on local authorities to provide information on their arrangements for special educational needs, including information on planning and reviewing special needs provision in their areas. He noted in relation to parent partnership services that the Department had issued exemplary guidance setting out minimum good practice and best practice for the provision of information, and he referred to the new duties under the Childcare Act 2006.

I remain greatly concerned that although parents can access impartial information in theory, that is not necessarily the case across the whole country. Some research has come my way since the Bill was in Committee that underlines my feelings and the experience of my constituents. A survey by CentreForum of one third of all local authorities in England and Wales found that only 5 per cent. are meeting their legal duty to provide information about special educational needs provision.

[Annette Brooke]

In 2001, the Government introduced a legal requirement on councils to publish information on their websites describing local special educational needs policies—obviously, the provision of information is vital for helping parents to negotiate a complex system. It has been suggested that local authorities are manifestly failing to provide the information required by law. Overall, just 5 per cent. of local authorities provided all the information that they are supposed to publish, while only 27 per cent. gave information about the funding available to support children in the school action and school action plus categories.

The finding in the report that only 39 per cent. of authorities explain how they monitor the allocation and effectiveness of special educational needs spending and resource deployment is especially concerning. Lucy Wilkins, the report's author, has said that the last time local authorities were surveyed in 2003, only 5 per cent. were publishing all the information that they are required to publish. Five years later, still only 5 per cent. are in full compliance with the law.

That underlines the difficulties faced by parents in trying to access support for children with learning difficulties. From our constituency experience, we know how parents feel when they are not confident that they have information on all the options available to their children, and they have great difficulty in making and accessing the best choice. The report highlights the concerns that, while we are very happy with the general principles of the Bill, previous legislation required information to be published, but, according to that recent study, that information is not being provided. After all, parents, not politicians, are best placed to decide where and how their child should be educated, but how can parents access choice if they are not given the information that they need? I feel that it is important to introduce tough regulations, possibly in the Bill, to make it clear that information must be provided to parents.

Personally, I am strongly in favour of the recommendation made by the Children, Schools and Families Committee in its first report in 2006 on special educational needs. It recommended local maps of provision. I understand that local authorities that already adopt a mapping approach report a marked improvement in practice and in parental confidence levels. For example, a senior officer at Wiltshire county council said that the detailing of the precise provision that parents can expect, depending on their child's needs, has helped make the system fairer and improved the quality of provision. Other local authorities report that the particular practice of mapping not only where the provision is but its exact details is very helpful and builds on the work of the pupil-parent partnerships.

Following our Committee report, I should make it clear that when I pointed out that there were issues with pupil-parent partnerships, I was not criticising a particular one. However, there is a perception among the parents whom I meet here in the House of Commons and in my constituency, which has two children's services authorities, that pupil-parent partnerships are not independent. That is another issue that the Government need to consider.

Overall, despite the legislation, there is a real information gap. One of the most important points is that parents of children with special educational needs should be empowered. However, they cannot be empowered unless they have the necessary information in front of them. I would like to be reconsidered the new clause, which we tabled in Committee because I feel that there should be a lot more discussion and response and that the Department should be working to ensure that local authorities meet their existing commitments before we move towards more vague promises about more information.

My hon. Friend the Member for Ceredigion (Mark Williams) and I tabled amendment No. 1, after listening carefully to the discussion in Committee. The hon. Member for Basingstoke (Mrs. Miller) tabled an amendment requiring an annual report. I felt that there was a lot of merit in that proposal, although perhaps it was too precise in requiring an annual debate. I thought about the issue and suggest that subsection (1) of new section 332D, which is entitled "Publication of information", should read, "The Secretary of State must in each calendar year publish, or arrange to be published, special needs information that has been obtained under this Act and a report on how this may assist the Secretary of State or other persons in improving the well-being of children in England with special educational needs."

In other words, the report should be widely available and should not contain only select information, which would mean that we did not know why the Secretary of State had decided that children's well-being would be improved. The amendment would provide some back-up for what is published. A debate following such a move would give clear indications for future policy and the improvement of future provision. If the amendment is not agreed, I fear that we will just have a mass of information without an underlying set of purposes and without more detail than just "improving the well-being" of the child. It is easy to justify any amount of information in general terms, as important as that is. My amendment would give something much more specific and make sure that the focus was continually on improving the outcomes for children with special educational needs.

The Parliamentary Under-Secretary of State for Children, Schools and Families (Kevin Brennan): The hon. Lady said that she was not making any particular criticisms, but I remind her that in Committee she said:

> "I was chairman of education at Poole borough council when the parent support partnership was introduced, and I was excited that we had the money and authority to employ such a person...Eleven years on, I am very sad that constituent after constituent tells me that they have no confidence that the advice is independent. I am aware that the system is not working."—*[Official Report, Special Educational Needs (Information) Public Bill Committee,* 12 March 2008; c. 32.]

Was she referring specifically to Poole at that point?

Annette Brooke: I thank the Minister for his intervention. He may be aware that my constituency has a number of councils—every type of council—within it. As I said earlier, it has two children's services authorities so I could not put my hand on my heart and say from which authority I have had the most such representations.

However, I should like to confirm that I am saying that there is a perception that the partnerships are not independent. As long as parents do not have confidence, there will be the issue of their seeking advice.

I also tell the Minister, and my local authorities, that when the parent of a child with special educational needs comes to my surgery, the first thing that I say to them is, "Have you been to the pupil-parent partnership?" As I said, I was so excited when they were set up, and that was always my first question. Perhaps that is why I have had the responses. However, I ask the question not to elicit a response of no confidence but to make sure that the parents are accessing every piece of information available locally.

I take this opportunity to make it absolutely clear that I am not undermining the specific work of pupil-parent partnerships, which are incredibly important. However, there is an issue about parents not having confidence. A lot of what we are talking about today, and have talked about in previous debates on the Bill, is to do with building up parents' confidence.

I understand that the Government have commissioned Brian Lamb to consider ways of building up parental confidence. I feel that we are all like-minded on the issue, and I am happy to point out that what I hear from constituents and others is that they are not convinced that the partnerships are independent. One therefore needs to consider how to improve the situation. To backtrack on to my new clause, I should say that I want to enforce the motivation behind new clause 1—that is, genuinely to make available as much objective information as possible, to say what is there and to provide a full audit of what is available in a particular area.

I end my comments on amendment No. 1 by saying that I had a great deal of sympathy with the idea of having an annual report that drew things together. I recall suggesting that if we had such a report, the Children, Schools and Families Committee could consider it as part of its remit, for example. The Minister was most encouraging and said that he would consider that idea. In due course, I hope to hear what consideration he has given to that point.

Finally, I turn to amendment No. 2, which requires information on teacher training to be supplied. I want to emphasise how much I support the principle of checking exactly what progress we are making on teacher training for special educational needs.

That, of course, means a whole school approach. My hon. Friend the Member for Ceredigion and I tabled an amendment in Committee and felt that we had had a good discussion on the issue, so I thought that on Report we would probably just go through the details. This is a core issue—it is all about the quality of the teaching in the school setting.

10 am

We are aware that, very belatedly, action is being taken to put more special educational needs content into the four-year undergraduate courses for teacher training, but 80 per cent. of teachers still come through on a post-graduate certificate course. I am not sure whether that involves special educational needs training. There is also a course with training that takes place within schools—school-centred initial teacher training, or SCIIT—as well as Teach First. Teachers come through via many different routes. Although it is welcome that at long last there are movements to work with the Training and Development Agency for Schools, it is a question of timing. The Government have moved to a policy of inclusion, rapidly at times, from 1997 onwards, but here we are in 2008 talking about the deficiency in teacher training. That must be tackled as soon as possible.

The NUT study, "Costs of Inclusion", suggests that fewer than 14 per cent. of teachers are confident that they can recognise dyslexia and shows that teachers lack confidence across the board. It found that only 18 per cent. of teachers were confident in teaching children with severe learning difficulties, and the vast majority—86 per cent.—had not received specific professional development in that respect. A majority—55 per cent.—felt confident in teaching children with moderate learning difficulties, but 76 per cent. had not received special professional development in the past 12 months. So it goes on. Much remains to be done on teacher training, as well as on postgraduate qualifications and on continuous professional development.

A few weeks ago, a written statement on dyslexia announced the set up of some pilot schemes. That is welcome, but I agree with Xtraordinary People—we need action now. While it sounds like a good idea to have pilots, are we not just pushing the solutions into the future? There is a lot of evidence to show that when there is a specialist dyslexia teacher in a school, the outcomes are very good. Xtraordinary People tells me that the vast majority of independent schools have that provision. The Government aspire to equality across the spectrum of education provision, so, given the importance of such specialist teaching, should we not be moving faster than piloting?

Kevin Brennan: I understand what the hon. Lady is saying, but does she welcome the fact that when the Secretary of State came to the all-party parliamentary group on dyslexia on 6 May he announced that Sir Jim Rose would be looking into teaching children with dyslexia in the way described, and that it is right to proceed on the basis of evidence with any policy in which resources will eventually be invested nationally?

Annette Brooke: I thank the Minister for his intervention. I hope that I said that the statement was welcome; I attended the all-party group and listened to the Secretary of State. Indeed, it is step by step, but I can understand that people who have children with dyslexia are beginning to get impatient, and it is up to us, as the people discussing this Bill, to convey that impatience to the Government.

Mrs. Maria Miller (Basingstoke) (Con): Back in 2004, in the policy document, "Removing Barriers to Achievement", which was launched by the then Secretary of State, the Government said that they were already conducting ongoing research into effective teaching practices to support children with special educational needs, yet some four years on we still do not have any information to enable the Government to roll out such schemes nationally. Is that part of the reason for the hon. Lady's continuing concern?

Annette Brooke: I thank the hon. Lady—she is right. When I say that parents and others are impatient, I am suggesting that they have every reason to be so, and that the feeling is that we should surely just get on and invest the money.

[Annette Brooke]

There are many special educational needs. Much attention is focused on dyslexia, which is important because it has been identified that perhaps one in five pupils are dyslexic. Children with dyslexia are underperforming greatly in all the key stage tests, which has wider implications for their potential and what might happen to them in wider society.

Kelvin Hopkins (Luton, North) (Lab): Reports in this morning's newspapers suggest that failure to deal with dyslexia has cost the economy about £1.8 billion, so there are economic factors too.

Annette Brooke: I thank the hon. Gentleman. The report by Xtraordinary People points out that there are hard costs to society from this underperformance. Many young people in prison have dyslexia. That does not mean that all dyslexic children go on to offend, but there is clearly some connection. In all sorts of social ways, children, and then young people, are missing out and causing, in one way or another, extra burdens on society. When we see the costs imposed on society by failing to address the issue early enough, we realise that the amount of money that needs to be spent on teacher training and employing specialist teachers is very small in relation to those wider costs.

Mr. Christopher Chope (Christchurch) (Con): The hon. Lady is making a telling point. Is she aware that the very successful Dore programme that was being conducted in Stafford prison was discontinued at the behest of the Government? I cannot understand why that happened—can she?

Annette Brooke *rose—*

Madam Deputy Speaker: Order. I hoped that the hon. Gentleman's remarks were going to relate to new clause 1. Perhaps the hon. Lady will bear that in mind.

Annette Brooke: Thank you, Madam Deputy Speaker.

Interventions are important at all levels, but the purpose of the Bill is to intervene at a very early stage so as to prevent subsequent costs. I have mentioned the impact on society, but most important is the impact on the individual who is, in one way and another, unable to fulfil their potential. Training is of vital importance.

We have received a great deal of information about deaf children and their sad underperformance, which was quite an eye-opener and something that all MPs have become aware of thanks to the National Deaf Children's Society. The 25 per cent. gap in performance as regards children gaining five A to C-grade GCSEs is alarming and again highlights the need for specialist teaching. When I recently spoke about sign language and interpreting, it was drawn to my attention that sometimes the assistants who are with deaf pupils only have NVQ level 2 in sign language, whereas the interpreting side of signing is particularly important in the classroom. We need to look at training needs right across the spectrum of special educational needs and of all those who contribute to those pupils in the school setting. We know that we are letting down a lot of children and young people, and training is a key means of addressing that failing.

I have been speaking to new clause 1, but I have taken the opportunity to comment on a number of important matters, and if some of my points were accepted, I feel that the Bill would be the stronger and better for it.

Kelvin Hopkins: I shall speak briefly. I listened with interest to the intelligent remarks of the hon. Member for Mid-Dorset and North Poole (Annette Brooke). Like her, I am a member of the all-party parliamentary group on dyslexia and heard the Secretary of State's address at the meeting.

The hon. Lady made the point that the notion of special needs goes far wider than dyslexia, and there are a variety of other special needs that many of us would accept are not being properly addressed in our school and educational systems. Dyslexia is more typical, however, and I am afraid to say that there are a number of people, including teachers, who still do not accept that dyslexia exists. I am absolutely convinced that there is a strong genetic component involved, and we heard that on Second Reading from hon. Members who are dyslexic themselves and have dyslexic children. We have some way to go to convince some teachers that dyslexia really exists. There may even be something of a genetic pool in Britain because it seems that we suffer more from dyslexia than other countries. It might be a factor that affects Britain in particular.

The hon. Lady talked about parents and I am one of those Members—I am sure that there are others—who have had struggles with their local authority over provision for children with special needs. Parents are sometimes at their wits' end trying to get such special needs provision. Knowing what is available, as the hon. Lady said, is at least a start, but many parents do not know about it. They may be unaware of what their child's problem is; they may know that they have a problem, but are not sure what it is.

Another issue to consider is the range of special needs and their severity. Some conditions are mild and some are more extreme, and that is particularly so in respect of behavioural and learning difficulties. Physical disabilities are more obvious, and there is often reasonable provision for physical disabilities of one sort or another. Some behavioural problems may be genetic, and some may be environmental. We hear almost by the week of chemical factors in food that affect children, for example, so other factors are involved.

Ensuring that parents are aware of what is available is important, and in my constituency, the local authority have made provision available in schools. Some have special units for behavioural problems, and there are some remaining special schools, although there was a fashion, which I hope is coming to an end, for closing special schools and forcing children into mainstream schools, which, in my view, were not necessarily appropriate for those children. The teachers and parents certainly think that, but the local authority sometimes has a view—a dogma, almost—that inclusion at all costs is the best approach.

There are local special schools, and there are also, for smaller numbers of young people and children with

more rare difficulties, residential schools, which may serve a much wider area. I have suggested, among other things, that public provision made by a group of local authorities in a region might be the way forward. Making information available is absolutely crucial to take pressure off parents, so that they do not get to the point where they are so desperate that they go to see their Member of Parliament. A battle may then ensue, which sometimes becomes public, to get the provision that they need. Providing information is crucial so that parents at least know what they can ask for from the local authority, and so that the authority cannot sidle away from its responsibilities.

My wife was an infants school teacher—she is now retired—and was the special needs co-ordinator in that school, and other relatives of mine and many of my friends have been teachers. Their minds are focused on the problems of children with special needs in their classes, not just because they are concerned about the children, but because they are concerned about the other children in the class and about the difficulties of teaching children with behavioural problems. We are moving in the right direction now, and I hope that my hon. Friend the Minister will tell us more, but we recognise that we need to make better and more specialist provision available for children with special educational needs.

I very much welcome the Bill and I congratulate my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson) on introducing it. I have been an enthusiastic supporter of her in that process because I have seen so much of the difficulties in question at first hand and the sort of unhappiness they can cause to children, parents and the communities in which they live. It is also economically sensible to address such matters because behavioural difficulties can lead to all sorts of social behaviour that is costly to society.

10.15 pm

Kevin Brennan: Would my hon. Friend agree that although there is always pressure to bring in provisions such as new clause in the name of the hon. Member for Mid-Dorset and North Poole (Annette Brooke), there is also a need for us all to take responsibility in using existing regulations and legislation? All of us should ensure that we report non-compliance by local authorities in publishing information that they are already required to publish, as mentioned by the hon. Lady in her remarks. If the Secretary of State is informed, he does have powers to intervene.

Kelvin Hopkins: I agree absolutely with my hon. Friend. In the past, getting any information out of my local authority was difficult because senior officers were not sympathetic to the idea of this sort of provision for those with special educational needs. There was a difference of view that caused tension between me and a senior officer, who has now retired, but that is another story and we have moved on.

I wanted to support what the hon. Member for Mid-Dorset and North Poole said, and be sympathetic, but I will listen to the responses of my hon. Friend the Member for Gateshead, East and Washington, West and the Minister with interest. We are all essentially on the same side and moving in the right direction, but I want to ensure that we keep up the momentum. I am pleased to have the opportunity to speak on the new clause and amendments, but I await the advice from my hon. Friend the Minister.

Mr. Chope: This is an important group of amendments, but amendment No. 1 in the name of the hon. Member for Mid-Dorset and North Poole (Annette Brooke) is the most important because it would remove from clause 1 the idea that subjective discretion should be left to the Secretary of State, and introduce an objective test instead. If considering the publication of information, we want information to be published that might assist people in the improvement of the well-being of children in England and Wales with special educational needs. It is not necessary for the Secretary of State to be satisfied that that is so; we want the information to be published on an objective basis without it being subject to the Secretary of State's veto, which it would be under the Bill as drafted.

One of the problems that we encounter so often with private Members' Bills is that the Government will allow them to proceed only if they have the power to control the outcome. In this modest Bill, the Government even retain the power to decide when it should be brought forward for commencement, instead of allowing that to happen automatically. Amendment No. 1 is important, and I shall use a constituency case to illustrate why I think that it is important. The Priory Church of England primary school in Christchurch has been using the Dore programme to which I referred earlier. The Dore programme is a well-established programme for assisting people with dyslexia, dyspraxia and other similar conditions. It has been made famous by the experience of that great Welsh rugby player—some call him a Welsh rugby legend—Scott Quinnell.

Mr. Nigel Evans (Ribble Valley) (Con): They are all great!

Mr. Chope: I know that my hon. Friend is an active supporter of the Welsh rugby team, and he will remember Scott Quinnell's activities. Perhaps the Minister's attention could be drawn to the Dore programme, although I am sure that he is already familiar with it.

Kevin Brennan: Does the hon. Gentleman agree that the fact that someone such as Scott Quinnell has been able to come out in public, very bravely, and talk about his problems with dyslexia shows that at least we have moved on from the bad old days when there was almost complete denial that it was a real condition and a real problem?

Mr. Chope: I do agree, and I would go further. Not only does Scott Quinnell talk about his problems and, indeed, the problems experienced by his two children—that is what really got him going on the Dore programme—but the programme has proved successful for him and his children. Indeed, it has worked not just for the Quinnell family, but for perhaps 20,000 other people in the United Kingdom over the past few years.

The Dore website contains more information about dyspraxia, dyslexia and autism than could be obtained from a local authority, so the information is available,

[Mr. Chope]

but when the hon. Member for Crosby (Mrs. Curtis-Thomas) asked, at the beginning of 2004, if the Home Secretary would

"make a statement on the results of the DORE achievement centres and dyslexia, dyspraxia and attention deficit treatment programme at Balsall Common School; and what plans he has to extend the programme to other schools",

the then Minister for Children, the right hon. Member for Barking (Margaret Hodge), replied:

"The dyslexia, dyspraxia and attention disorder treatment... is one of a number of commercially available programmes designed to support children with specific learning difficulties. It is for parents, individual schools and local education authorities to decide whether a given technique has something to offer an individual child in the light of his or her particular needs. The Department has no plans to extend the programme to other schools but officials are meeting with representatives... to receive an update."—[*Official Report*, 12 January 2004; Vol. 416, c. 503W.]

That meeting took place, but the only thing that has happened since is that the Dore programme has been withdrawn from Stafford prison.

Mr. Evans: Is it possible that one reason for the lack of publicity about the programme—of which I was completely ignorant until my hon. Friend showed me a piece of paper explaining it—is that the Government know that it is costly, and that they can save money if people do not know about it? The sad thing is that many people who could benefit from such programmes cannot gain access to them.

Mr. Chope: My hon. Friend is right. The problem is not a lack of information, but the fact that parents are being starved of the information that is available, and are therefore not in a position to put pressure on education authorities to fund schemes such as Dore.

A number of pupils have benefited from the Dore programme at the Priory school, Christchurch. It is funded by their parents, because the school could not obtain any help from the local authority. The results have been so amazing that the parents are now using their voluntarily raised funds to support the programme for other pupils whose parents cannot afford it. However, Dorset local education authority—with which, along with Poole borough council, the hon. Member for Mid-Dorset and North Poole has to deal—does not wish to support the programme, although it is of great significance and is transforming not only the lives of the pupils who benefit from it directly but the lives of other pupils in the same class, because pupils suffering from dyslexia often hold up the progress of others. The programme is therefore of great benefit to the school.

Given the proven success of the Dore programme, it might be imagined that the Government would want to provide information about it, but they seem reluctant to do so. If the Secretary of State does not want to provide information about it, as the Bill stands he will not have to, but if amendment No. 1 was passed and it was thought that such programmes might benefit children with special educational needs, the details would have to be published. It is possible that all that is indeed far too expensive for the Government to fund.

Kevin Brennan: Is the hon. Gentleman aware that, as part of his investigation of dyslexia, Jim Rose will examine all the evidence to which he has referred, relating to the various ways of teaching children with dyslexia? That will include the Dore programme, and Jim Rose will make recommendations based on his review.

Mr. Chope: I am glad that that is going to happen, but I fear that it is an unnecessarily prolix way of dealing with the matter. The information about the Dore programme is already available, and, ahead of the initiative that the Minister has mentioned, the Welsh Assembly has been holding a detailed inquiry into the whole issue. In evidence given to the Assembly on 7 November last year, Professor David Reynolds gave a short presentation in which he put the whole issue in context. He said:

"The problem, historically, with dyslexia and other learning problems has frankly been one of huge unmet need and an absence of proven scientifically-based treatments. More recently, the problem has been intensified by the arrival of a new treatment promising outcomes, and the controversy surrounding that treatment, which has shown that the area continues to have problems in agreeing."

Certain things are clear, however. Dyslexia is prevalent among some 10 per cent. of the population. Later in his evidence, Professor Reynolds said that it would be prohibitively expensive if all, or a high proportion of, dyslexia sufferers took advantage of the Dore programme. That may be so, but on the other hand local authorities are having to teach English and a foreign language to scores of new pupils who have come to this country as a result of the Government's immigration policies, and we have not had the opportunity—

Madam Deputy Speaker: Order. I have allowed some digression, but I remind the hon. Gentleman that we are discussing the need for information to be made available to parents.

Mr. Chope: Exactly, Madam Deputy Speaker, and that is what I am trying to concentrate on. At present the Government are suppressing information about the Dore programme, which is of proven benefit to a large number of sufferers.

Kevin Brennan: In the light of my earlier intervention, how can the hon. Gentleman say that the Government are suppressing information of any kind about the Dore programme? I have just informed him that Jim Rose will be examining the evidence independently, and publishing a report including evidence relating to the efficacy of the programme.

Mr. Chope: I am basically relying on the answer to the parliamentary question to which I referred. I accept that the Minister did not answer that question—one of his predecessors, who remains in the Government, did so—but the Dorset local education authority's impression is that the Government do not wish to know about the Dore programme. I would have expected the Department to be inquiring into the effectiveness of the programme of its own volition. The Government have set up this inquiry and, as always happens, it is a way of trying to cover their tracks.

10.30 am

The Minister has not addressed why he thinks it should be left to the absolute discretion of the Secretary of State to decide what information is made available, rather than making the matter an objective test, so that any information that may be helpful could be made available. If that had been the case up to now, we would not have been waiting since 2000, when the Dore programme was first introduced, for the Government to say, "Well, there may be something of benefit in it." My concern is that an enormous amount of information is available for parents who seek it out on the internet or through their own contact. Unless this proposal is endorsed by the Government, the situation will not improve.

Everything that we are discussing in respect of the Bill and the amendments is already within the Government's discretion. The distressing thing is that a Bill needs to be introduced by the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson). She chose the subject well, on the basis of her own background family experience of the inadequate provision for special educational needs, but there is nothing in the Bill that the Government could not get on with straight away. That is what I find slightly depressing. They have taken some initiative by setting up an inquiry, but we know that it will take a long time to reach a conclusion.

Mrs. Miller: My hon. Friend might be interested to know a little more of the detail of the inquiry by Sir Jim Rose that the Government have announced. My hon. Friend might share my concern that, yet again, the Government are just looking to evaluate the impact of specialist training for specialist teachers who might be dealing with dyslexic children. I echo his comment that the information is available. So, why do we need yet another review and report into evaluating the impact of this training?

Mr. Chope: My hon. Friend is an expert in this field and she has made a valuable contribution to this debate during the course of the proceedings on this Bill. She draws my attention to the lacuna in the Minister's argument, and I look forward to hearing her speech, so that that can be spelled out in a bit more detail. The terms of reference to which she refers will not cover the Dore programme, because it is conducted by specially trained experts and cannot be carried out by ordinary teachers, however talented they might be. I look forward to hearing how the Minister thinks that an evaluation of the Dore programme's effectiveness will fall within the inquiry's terms of reference.

Kevin Brennan: I take it from the hon. Gentleman's remark that his understanding of his Front-Bench team's position is that the Dore programme should be universalised without awaiting the outcome of Sir Jim Rose's review. Is that the hon. Gentleman's understanding of his Front-Bench team's position?

Mr. Chope: The best thing to do would be to hear from my hon. Friend the Member for Basingstoke (Mrs. Miller) on that matter. In a couple of interventions, she has not yet been able to expand on her argument. I can imagine that the Minister will be saying next, "This is Conservative party policy. It will cost x billions of pounds, so it is an unaffordable spending pledge."

Kevin Brennan: That was not the point I was going to make. I was going to ask whether the hon. Gentleman is urging his own Front-Bench team to pledge to universalise the Dore programme and make it Conservative policy to do so without awaiting the outcome of Sir Jim Rose's investigation. That is what the hon. Gentleman is asking me to do; is he urging his Front-Bench team to support that position?

Mr. Chope: I certainly hope that my hon. Friend the Member for Basingstoke sees the merit in the Dore programme and wishes to encourage local authorities to—

Madam Deputy Speaker: Order. I appreciate the hon. Gentleman's remark about the programme that he is discussing; he has certainly spoken about it at some length. New clause 1 and the amendments do not just relate to one particular programme. Perhaps he would like to continue in that vein.

Mr. Chope: I accept that I am citing but one example of available information. May I explain what has happened under the programme so far? It is reckoned that 86 per cent. of those who have undertaken the programme have had their difficulty in reading out loud—

Madam Deputy Speaker: Order. I think that I have already made it clear to the hon. Gentleman that we have heard a considerable amount about the merits of this programme. New clause 1 talks about information in general, and the other amendments refer to the training of specialist teachers. Perhaps he could now widen his remarks.

Mr. Chope: Of course I will widen my remarks. I shall begin by discussing the symptoms, which we know exist, of dyslexia, dyspraxia, attention deficit disorder and so on. Given that we know what the symptoms are, why do the Government not publish information about those symptoms, so that teachers, parents and others can identify possible symptoms at an early stage and we can intervene at the earliest stage of a child's education? Almost everybody who looks into this subject says that if we reach the children early, we are able to improve their lot much more than would be the case if we did not identify the problem until much later. Indeed, I think that was the point that the Bill's promoter, the hon. Member for Gateshead, East and Washington, West, made in her opening remarks on Second Reading.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab) *indicated assent.*

Mr. Chope: A couple of weeks ago, I visited the tennis academy in Roehampton. People there say that in order to produce the best tennis players, we need to identify the potential among tennis players at the ages of four, five and six. I saw children of those ages there. If we are identifying potential tennis stars at those ages, surely we should look at children of those ages to see whether they are, or are likely to, suffer from these various symptoms. The Government are not producing information on that, and they are certainly not training teachers to identify those characteristics, which may

[Mr. Chope]

well be symptoms of dyslexia, dyspraxia or the other related conditions to which I have referred.

Teachers and parents know at a pretty early stage whether children are reversing their letters, words and numbers, whether they are having difficulty copying from a blackboard, whether they are writing very slowly, whether their written work is hard to read, whether they are having difficulty structuring ideas on to paper or writing in a straight line, whether they are writing the minimum amount necessary or whether their use of grammar is incorrect. Those writing characteristics become apparent at a pretty early stage.

Kevin Brennan: A moment ago the hon. Gentleman said that the Government are not training teachers in any of these measures. Is he aware of the inclusion development programme that was launched last October to help to boost the confidence of teachers and other staff in several SEN areas? The opening round of that programme is focused on training in relation to communication difficulties experienced by children, including dyslexia. It is just not true to say that there is no training in this area.

Mr. Chope: I am not saying that there is no training, but there is insufficient training. If there was more training, and it was more effective, the conditions would be discovered much earlier in children's education, but they are often not picked up until much later. One of the reasons for that is that LEAs think that every child with SEN costs money, so they delay applying that label to children for as long as possible.

Why do not all teachers have access to the checklists that I have mentioned so that children can be identified when they first start primary school? If they were evaluated against a checklist covering speech, learning, reading, writing, attention, co-ordination, organisational abilities and ability to follow a daily routine, any issues could be identified earlier. I suspect that that is what the hon. Member for Gateshead, East and Washington, West has in mind. We need much more openness about this issue, so that we can make the necessary investment and ensure that we do not have 18 and 19-year-olds going to university undiagnosed. I read in the report that at Bangor university, some 400 to 500 students have been identified as suffering from dyslexia, and the professor who drew that fact to the attention of the Welsh Assembly said that many of those cases should have been identified long before that stage.

Mrs. Maria Miller: My hon. Friend may be right to question the level of training that the Government are giving to teachers. While the Minister rightly pointed out in his intervention the inclusion development programme—a £2 million project launched in October last year—some people are concerned that it may not be delivering in the classroom and will just provide another set of materials. The programme may not do what my hon. Friend wants to see, which is to deliver training in the classroom, where it matters for children, teachers and parents.

Mr. Chope: My hon. Friend makes a powerful case and I look forward to hearing her contribution to this debate shortly. We have now had 11 years of the gap between the rhetoric and the reality from this Government. I suspect that my hon. Friend has highlighted another example. When the Government come under enormous pressure we get platitudes from Ministers, and when we look at the detail we find that they do not add up to a row of beans. This is far too serious an issue for party politics. One of the great things about the Bill is that it has all-party support. There cannot be a single Member of Parliament who does not have, or know someone with, a child with special educational needs, and who therefore does not want to ensure that we make maximum progress in this area of policy.

As the leader of my party said yesterday, we are the fifth most successful economy in the world, so why cannot we help those children with the symptoms of dyslexia at the earliest possible stage? I shall not make the point about alternative expenditure, because you have already told me not to make comparisons, Madam Deputy Speaker, but it is an issue of priorities. Do the Government regard this issue as a top priority or of secondary importance? The Opposition and—I am sure—the promoter of the Bill regard this issue as a top priority, and that is why we want some action now. We do not want a Bill weakened by making every aspect of it subject to a Minister's discretion. The game is to ensure that there is no justiciability. The Government want to keep this issue for Ministers to decide and they do not want to allow any opportunity for the courts to intervene.

10.45 am

I am ashamed to say that this is my first contribution to the debate on this Bill. I have mentioned a school in my constituency that has made a lot of progress on this issue, with the support of active governors. However, my constituency also has the Shieling school, which deals with children with very severe intellectual handicaps, and the Portfield school, which is a residential school—

Madam Deputy Speaker: Order. I repeat that perhaps the hon. Gentleman could relate his remarks to the new clause. Interesting as it is to hear of the schools in his constituency, we are not on Second Reading.

Mr. Chope: I appreciate that, Madam Deputy Speaker, and your admonition will enable my constituents to know that I am not picking on only one school.

Mr. Evans: In my 16 years as a Member of Parliament, many parents have come to see me about their children, who have certain problems; the parents do not know where to turn. They need the specialist advice that the information that the new clause would require would give them. Some of the more proactive parents are able to go on the internet, but there are others who do not know where to turn. I hope that the Bill will require several organisations to ensure that parents get the information they need to help their children.

Mr. Chope: Absolutely. New clause 1 defines the information to be provided as including

"information on all types of school provision available in any local education authority area".

That does not mean just provision by the local education authority directly, but any other provision available in the area. The Shieling school is an example of such provision in Dorset, but people who are

thinking about sending their children there are steered clear of it by the LEA, which conspires—I use the word advisedly—to ensure that the minimum number of pupils from Dorset attend that school, even though it is a beacon of excellence. The LEA, however, thinks that the costs are too high, and that is unsatisfactory, if not outrageous. If new clause 1 were included in the Bill, LEAs would have to make all the information available, whereas at the moment it is difficult for parents—

Kelvin Hopkins: I agree that full information about all provision should be made available. The hon. Gentleman mentions provision within a local education authority area. I have talked about special schools for smaller minorities of children with special needs that cover a much wider area. Information about such provision should be provided by the local education authority, so that parents have a full range of choice.

Mr. Chope: I agree. In some cases, the best provision might be in a neighbouring local authority area, or even several hundred miles or more away if specialist residential provision is required. I have not gone into that because new clause 1 talks specifically about

"all types of school provision...in any local education authority area which the authority determines is relevant".

I imagine that new clause 1 is meant to keep it within that local education authority area. Pupils at the school I have mentioned are funded by education authorities from a wide area.

Annette Brooke: I should not be tempted to intervene, but the purpose of the new clause is to make it easy for parents to access information from neighbouring authorities. That is particularly relevant to Dorset, where we have three education authorities. It would then be easy for parents in Bournemouth, Poole or Dorset to get the same information. I hope that that answers the hon. Gentleman's concern.

Mr. Chope: I am grateful to the hon. Lady for that explanation. I would include Hampshire as well, because much of my constituency is contiguous to that county boundary, and facilities are available inside Hampshire.

Mr. Evans: That information should be made easily available to parents, as it is important that they know where to look for it. Does my hon. Friend agree that certain pilot schemes, or even well-established schemes, operated by education authorities could be transferred, as best practice schemes, to education authorities that operate schemes that are not very good, or authorities that, woefully, have no schemes to help people with special needs?

Mr. Chope: My hon. Friend is absolutely right. At the moment, there is an element of forum shopping. Parents who are in the know, and who can afford to move, choose the education authority that they think will be best for their children because of the provision that it might make available. I have first-hand examples of that. For all those reasons, the new clause and amendments are important. I hope that the Minister, who is temporarily absent from his post, is absent getting extra fuel and briefing in order to respond positively to the debate.

Mrs. Maria Miller: I welcome the opportunity to speak to the new clause and amendments, including amendments Nos. 2 and 3, which are tabled in my name and those of my hon. Friends. Before I speak to the amendments, I must congratulate the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) on her skilful trafficking of the Bill through the House. To people outside, it might look like a simple Bill that should not take much time or effort to get through our procedures, but I know from my discussions with her that she and her researcher have spent a great deal of time and effort on it. I congratulate her and her staff on the excellent job that she has been doing. I hope that today's debate helps to clarify the two main provisions in the Bill, which are about securing information about children with special educational needs to help to ensure that they are well supported and active and achieve their real potential, and about ensuring that the information is published.

It is a pleasure to follow my hon. Friend the Member for Christchurch (Mr. Chope), who has particular knowledge of how these issues work practically, on the ground, in local authority areas. His contribution to the debate has really demonstrated that. He highlighted the lack of training for teachers in the classroom, and I shall build on those points when I speak to amendment No. 2. His comment about rhetoric versus reality, in relation to the Government, was well made. All too often, we hear a lot of announcements when we discuss special educational needs, but when we talk to our constituents, we find that practical changes in our classrooms can be more limited.

Kevin Brennan: The hon. Lady has raised rhetoric and reality, and makes a political point on this issue. That is fair, as we are here to debate special educational needs, but we are seeking cross-party consensus. If she believes that we should keep rhetoric and reality together, why does she support getting rid of independent appeals when pupils are excluded, given that we know that would impact overwhelmingly on pupils with special educational needs?

Madam Deputy Speaker: Order. That is out of order, because we are discussing a particular new clause and set of amendments.

Mrs. Miller: Thank you for clarifying that, Madam Deputy Speaker. I am keen to discuss the Bill, because it will give practical help to people in my constituency and in every constituency throughout the country.

My hon. Friend the Member for Christchurch spoke in support of amendment No. 1, on which I shall briefly comment. The bulk of my comments will be on amendment No. 2 and training. On amendment No. 1, my hon. Friend discussed the importance of making data available and I commend the hon. Member for Mid-Dorset and North Poole (Annette Brooke) for tabling the amendment, which builds on an amendment that I tabled in Committee. The collection of data is not an end in itself; it has to be made available in a form that parents will be able to use. Some of the amendments that we debated in Committee were thought to be too complex, so I commend the hon. Lady for bringing simplicity with her amendment, which tries, in a much simpler way, to get relevant information published in a way that would be useful to parents. I

[Mrs. Maria Miller]

hope that the amendment will therefore be more acceptable to the hon. Member for Gateshead, East and Washington, West, and that she might consider it, perhaps to be included at a later stage.

My hon. Friend the Member for Christchurch said that the Government cannot be allowed to control information, and I agree that it often feels that way. As I said in an earlier intervention, the Government said, in their 2004 document, that they were looking at effective teaching approaches for special educational needs, but four years on we are still getting announcements of pilots to identify ways of more adequately supporting children with dyslexia. As the hon. Member for Mid-Dorset and North Poole said, a host of organisations have done work and obtained information in that area, and we should perhaps pay more heed to them.

Let me address amendment No. 2, which has become an important issue that needs to be clarified within the Bill. I am pleased that my amendment has been selected for debate, and I am sure that there is no need to remind the House of the evidence on teacher training that we discussed in Committee. Hon. Members will know of specific examples in their constituencies of good support for children with special educational needs. In Basingstoke, I am fortunate to have a number of specialist schools, including Limington House, Dove House and Maple Ridge, which do a splendid job in supporting many children and their families who have particular special needs. I should not forget the Loddon school, which specialises in dealing with autism. We are also fortunate to have a specialist unit for hearing-impaired children at Park View junior and infant school, as well as Aldworth science college. I am therefore well placed, in my constituency, to help to support constituents who have children with those particular needs.

11 am

However, that is not the general situation. We have heard throughout this debate that there are particular concerns about the level of expertise and professional development available to teachers in meeting the needs of SEN children. I am sure that there is no need to remind the House how teachers are left to cope, with little specialist knowledge on how to support such children. The situation certainly has not been helped by the closure of 158 special schools in recent years. That and the Government's approach to inclusion have significantly changed the challenges faced by children, but that has not been reflected in the training that teachers receive. It is little wonder that we see such a high number of teachers deciding to leave the profession within a short period after qualifying.

SEN includes a wide range of learning disabilities—physical, sensory, developmental, and invisible disabilities such as autism and dyslexia. Some of these children will have high IQs and others lower levels, and some will have multiple disabilities. Yet we are leaving our professional teaching staff feeling ill-equipped to cope with this issue. One in five children are now included on the SEN register, so this is not a peripheral issue but a mainstream one that teachers are dealing with daily, and which has grown significantly in the past decade.

At a recent surgery, I was reminded by a teacher who has worked with children with autism in my constituency that it is still impossible to get SEN training at undergraduate level. We should consider the idea of having a specialism in SEN at that level. Interestingly, her school said that that situation was putting a particular burden on special schools, which had to take on graduates and train them from scratch in the needs of children with particularly acute SEN. Research by the National Union of Teachers suggests that training for teachers simply has not kept pace with what is going on in the classroom: just 16 per cent. of teachers have specific SEN qualifications. The work done by the NUT helps to enlighten us all regarding the gap between what is said by the Government and in this place, and what is actually delivered for teachers in the classroom.

I want to draw the House's attention to the NUT report issued in 2006. A primary assistant head who took part in the related research referred to the demoralising of teachers

"because of an apparent almost total lack of training in teaching of"

SEN children

"in a mainstream class, and a lack of support to adequately do this in the classroom...The disruption of astronomically large numbers of children's education through the presence of such children because of the lack of the same two elements mentioned above"

concerning training in SEN. That highlights the fact that, although the Government may have some good intentions in their desire to help and support teachers, the reality on the ground is that such help may not be filtering through in the way that the Minister would like to suggest.

In Committee, I listened closely to what the hon. Member for Gateshead, East and Washington, West and the Minister had to say about their concerns in highlighting the need to publish information on teacher training levels. The amendment that I have tabled today is much simpler than the one we tabled then, which was something of a probing amendment. I hope that the hon. Lady can indicate a level of support for it today. It might be useful to recap the concerns expressed by the Minister in Committee about the amendment tabled there. He was worried that those involved might view it as a "burden". Indeed, in response to the amendment tabled by the hon. Member for Mid-Dorset and North Poole, he felt that it would be a "burden" on those providing the training. The response to the amendment that I tabled on this issue was that it would be a "burden placed on schools". My concern was that there should be more room to consider the burden placed by the current situation on children, their parents and teachers, hence my tabling a further amendment for consideration on Report.

The Minister has outlined the great number of initiatives that the Government have put in place in the past decade to address the problem of teacher training. The objective of my amendment is to ensure that such initiatives are really making a difference on the ground in our classrooms. The list of initiatives is far too long to go through—in fact, I may well have gone through it on Second Reading. I am sure that the Minister will remind us of one of the promises that he made in Committee: that he was just about to make an announcement that would help us all. That announcement—on the Rose review, which was to look at teacher training in particular—was very welcome.

The recommendation concerning dyslexia is very specific. As I said earlier, I am somewhat concerned that we are going through yet another piloting process on how to deal with dyslexia. There is a lot of evidence and information used by schools today that the Minister could look at to edify himself in this area. However, it is welcome that there is some acknowledgment that room remains for improvement. That said, this is still simply more looking and piloting, and perhaps not enough action. I want to press the idea of amending the Bill, so that we can examine on the ground in a practical way how the many measures for training teachers are progressing, and whether they are yielding results in the classroom.

The Government have looked at teacher training in this area, as the Minister said in an intervention, but as the hon. Member for Mid-Dorset and North Poole said, the focus has been on the three-year undergraduate course. As the Minister will be aware, only some one in five teachers come through that route; 80 per cent. will take a one-year postgraduate course, and there are still no proposals in place to support teachers in the SEN area. We need to move forward on this issue. The Minister has clearly taken on board some of the comments that have been made, but we need to monitor the situation more closely to ensure real action on the ground.

The Minister referred in Committee to the work done for the census, which he felt might in some way help us to get the information we require. He will doubtless have had a chance to read the note that the NUT issued in advance of this debate. It made it clear that the census will be able to help in only a very small way in identifying the professional development needs of teachers. The inclusion of more specific information on teacher training would be a particularly welcome addition. The NUT certainly feels that such an amendment would strengthen the approach that the Government are taking to ensure that they take into account the views of teachers and support staff on training needs. I hope that the hon. Member for Gateshead, East and Washington, West will be able to support the amendment in the light of this helpful commentary from the NUT.

I need not remind the House today of the very real consequences for children. The Royal National Institute for Deaf People reminded us in its briefing that only 32.9 per cent. of deaf children achieve five GCSEs at grades A to C, compared with a figure of 57.1 per cent. for all children. That 24 per cent. attainment gap is unacceptable, yet three quarters of teachers felt that the lack of training meant that they faced a barrier in teaching children with hearing impairment. That training needs to be in place, and we need to see whether the Government's focus on that area is achieving the breakthrough that classroom teachers and children need.

Mr. Chope: During the discussion on that subject in the Welsh Assembly on 7 November last year, the point was made that we need to train not only teachers but classroom assistants, too. Does my hon. Friend agree that it is important for classroom assistants to have the right information, as they are often the ones who take an active role with our younger children?

Mrs. Miller: My hon. Friend makes an excellent point. We need to consider all the interfaces that the children have with different staff to ensure that the training is in place to support those individuals. I was recently in a school in my constituency—Park View junior school, which I mentioned earlier—and signing is being taught not only to the teaching class but to all children in the school. I attended an assembly that was quite an amazing sight, as every child in the school signed the song that they were singing. We must have that level of commitment throughout a school in order to support children with those needs.

Kevin Brennan: The hon. Lady has made a good point. I am sure that she will want to welcome the fact that Lord Adonis announced to the all-party group on children on 6 May that the Department would be tendering for a project to raise awareness of the status of British sign language.

Mrs. Miller: I thank the Minister for his intervention. I know that the subject of deaf and hearing-impaired children and the support that we give them is under continual review. I know that from the work done in Hampshire to look at restructuring that provision in the county. I certainly welcome any support that the Government can give to counties such as my own.

Kevin Brennan: I am grateful to the hon. Lady for being so generous in giving way. On the subject mentioned by the hon. Member for Christchurch (Mr. Chope) in his intervention, the inclusion development programme is for all the early years and schools work force, including learning support assistants.

Mrs. Miller: I thank the Minister for that intervention, but I caution him to ensure that he has spoken to all the relevant outside organisations about their feelings on the inclusion development programme. Although we would all agree that any movement in this area is welcome, there is some concern that although the inclusion development programme offers a great set of materials, we need to ensure that it permeates down to the classroom. That is why I have tabled my amendment on monitoring and providing information on the level of training for teachers. Although the Government are introducing a huge number of initiatives, it is difficult to see where they are making a difference at the moment. When I speak to the NUT, I find that its concerns lie in that area, too.

Perhaps I could turn my closing remarks to new clause 1, which was tabled by the hon. Member for Mid-Dorset and North Poole after much discussion of the subject in Committee. It spells out another specific need for information to ensure that parents can make informed choices for their children at a local authority level. In his response in Committee, the Minister highlighted the duty on local authorities to provide information on their special educational needs arrangements. He also highlighted the fact that he had issued guidance from his Department to ensure good practice on the ground. As the hon. Member for Mid-Dorset and North Poole has pointed out, research was issued earlier this month that will cast some doubt on whether local authority practices are moving forward in the way that the Minister might have hoped. I am sure that it would dismay him as much as it dismays me to see that not all the information that should be available is available.

[Mrs. Maria Miller]

Perhaps it would be interesting to hear what action the Minister plans to take as a result of the research report issued by Policy Exchange and CentreForum, which clearly showed that only 39 per cent. of local authorities explained how they monitor the allocation and effectiveness of SEN spending. Indeed, an interesting commentary in the report showed that potentially a great deal of SEN spending was wasted locally. Xtraordinary People, which does so much work in the area, has also commented on that fact. The report went on to show that only 18 per cent. of local authorities show how they secure training and support for SEN staff, which supports my earlier amendment and shows that local authorities are not making that information available. That would bring into question how many teachers have been given the opportunity to take up SEN training.

11.15 am

My local authority in Hampshire has an excellent programme of SEN training for teachers in the county. I recommend that the Minister look at that as a model of how such training can be offered. However, in north Hampshire it can be practically difficult for teachers to access that training because of the problems caused by a lack of cover in schools. It can be difficult for them to get the support to attend some of those courses. That is not always the case, but it can be.

I urge the Minister to review the report that was issued earlier this month. I think that he would find it useful, as it could help him to understand how these measures are working on the ground.

The hon. Member for Gateshead, East and Washington, West is doing superb work. She has highlighted this important issue and brought many people's concerns to light. I wish her well and hope that she will consider my amendment in the light of my comments.

Kevin Brennan: I echo the comments made by the hon. Member for Basingstoke (Mrs. Miller) about my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson), who is quite a special person herself. My hon. Friend knows from our private conversations what I think about her communication skills. She is an extremely effective advocate on the subject and I congratulate her on the progress that her Bill has made so far and will continue to make today, we hope.

I praise the hon. Member for Mid-Dorset and North Poole (Annette Brooke) for her involvement and interest in and passion for the subject. In Committee, she said that the purpose of the new clause is to ensure that local authorities make available clear information to parents on the range of special educational provision that is available—a laudable aim that I think everybody would support. Of course, such information should already be available. That is always the difficulty as we try to will the end result. The information should be available through several avenues.

Under the Education (School Information) (England) Regulations 2002, local authorities must publish information about their detailed arrangements and policies for special educational provision. That includes the provision made by an authority in its community, voluntary and special schools for people with SEN and the use made by them of such special schools maintained by other authorities. They must also publish information about the authorities' arrangements and policies in respect of the use of non-maintained special and independent schools and the special educational provision provided otherwise than at school. The information must be published no later than six weeks before the date by which parents may express a preference for a school for admission that school year.

In addition, under the Education Act 1996 local authorities must keep the arrangements that they make for special educational provision under review. Under separate regulations covering local education authorities' provision of information on special educational needs, authorities must publish information on the general arrangements they make for auditing, planning, monitoring and reviewing special educational provision in their area. The information must be made available on the authority's website and in written form to anybody on request.

From our debate, I understand that not all local authorities meet their duty—it is indeed a duty—to publish such information. If Members have evidence of non-compliance, such as the reports that have been cited today, and they bring it directly and specifically to our attention, we will investigate. The Secretary of State can intervene to direct local authorities to carry out their duties.

Mrs. Maria Miller: Will the Minister tell the House how many times he has pulled up a local authority for not publishing such information, and what the penalty is when he does so?

Kevin Brennan: It would not be for me in my ministerial role to do that. I shall attempt to acquire inspiration for a response to the hon. Lady's intervention during the course of my remarks. If I do not, I shall write to her later. However, the powers exist and I assure the House that if specific cases are brought to the attention of the Secretary of State we will investigate them.

Not all local authorities fully comply with their duties, which is why we have asked the national strategies team of SEN national advisers to explore during their visits to local authorities their compliance with those duties. In Committee, I mentioned that local authorities have new duties to provide information. Since 1 April 2008, under the Childcare Act 2006, local authorities have had a duty to provide information, advice and assistance to parents of children and young people aged up to 20, or prospective parents. We have published guidance for local authorities that makes it clear that information that may be of benefit to parents should include details about schools, such as their location, composite prospectus, behaviour units and so on. The guidance also sets out the information that should be available to the parents of disabled children, such as the availability of local social services and specialist medical services.

Annette Brooke: I have two points. Has there been any evaluation of the children's information services that should have been fully in place by April 2008? Secondly, the Select Committee, in its report on special educational needs, recommended the mapping of

provision, yet I understand that the Government's response—twice—was to reject that recommendation. In light of the general consensus that the information needs to be available, why are the Government not supportive of the Committee's recommendation?

Kevin Brennan: The guidance under "Aiming high for disabled children" refers to the core offer, and to clear information, the early support programme's information for parents and parent partnership services. We need to evaluate the effectiveness of the guidance that is coming into force. There may be disagreements about the best way to conduct the evaluation but we are confident that we will be able to carry it out.

Local authorities must publish information about admissions arrangements, and there are choice advisers to help parents who may struggle with the admissions system. The advisers are expected to know about special needs and disability policy and provision. We want the parents of children with SEN to have access to a range of special educational provision. Last year, we published for local authorities the guidance "Planning and developing special educational provision", in which we advised local authorities to develop a range of provision to meet the range of children's needs. The guidance lists the environments in which SEN provision might be made, such as resourced provision and designated units in mainstream schools, special schools, including those that specialise in a particular type of need, and co-located mainstream and special schools.

The guidance also makes it clear that parents and families should be provided with good information as and when they need it on the range of SEN provision in the area through local parent partnership services and other routes. They should also be given good information about their child's progress and the plans and interventions used to address their learning and other difficulties.

Local authorities are obliged to send information to the parents of children who have been statemented to help them decide at which school they want their child educated. The parents of children with statements of special educational needs can express a preference for a school when their child is being statemented or when an existing statement is being amended. When they receive a proposed statement the name of the school their child will attend must be left blank. They must be provided with a list of all primary or secondary schools, as appropriate, in their area, and they have a right to request maintained schools in other local authority areas, too. They must also be given a list of independent and non-maintained special schools, whether in their area or not, to help them choose which school they would like named on the statement.

There is already an onus on local authorities to provide information to parents about the special educational provision that is available, which is in line with the intention behind the new clause. However, the effect of the proposal does not meet the intention that a local authority should publish information on special educational provision. Section 332A of the Education Act 1996, which the new clause would amend, was incorporated in that Act by the Special Educational Needs and Disability Act 2001 to ensure that all local authorities make parent partnership services available to the parents of children in their area with special educational needs. In effect, the provision in the new clause that is intended to make local authorities provide information on the range of SEN provision will actually make parent partnership services give such information to parents whether or not they have asked about the availability of such provision. For example, the parent whose child does not have a statement and who is happy with the school their child attends might seek advice about the provision being made for their child. The local authority, via parent partnership services, would be compelled to provide information about the range of school provision in their region.

The second part of the new clause, which refers to annual publication of information under subsection (1) of section 332A of the 1996 Act, would in effect oblige local authorities to publish annually all the information given to parents by the local parent partnership services, including information on the range of school provision. Although I understand the rhetorical point that the hon. Member for Basingstoke was making about the fact that we should always be conscious of the burden on parents and young people with special educational needs, I do not apologise in the least for not wanting to impose considerable burdens on local authorities with no clear benefit to those children. It would be of no use and would divert resources from alleviating the burden, which, as the hon. Lady rightly said, should be first in our minds. The proposal would place a considerable burden on local authorities without any clear benefit to children with special educational needs or their parents.

Some of our discussions in Committee echoed some of the comments made this morning about the quality of parent partnership services and the impartiality of the advice they give. The hon. Lady referred to that in her remarks. Parent partnership services are meant to give parents impartial advice about special educational needs. The SEN code of practice gives statutory guidance about the services, including minimum standards. In 2006, we published an evaluation of the parent partnership services, which found that there were areas of good practice and supported previous reports in finding that the services are valued by most parents. However, it also found that there were wide variations between services due to organisational arrangements, staffing and resources.

As the hon. Member for Mid-Dorset and North Poole said, some parents feel that parent partnership services do not provide impartial advice. That is why, last year, we published an exemplification of those minimum standards set out in the SEN code of practice for the services and the local authorities to emphasise the need for services to demonstrate their impartiality. We expect parent partnership services to provide full information to parents. The minimum standards set out in the code state that services should provide information on the "wide range of options" that are available for their children's education.

11.30 am

Guidance is also published in the special educational needs toolkit on parent partnership services, which advises the services to promote the sharing of information between parents, schools and local authorities. The exemplification of the SEN code's minimum standards makes it clear that the parent partnership services have

a published policy on how they act impartially and provide a comprehensive and balanced range of information for parents. So I hope that, in the light of what I have said about the duties and guidance that encourage local authorities to publish information on SEN and about the effect of the new clause, the hon. Lady will feel able to withdraw the motion when the moment arrives.

Mr. Chope: The Minister has comprehensively dealt with that issue, but can he assure the House that, when he has the information in response to the intervention by my hon. Friend the Member for Basingstoke (Mrs. Miller), he will make it his job as the Minister to ensure that tough sanctions can be imposed on local authorities that do not comply with all the duties that he has set out?

Kevin Brennan: I will certainly undertake to consider that suggestion in conjunction with my colleague, Lord Adonis, who has direct responsibility for such matters—I speak on them in the House of Commons—and I certainly undertake to write to the hon. Gentleman and the hon. Member for Basingstoke in relation to the sanctions that are available and any further measures that could be taken.

Amendment No. 2, which was tabled by the hon. Member for Basingstoke, would place requirements on the Secretary of State to collect specific information on the training received by members of the school work force. Again, I do not apologise for saying that any new data requirements—I am sure that the hon. Lady's friends in local government would agree, as would mine—must be considered carefully in the light of the burdens placed on schools, local authorities and other data providers to comply. Although I agree that our principal concern is the burden placed on parents and young people, we must ensure that we do not divert resources from meeting those needs.

Careful thought also needs to be given to whether the information collected is likely to be of the right quality and meaningful in a way that could bring benefit to those people who are trying to help. I am not immediately convinced that collecting the data proposed would, in itself, lead to improvements in the ability of the school work force to support and help children with special educational needs and disabilities and to improve outcomes—obviously, that is at the bottom of all this—for those children and young people, which is what all hon. Members want, or that that would necessarily influence the prioritisation of professional development in SEN and disabilities at school or local level.

I believe instead that improvements will come through the work that we are already taking forward with the Training and Development Agency for Schools—the TDA—our national strategies and others both to improve initial teacher training and to provide resources to support the continuing professional development of those staff who are already in post. Again, we share that objective across the House. I should like to say something about that before I return to the specifics of the data collection.

The TDA has been developing new specialist units for trainee teachers that are designed to improve their skills in identifying, assessing and supporting the needs of pupils with SEN and disabilities. Those units, which were developed for primary undergraduate initial teacher training courses, have been successfully piloted and will be rolled out to all course providers this September. That is the right way to do things. We are being urged to move more quickly and I understand people's concerns, but it is right that those initiatives should be properly piloted and tested before they are rolled out universally.

Work is also under way to develop similar materials for secondary undergraduate courses and for postgraduate certification in education courses, and that will be rolled out in September 2009. Ofsted has also been undertaking a thematic review of the journey taken by trainee teachers in acquiring SEN and disability knowledge and skills during their initial training and induction. The results of that review are expected shortly, and they will help us to understand where further improvements can be made—again, based on the evidence.

For those who are already in post, our inclusion development programme, which was launched in October 2007—the hon. Member for Basingstoke made some observations about that, and I shall refer to them in a moment—will help to boost the confidence of teachers and other staff in a number of SEN areas. The opening round of the inclusion development programme has focused on training in relation to the communication difficulties experienced by children. Of course, that includes dyslexia, which has been mentioned during the debate. New specially produced training material is being distributed to schools via their local authorities. In subsequent rounds, the IDP will focus on the autistic spectrum disorders, ASD, and behavioural, emotional and social difficulties, BESD.

The hon. Member for Basingstoke is critical of the IDP because she feels that it does not have support beyond the Government's walls and that, out in the country, there is an upswell of opposition to it. The IDP was developed in conjunction with I-CAN and Dyslexia Action, and it is endorsed by a wide range of voluntary organisations involved in communications and dyslexia. I fear that we may never be able to please all the various organisations—whether teaching unions or others—who write to us at the House and send their briefings to Front and Back Benchers, but we do not introduce such programmes without seeking input from stakeholders. They have a very extensive input into the IDP, which is widely endorsed. So I should like to paint a more complete picture of it, rather than the partial pictured painted by the hon. Lady.

The Department also already plans to introduce a school work force census from 2010—again, that has been referred to during the debate—and it will provide the Department with individual-level information that relates to all teachers and support staff. I accept that the census is not intended to cover the detail of SEN-related training that is sought in amendment No. 2, but any data collection exercise on that scale requires a long lead-in time. Some data providers are already calling on us to reduce the existing scope of the planned census. It is a continual tension in government that hon. Members call on us to reduce burdens, bureaucracy, red tape and so on and that, sometimes almost before they have reached the full stop in the same sentence, they then ask us to impose more data collection and more activities on local government and schools.

We must try to make a judgment on these matters, and any data collection exercise on a big scale must be considered very carefully and not undertaken without extremely good evidence that it will produce results on the front line. It is important to strike the right balance between collecting useful data and minimising the burden on service providers. You, Madam Deputy Speaker, will be aware of the old Welsh proverb, "You don't make the goose any fatter by weighing it all the time." We must ensure that the activities that we undertake will result in real delivery on the front line.

The census may prove to be a suitable vehicle for collecting such information, but it is a complex undertaking. We are piloting it in 2008-09 so that we can ensure that the burdens placed on schools are in fact manageable. If the pilots are successful, the census will be extended nationally in 2010. After that, we would be prepared to enter a dialogue with the interested partners about how the scope and coverage of the census might be expanded in future years. Perhaps information about the training and qualifications of teachers and support staff could be collected with effect from 2012 as an additional data item, but that would be contingent on several factors, including burdens on schools. I am not going to apologise for that, because it affects burdens for pupils at the front line, including burdens on schools and other candidates imposed by extra data items, of which there are likely to be many, because there is a long list of data collections that people would like to be undertaken but which have to be weighed carefully in relation to the burdens that they can create. We must be careful not to place unreasonable and undue burdens on schools and local authorities, and in the light of that, I invite hon. Members to withdraw amendment No. 2.

The hon. Member for Mid-Dorset and North Poole referred to services for deaf children. I have reminded the House of the all-party parliamentary group announcement by Lord Adonis about British sign language, and I can provide more details. The tender has been published, and we look forward to organisations coming forward to run the project, which will allow families with deaf children to make informed choices about whether their children should use British sign language. That has been welcomed by a wide range of organisations representing deaf children, and we are working closely with the Royal National Institute for Deaf People and the National Deaf Children's Society to address the gap in attainment between deaf and hearing-impaired children and their peers, so I hope that that information is useful for the hon. Lady.

Part of the inclusion and development programme is the "Removing Barriers to Achievement" initiative, which is based on what is known about effective teaching for SEN children. It is a national programme, and we have just published a DVD on meeting the needs of children with dyslexia and speech, language and communication disorders. We are now developing materials for teaching children with autism, which will be followed by material on social, behavioural and emotional difficulties. I hope that that information is useful to the House, given the points that have been made.

Finally, amendment No. 1 would oblige the Secretary of State to publish a report on how special educational needs information may assist him or other persons to improve the well-being of children in England with special educational needs. I am sure that it is intended to develop the purpose of the Bill and improve the provision of SEN information, but it is unnecessarily prescriptive. It will limit the way in which the Secretary of State can publish information to assist him or others in improving the well-being of children with SEN in England. The amendment would mean that that information would have to be published in the form of a report, which would not be helpful.

The Bill as drafted does not preclude the possibility of a report being published, but it allows information to be published in any way or form that the Secretary of State considers helpful in promoting the well-being of children with SEN. A report is not the only way—and it may not be the best one—of achieving that end. As ever, I want to be helpful, because I understand the point that has been made by hon. Members and the sincere intention behind the amendment. The Department publishes an SEN statistical bulletin every year. Following the passage of the Bill, I undertake to look at how we can expand that bulletin to include more information—for example, information on attainment—to highlight which children with different types of SEN are not making as much progress as we would like, and to point the way towards action to address underperformance.

The problem with the amendment is that it appears to force the Secretary of State to abandon that approach in the bulletin and instead publish a discursive report on SEN information. Publishing only a report would not be the best way of achieving the ends that we share across the House and that we all want to achieve.

Mr. Chope: If the Minister is about to announce an important concession, I apologise for intervening. However, he has not yet addressed the question of why the Secretary of State should be the sole judge of what information will provide assistance. That is the position under the Bill as drafted, which would be changed by amendment No. 1.

11.45 am

Kevin Brennan: It is the job of the Secretary of State to do that, and it is right that he should do so. Moreover, in the Education and Skills Bill, a general well-being duty has been introduced in relation to children's welfare. It is therefore appropriate that it should be the Secretary of State who performs that role. I do not know whether the hon. Gentleman is suggesting this, but the Secretary of State is not trying to hide anything; he is making a judgment about how best to exercise his duty to promote the welfare of children in the broadest sense by publishing that information.

I do not want to shut down completely the possibility that the Secretary of State may publish the sort of report envisaged by the amendment. As hon. Members will know, we have asked Ofsted to review progress in special educational needs next year. If Her Majesty's chief inspector, having conducted that review, recommends that we publish the sort of report proposed in the amendment, I undertake to consider that recommendation very carefully. I hope that in the light of what I have said that the hon. Member for Mid-Dorset and North Poole will not press the amendment further. I will conclude simply by reiterating my congratulations to my hon. Friend the Member for Gateshead, East and Washington, West on the Bill, and I wish it godspeed in its remaining stages.

Mrs. Hodgson: I welcome the issues raised by the amendments, and I have some sympathy with their intentions. I hope to be able to offer my support in ensuring that something can be done to address the concerns that led hon. Members to table them.

The hon. Member for Mid-Dorset and North Poole (Annette Brooke) first raised the issues in new clause 1 in Committee, and asked me to consider them. I wholeheartedly agree that we must ensure that all parents have access to good-quality information that provides fair and impartial advice about the services available to them. In fact, I see no reason why the Government and individual Members should not encourage local authorities to publish that information because, as we heard today, authorities are already supposed to do so. However, it should be available in a format that is far more digestible for parents than the form in which it is often provided. Indeed, that is if, as the hon. Member for Basingstoke (Mrs. Miller), pointed out, it is even provided in the first place. I was interested to hear the Minister say that the Government would go away and look at how they could deal with local authorities when it is brought to their attention that they are not providing that information.

The Minister explained in detail that the information was supposed to be available, but simply because information is made available does not necessarily mean that it is accessible. I hope that the recent guidance that the Government have sent out on improving parent partnership services will go some way towards addressing the issues. A series of regional workshops has thrown up problems concerning perceptions of partiality and impartiality. That would not be affected by the new clause, but I have sympathy with the points that the hon. Member for Mid-Dorset and North Poole raised in Committee, which were supported by the hon. Member for Bridgwater (Mr. Liddell-Grainger), who was sadly unable to be present today.

I have concerns about one aspect of the new clause: it states that the publication should also cover any relevant local authorities. A report published by the Audit Commission this year shows that the cost of placing a single pupil outside their local authority is well above £100,000 a year. I do not for one minute mean to propose that we put a price on the quality of a child's education, but we should carefully consider the effect that any increase in the number of children in external local authorities will have on the overall SEN funding available.

Another smaller concern is that by prescribing an annual publication, we may force local authorities to waste resources in years in which SEN provision does not change at all. If we were to legislate for such a report, it might be better to state that it must be produced from time to time, when significant changes in provision take place.

I appreciate the aims behind the new clause, and I know how strongly the hon. Member for Mid-Dorset and North Poole feels about the issue, but I fear that the new clause, in its current form, is not the best solution to the problem. It could unintentionally force councils to produce information that is not necessary at a cost to the public purse, and may encourage parents to shop around unnecessarily. It may encourage parents to go outside the local authority, which, as I have said, is hugely expensive, when local provision may be almost identical. That brings me to an important point. One of my main intentions in the Bill is to ensure that provision, availability and standards across all local authorities improve to such an extent that parents will not feel the need to go out of the borough, because the provision in their borough will be as excellent as the provision anywhere else in the country. That sounds like utopia, I know, but why should we not strive for that to become a reality? That is why many of us are in politics.

I welcome the spotlight on local authorities, but I would not want the most well-off parents to buy into the better performing local authorities—a point that the hon. Member for Christchurch (Mr. Chope) highlighted. We need to ensure that parents have access to good-quality, impartial advice, but the new clause is not the best legislative vehicle for achieving that aim. I respect the reasons behind the new clause, as I am sure that the hon. Member for Mid-Dorset and North Poole will know, but I fear that pressing it to a Division would do more harm than good. With that in mind, I ask her to withdraw new clause 1.

I turn to amendment No. 2, tabled by the hon. Member for Basingstoke (Mrs. Miller). First, may I state my wholehearted support for the intention behind the amendment? I know that it has the support of the National Union of Teachers, and I am sure that it will have been interested to hear the Minister's response. We all know that improving teacher training has to be right at the top of the agenda when it comes to improving overall support for children with SEN, and I agree that we need to monitor both what training is given to teachers at the start of their career, and what ongoing professional development they receive throughout their career.

We do not want information for information's sake. That may sound a little strange, considering that I am pressing the case for more information in other areas concerning SEN, but there is strong consensus that information concerning outcomes for children will be of greater use, as a tool, to campaigners. I cannot see how the proposals in the amendment would have the same effect for teachers. I welcome the NUT's interest in the Bill and its support for strengthening the Bill's provisions, but I believe that we would be wise to wait and see exactly what the work force census, which the Minister spoke about, will entail, so that we do not pre-empt the decision on which qualifications will be recorded.

We are rightly mindful of the administrative burden on teachers, and I am unsure of the views of other teaching unions, such as the National Association of Schoolmasters Union of Women and the National Association of Head Teachers, on recording training. I imagine that a lot of the burden of recording the information would fall on head teachers, or heads of departments. The Minister outlined in far more detail than I could exactly what the current framework is for the work force census, and I hope that that will give the hon. Member for Basingstoke food for thought.

Teacher training is an issue not just for the NUT, but for everyone with an interest in improving SEN support, and I congratulate the hon. Lady on raising the issue. It shows a great deal of understanding of the problems in training teachers to identify and support children with SEN. The Bill gives us an opportunity to try to secure a further commitment from the

Government, to speed up their plans for improvements to teacher training. I give the hon. Lady an undertaking that I will not let the issue rest. I will seek a meeting with the Minister, which the hon. Lady is welcome to attend—I hope that she will do so. The offer extends to the hon. Member for Mid-Dorset and North Poole, too. In that meeting, we could explore every avenue of opportunity that the Bill gives us to improve teacher training. Given those strongly held and sincere intentions, I hope that the hon. Member for Basingstoke will not press her amendment, although I am confident that she will not withdraw her attention from the issue.

Amendment No. 1 would result in all the information collected as a result of the Bill being published in the form of an annual report. I agree with that proposition 100 per cent. Since I set out on the Bill, I have always envisaged the end result being a tangible document that is freely available to all parents in order to give them the information that they need to improve their children's education—we all agree on that. I therefore listened to the Minister's response with a degree of concern. It may be that a report would not be the best way of releasing the information, but it would be better than placing the information deep in the Department's website, where only the most determined parent or researcher can find it—even if people can find information, there is no guarantee that they can understand it.

I am mindful of the Minister's concern that amendment No. 1 would restrict the publication of such information in other formats. Bowing to greater knowledge than mine, I understand that it would not fit neatly within the Bill and would not produce the intended effect. However, I will consider it a failure on my part and a missed opportunity for us all if a tangible report is not published for parents as a result of this Bill. I will be sure to seek a meeting with the Minister to reiterate my strength of feeling on that point. Taking all that into consideration, I hope that the hon. Member for Mid-Dorset and North Poole will not press the amendment, and I hope that we can find a neater and less prescriptive way of ensuring the intended consequence.

Annette Brooke: I thank the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) for her comments and congratulate her on the Bill's reaching this point. I shall endeavour to be brief, because I am anxious that we reach a successful conclusion this morning. I will withdraw new clause 1, because it is important that the Bill makes progress.

Important issues have been raised today. I thank the Minister for his comments about new clause 1, because it is helpful to have on the record the information that local authorities should be making available to parents. We now have a yardstick and all the material in one place. The study to which I have referred considered the information on local authority websites. I suggest that it would be straightforward for the Department to sample the available information and to act if there are any deficiencies. I will be interested to hear the outcome of that issue.

I am also pleased that the Minister has acknowledged that parents are concerned about impartiality. I stress that that is not necessarily the case, but that perception exists and it is important for everyone to acknowledge it.

I always feel humbled when the deficiencies in my amendments are exposed. Somehow, my amendments sometimes fail to achieve their objectives. However, I am pleased that we have flagged up where there is a lack of information for parents at the moment.

Amendment No. 1 was drafted to help anybody involved with special educational needs to see the wood for the trees when a mass of information is published. The Minister has already gone some way to acknowledge that we want more than masses of statistics and that there must be a framework.

I am pleased that the hon. Member for Gateshead, East and Washington, West is concerned that we should have a report that is accessible, understandable and useful. I hope that we will continue our discussions.

Finally, I should like to thank the hon. Lady for inviting me to participate in future discussions on teacher training, which is, of course, crucial. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Order for Third Reading read.

12 pm

Mrs. Hodgson: I beg to move, That the Bill be now read the Third time.

I am delighted to be here for this stage of the Bill, especially as we have now all agreed that it has real potential to deliver for the 1.6 million children who are identified as having special educational needs. I hope that after today we can move discussions forward before, as we hope, it enters the other place. Once again, I place on the record my thanks to Jonathan Tanner, my parliamentary researcher, for his tireless work and commitment to the Bill. He is now as passionate about SEN as are some of us here today, and he is knowledgeable about the issue too.

Our debates on Second Reading, in Committee and this morning have provided an invaluable opportunity to raise issues concerning special educational needs. We have been able to achieve a broad consensus on the need for the Bill and for further action to tackle areas in which SEN children do not get the quality of support that they all so richly deserve. I note that we are back here on a Friday, and yet again, it is fair to say that the House, including the Press Gallery, is not packed to the rafters. Other forms of political entertainment are, of course, on offer to the media today, not least in the north-west. However, if we succeed in our endeavour to get this Bill passed, those involved from both sides of the House should get credit.

Mr. Chope: I congratulate the hon. Lady on the Bill and its progress. Has she had any indication of when the Government would like it to commence?

Mrs. Hodgson: Not as yet.

Kevin Brennan: It has to go to the Lords first.

Mrs. Hodgson: I meant to mention commencement on Report. I will be biting at the heels of the Secretary of State—[Hon. Members: "Hear, hear!"]—and asking him to bring the Bill into effect at his earliest convenience. Members who know me will be aware that I am a formidable character in that regard: the Secretary of State will know that I am around.

Mr. Evans: From a sedentary position, the Minister said that the Bill had to go to the Lords first, and clearly it does. However, in her discussions with peers, has the hon. Lady discovered whether they, too, have good will towards it and want it to become an Act as soon as possible?

Mrs. Hodgson: The short answer is yes. Baroness Pitkeathley is to guide the Bill through the House of Lords on my behalf, and I am sure that she will seek cross-party support in the other place. It should pass through without too much damage, I hope.

Our debates have been held in a constructive manner that has not been entirely devoid of criticism and differences of opinion—nor should it have been. I should like to thank my colleagues across the Benches for their contributions to and support for the Bill. As others have said, it is an example of how the party political divide need not always dominate the proceedings of Parliament. I have been enlightened by the expertise, experience and commitment that my colleagues have shown to the issues that they feel need to be aired.

I should also point out that early-day motion 619 now has 161 signatures from both Government and Opposition Members who support the work that we are doing here today. It is welcome that the Government should also have lent their support to the Bill, and I believe that that represents a willingness to work with MPs on both sides to achieve change. Of course, we will be pushing them for further concessions over the months to come, and I hope that these suggestions will be heard with open ears.

On Second Reading, I listed all the organisations that have provided me with support. Having their expert knowledge on hand has been an invaluable resource throughout this process, and I hope that we can go on to reward their support and unswerving commitment to this cause. Each organisation still has areas that it would like to be addressed, and I will touch on some of those later. I hope that we will be able to equip those campaigners with the tool of improved information about SEN so that they can continue their work. I have said all along that I want the Bill to be a catalyst for change, and I sincerely hope that it will be so. Information alone will not make a monumental difference, but we all know how hard it is for Government to ignore the facts. We already know that there are facts out there among reams of information already collected, but the Bill should ensure that we gather further figures that will demonstrate a compelling case for stepping up the pace of reform.

The Bill has struck a chord with members of the public. I have received a number of letters from people across the country who support the work that we are trying to do. I want to draw on a few examples in order to underline the importance of the Bill and the need to ensure that we keep our foot to the floor on further progress. I hope that hon. Members present will indulge me in doing so and agree that these letters raise some powerful points.

My first example concerns a woman who has worked in an organisation supporting dyslexic pupils for more than 14 years. Many of the letters are about the struggles of dyslexic children. One woman wrote to me to say that she does not want to hear any more stories about failing schools. A particularly moving part of her letter describes the experience of a boy who was

"embarrassed in his class because, when the rest of the children were taking a test, he was left out and asked to read a book instead. He was so upset that his mother enquired what the test had been. The young teacher, just out of training college, explained that it was an intelligence test and she did not want him to be upset because he wouldn't be able to do it. At the mother's request, the Head arranged for the boy to do the test later and took his answers verbally. The child came out top of the class."

As the letter continues, it highlights a familiar theme:

"Nothing will improve for dyslexic pupils until all teachers are trained to recognise the common signs of dyslexia and are given a good basic understanding about it—a dyslexic person is not necessarily lacking in intelligence and can be extremely bright; dyslexia is not just about reading, problems with spelling and poor organisation are just as common; there are things even a non-specialist teacher can do to make life easier for the dyslexic child. At present, learning about dyslexia is an option only on teacher training courses. Surely dyslexia must be the single most common reason for failure in school and all teachers should be properly prepared to recognise it."

I have also received letters from parents who know the sheer frustration of watching their children having to battle the system to make the progress that we know they are capable of and fully deserve. Here is another example:

"As a parent with a dyslexic child, I am well aware of the many problems my daughter experienced at primary school and those which she is still experiencing in developing coping strategies for her dyslexia and I wanted to share my own experience with you to highlight major fault lines that currently exist in our schools.

My daughter's teacher said to me during her last year of Primary school in 2007, that she knew nothing about dyslexia and was interested in learning more from me. I found this unacceptable as I fear for my daughter's future in secondary school, but this is the reality. Some of our schools have a higher standard of learning support, however this is not reflected across all primary and secondary schools in the United Kingdom.

Dyslexic children are extremely gifted children, of which dyslexia is not a learning disability but instead requires a different approach to learning, which is not currently available in our schools at the present time in my view."

Not everything that I have received is in agreement with the current way of thinking. The same letter says that

"the pressure of OFSTED reports and meeting targets has created a vacuum of dishonesty in schools putting children with the slightest learning difficulties, such as poor handwriting etc into groups with Dyslexia etc to basically fiddle the figures so that when school results are completed the school doesn't appear on paper as failing to meet targets. The learning support groups at my daughter's school receive 2 twenty minute sessions a week, called 'clicker or catch-up' whereby each pupil sits at a computer and writes one sentence. It is in this group that the real patchwork quilt exists, as you have children who shouldn't be there, as mentioned above, then there are those who have fallen behind and do need to 'catch up' and that leaves the children with severe learning difficulties and dyslexia. All these children require a different approach to learning and therefore it is impossible to support them all as one group in this way."

Recognising that underlines the importance of ensuring that we have a work force who are skilled in meeting the individual needs of every child. That process will take time, and we need to ensure that, before we tailor teaching approaches to individual children, we are able to say exactly what they need extra support with. That will come only by categorising all children who are identified as having special educational needs.

Mr. Chope: Does the hon. Lady accept that the best way of ensuring that we know about such children is to provide screening in all primary schools at the age of five, six or seven, using the criteria that I referred to during my interventions on Report?

Mrs. Hodgson: I listened with interest to the hon. Gentleman's interventions earlier, especially with regard to the Dore programme. I am particularly interested at looking at that programme for my son, who is severely dyslexic. I understand that such screening should be happening. Professor Rose is examining the primary curriculum in his review, and I imagine that one of the things that he will be looking at is the process of screening all children. I will be interested to hear what he finds out when that review is finalised.

Mr. Chope: On the Dore website, there is a very interesting definition of dyslexia:

"Being dyslexic has no reflection on your intelligence—it is about the access to your intelligence."

Does the hon. Lady agree that we need to promote that concept a bit more, so that dyslexia is not regarded as some inferiority complex?

Mrs. Hodgson: The hon. Gentleman makes a very pertinent and valid point. I will be making a similar point later in one of my quotations; it is obviously the considered view of many people in the SEN community—

Madam Deputy Speaker: Order. May I just remind hon. Members who wish to contribute to the Third Reading debate that we are discussing what is in the Bill?

Mrs. Hodgson: I thank you, Madam Deputy Speaker, for that guidance.

If hon. Members will indulge me, I have one more letter about my Bill, from an ex-journalist. She had retrained as a teacher via a postgraduate certificate of education, and her experience of SEN provision is informed by having a 10-year old son with suspected Asperger's and separation anxiety disorder. She wrote to tell me of her experiences and observations during her PGCE:

"SEN was briefly covered—one lecture—on the PGCE course, and the broad issues were run through again on each of my two school placements by the head of SEN. But there isn't time to learn enough about anything on a one year PGCE course, let alone how to recognise the signs of the many different SEN needs in the classroom. Training in school must be the way forward, but my experience is that teachers barely have time to go to the loo in school."

Again, this first-hand experience highlights the need to do more to ensure adequate ongoing training opportunities for teachers in schools. The letter goes on to describe a particular difficulty in identifying and supporting a dyslexic child:

"in my second placement I identified one pupil in particular that I thought may be dyslexic, and I alerted the SEN department to that...a very good SEN department... This was a girl whose parents were Somalian, but she was born and educated in this country. I was told that it was not possible or worthwhile to test her dyslexia. The results of the test would not be accepted by the LA because there was a possibility that there could be an element in her poor writing which is brought about by her having English as an additional language. If this is a general rule it would mean that not one child from a refugee or immigrant background with dyslexia is being picked up in our schools."

I have spoken to the Department about that, because, as I am sure Members will agree, if it were the case it would be very worrying. According to the statistical first release, children from all ethnic backgrounds are identified as having SEN. Although that does not prove that they have English as an additional language, it does calm my initial fear that their SEN was not being picked up at all. It is also worth noting that incidences of SEN among children categorised as being of black ethnic origin are higher than the national average. I hope the Minister has taken heed of that.

I am nearing the end of my self-created evidence session, but I want to draw attention to a few more of the points that have been raised with me. The letter from which I have just quoted also states:

"In a third school I identified a boy who clearly had a dysfunction linked to his handwriting—it was severe. He was in year 9, and it was clear just from glancing at the school's own tests that there was a major gap between his ability to read—15 year old plus—and to write—which was at about a 9-year-old level. He was working hard, clearly very bright, had a wide knowledge of words—but could not write them down correctly, or see that they were wrong."

The writer adds:

"The school had not picked it up. Incidentally I was asked by the head of SEN as a general rule NOT TO GIVE the school's test results on writing and reading to parents—I gained the impression that the fear was that parents might then want something done about them! In fact I did give the results to this boy's mother and suggested she look for private diagnosis (they weren't poor) in order to get a speedy response."

The experiences of the people who wrote to me varied vastly. Some praised their local schools, their local authorities, their parent partnership officers, their sons' or daughters' special educational needs co-ordinators, or even individual teachers. The examples that I have chosen help to illustrate the points that have been raised so far during our debates on the Bill, but the variety of the correspondence that I have received does even more to highlight the fact that SEN provision across the country is itself extremely varied in terms of both quality and quantity. Wherever people live in the United Kingdom, if they have a son or daughter with SEN they cannot currently guarantee that that child will receive the same support as a child with the same needs living five or 10 miles down the road.

I received an interesting submission about the choice of language in the Bill. I have learned very quickly that every word counts in legislation, and I was enlightened by the view put to me by the Centre for Studies on Inclusive Education. It gave me food for thought, and I hope that it will do the same for other Members. It states:

"My suggestion stems from the knowledge that there is considerable unease with the use of the term 'special educational needs', within disabled, practitioner and academic circles. In a nutshell, the notion that a child has special educational needs represents thinking within the 'medical model of disability', i.e. a perception that disability is the consequence of a person's impairments.

The alternative (initially put forward by disabled people but now regarded by many as the contemporary, if not dominant, perception of disability) is known as the 'social model of disability' and sees disability as an experience (not a state) arising out of an interaction between a person's impairments and inflexible structures around them. Within this frame of mind, for example, a child with dyslexia is disabled not solely by the way their mind processes written information, but also by an educational system which privileges excellence in reading and

[Mrs. Hodgson]

writing in ways that the majority find easy to process. Perhaps less controversial might be the words of a wheelchair user who said something along the lines of: 'Using a wheelchair is my way of getting from one place to another. When faced with a flight of stairs, I am disabled. When faced with a ramp, I am not.'"

That relates to a point made by the hon. Member for Christchurch (Mr. Chope). Dyslexia is not necessarily an impairment in itself. There are ways in which children with dyslexia can be helped to lead full and fulfilling lives. I shall say more about that in the context of well-being and the outcomes to which the Bill refers. Although I have not changed the wording of the Bill because of that submission, it gives a valuable insight into the thoughts of those involved in shaping our understanding of both disability and SEN.

A further and final contribution came from an experienced educational psychologist based in the north-east, who said:

"The issues that arise from this, and that concern me most are those of unrecognised need, the alarming degree to which otherwise bright children underachieve, and the far reaching emotional consequences for children and young people who see themselves as failing when they know they are as able, or even more so, than the next child. The loss of confidence, lowering of self esteem and drop in motivation can have devastating consequences for a child's educational future, and personal well-being and development."

I am sure that that will resonate with all of us.

We now have a flavour of what has come into my postbag from members of the public concerning this Bill, and it is clear that they want us to achieve even more than we can perhaps achieve in one go with a solitary private Member's Bill. However, let us look at what we can achieve with this Bill as it stands.

The Bill makes two substantive provisions by amending the Education Act 1996. First, it requires the Secretary of State to exercise certain of his powers under the Act with a view to securing the provision of information about children in England with SEN that would be likely to assist in improving the well-being of those children. Secondly, it requires the Secretary of State to publish, or to arrange to be published, in each calendar year information about children in England with SEN, the publication of which will be likely to assist in improving their well-being.

Several recurring themes have been raised in the discussion so far, including the availability and uptake of teacher training in SEN, the need to be able to identify best practice and roll it out across the country, and the need for assurances that parent partnership services are able to operate truly independently from the local authority to which they are linked.

We have not looked yet, however, at how the Government currently define SEN, but it is important when reading the Bill to know exactly what is meant, so I shall take a moment to outline their working definition of it. Under the 1996 Act, a child has SEN if they

"have a significantly greater difficulty in learning than the majority of children of the same age; or have a disability which prevents or hinders them from making use of educational facilities of a kind generally provided for children of the same age",

or they would fall within these definitions if special educational provision were not made for them.

The Bill also refers to special educational provision, and we have not yet looked at how the powers that be define that either. According to the Department for Children, Schools and Families, special educational provision means,

"for children of two or over, educational provision which is additional to, or otherwise different from, the educational provision made generally for children of their age in schools maintained by the"

local authority, other than special schools, or for children under two, educational provision of any kind. These definitions seem sensible, and they have, indeed, caused little controversy. It is welcome to be working from a legislative base which sets out in such non-contentious terms exactly what we mean by SEN.

On Second Reading, I set out some of the landscape across the UK concerning SEN, and I highlighted the fact that about 2 million children—it is 1.6 million, to be exact—are identified as having SEN and that there are significant regional variations in levels of recording across the country. We already have a picture of SEN across the country. We know that 229,110 had statements of SEN in 2007, which is 2.8 per cent. of the school population. A further 1,333,430 pupils have SEN without statements, which is 16.4 per cent. of the school population. The vast majority—57.2 per cent.—of children with statements were taught in mainstream schools, and 36 per cent. were taught in maintained special schools.

We know that since 1997-98 funding has increased by £1,440 per pupil, from £3,050 in 1997-98 to £4,490 in 2006-07. By the end of 2007-08, the real terms funding per pupil will be £1,680—or 55 per cent.—higher than in 1997-98. Local authority planned expenditure on SEN has increased from £2.8 billion in 2001-02 to £4.5 billion in 2006-07. That represents an increase of 60 per cent., and some 13 per cent. of all education spending. Of that £4.5 billion, £1.8 billion is delegated to mainstream schools and £1.3 billion to maintained special schools, and £506 million is spent on placing children with SEN statements at independent and non-maintained special schools.

Despite debate over inclusion, we know that since the Special Educational Needs and Disability Act 2001 the proportion of children with SEN statements taught in all special schools as a proportion of the number of children with statements has increased by about 1 per cent, despite a fall in the number of children with statements.

When I set out to try to create this Bill it was important to me to know exactly what information was already available for my local area. I examined the provision across Gateshead and Sunderland, my two local authority areas. Hon. Members will be able to make a comparison with the situation in their own constituencies, if they have the relevant data with them—one could say that that will form the beginning of our proposed scrutiny of regional variations in provision.

In January 2007, Gateshead had 15,732 pupils in maintained primary schools, of whom 1.1 per cent. had a statement. That compares with figures of 1.3 per cent. for the north-east and 1.5 per cent nationally. Some 3.9 per cent. of the pupils were receiving provision at school action plus level, which compares with a regional figure of 6.4 per cent. and a national

figure of 11.8 per cent. Some 14.8 per cent. of the pupils received provision at school action level, compared with north-east and national figures of 11.8 per. cent. That means that 19.8 per cent. of primary school pupils in Gateshead were identified as having SEN, which is comparable with the figures of 19.4 per cent. for the north-east region and 19.2 per cent. for England.

In January 2007, Sunderland, my other local authority area, had 23,707 pupils in maintained primary schools, of whom 0.9 per cent. had a statement. That compares with figures of 1.3 per cent. for the north-east region and 1.5 per cent. nationally. Some 5.6 per cent. of the pupils were receiving provision at school action plus level, compared with 6.4 per cent. regionally and 11.8 per cent. nationally, and 14.1 per cent. of the pupils received provision at school action level, compared with 11.8 per cent. both regionally and nationally. That means that 20.6 per cent. of primary school pupils in Sunderland were identified as having SEN, compared with figures of 19.4 per cent. for the north-east region and 19.2 per cent. in England—thus, Sunderland's figure is slightly higher.

Even across the two local authorities in my constituency there is a slight variation in identifying SEN and issuing statements to children, further evidence of which lies in the number of statements issued. In January 2007, Gateshead was maintaining 896 statements of SEN, whereas Sunderland was maintaining 1,204. Its figure is higher than Gateshead's, but Sunderland is a larger local authority with a bigger school population. According to my analysis—I am not that good on a calculator—Gateshead awards marginally more statements per pupil than Sunderland.

I was also interested to note the difference in the length of time that it took to complete statements. In January 2007, Gateshead completed 95.5 per cent. of its statutory SEN assessments and drafted a statement within the statutory 18 weeks, whereas Sunderland drafted 100 per cent. of statements within 18 weeks—the average performance for local authorities in England was 96 per cent. So it seems that it is possible to find out how local authorities are performing in terms of figures for a host of data sets. There were many more that I could have cited, but I decided to spare the House that ordeal.

Those facts do not, however, give us the most important information. That is why it is vital to measure outcomes for children with SEN, rather than just keeping an eye on the numbers in a doomed attempt to derive understanding. We have all accepted that it is important that we improve the current data. If we are to do that effectively, they need to be improved over and above existing data collection. I want to take a look at what data are already being collected so that we will all know what needs to be increased and we can be aware of the true impact of this Bill once an annual publication exists.

The sources relevant to the collection of data on SEN are the pupil level annual school census, or PLASC as it is often called; the SEN2 survey on statements issued by local authorities; the OC2 collection, which is on outcome indicators for looked-after children; the Children in Need survey, on children's social services provision; and section 52 returns, which are on funding.

PLASC collects individual level pupil characteristic data. These include indicators relating to pupils' SEN, namely, no identified provision, school action, school action plus or statement of SEN. For pupils at school action plus and statements of SEN, the type of need is also collected, together with flags to indicate whether the pupil is a member of an SEN unit or of resourced provision.

I am delighted that the Minister has already undertaken to look at extending categorisation of type of SEN to school action level. If carried out, that would lead to around 1 million families being put in the picture as to exactly what need their child has. That will not only relieve uncertainty for the families, but will ensure that teachers pay greater attention to determining what support a child needs. Of course we cannot achieve that to the levels that we would desire without lifting levels of training, and that is a subject to which I will turn later in my speech.

The SEN data from the census can be cross-tabulated with other characteristic data collected via the same means, such as age, gender, free school meals eligibility, ethnic group and first language. Pupil characteristic data, including SEN indicators, collected via the school census have been matched to attainment data via the national pupil database, which means that analysis of pupil attainment by the various SEN fields is also available. Admittedly, it takes some digging to find it but it is there.

Coverage of the school census does not extend to independent schools, pupil referral units or general hospital schools. For these types of schools, just overall totals for the number of pupils with SEN with or without statements are collected. Those institutions are covered by the annual school census, which is an institution level collection, so no pupil level data that can be cross-referenced with other collections are available.

The annual school census collects information on the number of pupils with certain characteristics, such as gender, eligibility for free school meals, SEN with statements and SEN without statements. The current intention is that pupil-level school census arrangements will be extended to pupil referral units in 2009. Therefore, there is no need for that to be addressed through the Bill. The SEN2 survey is a local authority level survey, focusing on the number and placement of pupils with statements of SEN. Although I have tried to restrict the level of debate during this Bill on statements, it is important that we understand what is collected in this field as well.

The SEN2 survey asks local authorities to give information about the number of children for whom the authority made a statement for the first time in the previous year and the number of children for whom the authority maintains a statement of special educational needs. It also requires local authorities to record the number of statements issued in the previous year, divided by different categories, as well as the number of children who have been assessed for whom a statutory assessment was completed in the past year but for whom it was decided not to issue a statement of special educational needs.

The survey also monitors the number of children who have moved from special independent schools into mainstream schools. I imagine that that information will become increasingly useful in informing the progress of SEN strategies in local authorities that are

[Mrs. Hodgson]

trying to reduce the use of statements by increasing the amount of additional resources attached to mainstream schools. That process is under review in Gateshead, and I am monitoring the situation carefully to ensure that all children's needs are met, and that the requirement to meet those needs comes before that to meet other targets.

The SEN2 survey also covers the number of statements of special educational needs that have been reviewed and discontinued in a calendar year. The survey provides useful information with which to monitor the development of schools and local authorities in dealing with SEN, but not the development of pupils. That is why my Bill focuses on the importance of measuring pupil level outcomes.

The OC2 survey is also taken at local authority level, and concerns looked-after children. The incidence of SEN among looked-after children is often far higher than among other children. Many campaigners would like local authority funding for supporting children with SEN to be ring-fenced, so that we can ensure that it is spent on those who need it the most. Local authorities are required to show, on the section 52 return, how much they delegate to schools for SEN individually and how much they have budgeted to spend on SEN. Schools are not required to account for SEN expenditure separately, as that would be particularly cumbersome and bureaucratic. Also, it would be difficult to pinpoint exactly what constitutes SEN spending at an individual school level.

Reams of information are out there. It is usually available from the Department for Children, Schools and Families website as first statistical releases. Additional information can also be found on RAISEonline. The Department says that the system allows mainstream schools to analyse SEN pupil outcomes for both attainment and progress, and to determine whether performance is significantly higher or lower than expected. The reports also allow schools to analyse how SEN performance might be related to free school meal status, or other pupil characteristics of relevance. Also, schools can identify SEN pupils for whom specific intervention has taken place and evaluate pupil outcomes.

Although that information should contain some of the detail needed to assess attainment outcomes for pupils with SEN, we need to build on that and consider wider outcomes. It is all very well for schools to have access to that information, but the work that is required to analyse and act on the findings might end up taking a back seat. We need the information to be readily available, in an accessible form, for public scrutiny, but, currently, it is not available to parents or the public at all. We need to protect pupil anonymity, and we do not want to pressure schools unduly, but I hope that we can ensure that wider information is openly available, rather than being tucked away in a blinding avalanche of tables and figures somewhere in the backwaters of the internet, available only to schools and local authorities.

In shaping the Bill, I looked at the information that cannot be collected and why. It is rightly a primary consideration that we do not want to increase the burden of box-ticking for teachers, but where a short-term increase in administration might lead to a longer-term reduction, we might need to strike a balance. However, any recorded information must always be high quality and clear in usefulness.

Campaigners are keen that there should be a change in the categories that are used to record SEN types, and I am pleased that the Minister has said that they will be reassessed after the 2009-10 Ofsted review into SEN provision. Some people are also concerned about why the number of statements is being reduced in certain local authority areas. As I have outlined, we can monitor those trends through local authority returns under the SEN2 survey.

One of the main issues that has been raised, and rightly so, is teacher training. Before looking at what can be done to improve teacher training, I want to examine the guidelines set out for teachers to help them identify children's needs. As we know, those guidelines are set out in the SEN code of practice. It states that if a pupil is known to have special educational needs when they arrive at the school, the head teacher, the SEN co-ordinator, literacy and numeracy co-ordinators and departmental and pastoral colleagues should use information from the pupil's primary school to provide starting points for the development of an appropriate curriculum for the pupil; identify and focus attention on the pupil's skills; and highlight areas for early action to support the pupil within the class, as well as ensuring ongoing observation and feedback. They should also keeps teachers and parents up to speed with the pupil's achievements and experiences, and ensure that the pupil has a chance to show their knowledge in informal circumstances. In addition, the code of practice encourages the involvement of both pupil and parents in developing a plan to meet the pupil's needs.

All this is sensible stuff, but it is worth noting that these procedures are for pupils who are already identified as having SEN when they arrive at the school. Even then, I can testify from personal experience that this transition does not always go smoothly. In fact, it can be rife with problems and new hurdles to overcome, which mostly arise from the lack of experience or even awareness among the bulk of teachers of how to teach or even spot a child with SEN.

As most Members will be aware, my son Joseph is severely dyslexic. He is now 14 and was eventually statemented in year 5, aged 10. He is of above-average intelligence, but has a reading age of only 6.5 years. When he recently changed schools, most of his teachers were not told of his SEN due to an administrative oversight at the school. Most of his new teachers did not recognise him as being dyslexic until they were told about it—even after weeks of teaching him. For those who know the signs, it so obvious that Joseph is severely dyslexic. This is a telling testimony, even if I do not spell it out in detail.

Teachers are encouraged, however, to look for pupils who

> "despite receiving differentiated learning opportunities make little or no progress even when teaching approaches are targeted particularly in a pupil's identified area of weakness or who show signs of difficulty in developing literacy or mathematics skills that result in poor attainment in some curriculum areas".

That is how the code of practice tells teachers how to spot a child who needs intervention, but it does not

give strong enough guidance on how to distinguish the severity or category of SEN. That is where the training should come in.

At the moment, schools have a statutory responsibility to ensure that the necessary provision is made for any child with SEN. They must ensure that teachers are aware that a child has SEN, and stress the importance of teachers' identifying SEN. Schools must also consult the local education authority and other school governing bodies to create a co-ordinated SEN strategy where desirable and possible. Further, schools must take steps to ensure that, where possible, SEN children can take part in activities available to pupils who do not have SEN. Finally, schools should also report to parents on the implementation of their SEN policy and have continuing regard to the SEN code of practice. The whole procedure would be better informed, however, if the teaching work force were better skilled in identifying and teaching children with SEN.

The hon. Member for Mid-Dorset and North Poole raised the issue of parent partnership services. I have held discussions with both constituents and experts on this, and it seems that, again, we are faced with considerable regional variation in the services provided. As I said earlier, it is right to point out that it is absolutely vital that parent partnerships can deliver impartial information to parents. Having said that, I am confident that the majority of parent partnership services are doing a good job, but there is merit in keeping the situation under close review. As I stated at the start of my speech, the main thrust of the Bill is to ensure that we improve the monitoring of outcomes for children with SEN. There is agreement across the sector that that would be a welcome development.

It is important to know what data are already used to try to improve the outcomes so that, if the Bill proceeds to the other place, we can look back in times to come and hold the Government to account on their implementation of the legislation. Six mechanisms are identified for improving outcomes for SEN children. First, academic achievement is monitored. SEN data have shown that much of the improvement in overall academic performance can be traced to increased attainment by children with SEN. Data on the varying attainment of children with different specific forms of SEN have been analysed for the first time and will be used to inform more tailored teaching.

Secondly, policy is kept under review. Thirdly, I am told that RAISEonline is already used to outline performance. I have already outlined what evidence the system provides for ongoing school improvement. I reiterate my hope that the use of RAISE use as a tool will increase over time. Fourthly, P scales are used to analyse the progress of pupils operating below level 1 of the national curriculum. The systems enable the attainment and progress of a range of SEN pupils to be analysed and compared across a range of pupil needs.

The information collected also informs national strategies. I understand that regional advisory teams work alongside the national SEN strategy team. I hope that they will be encouraged to support and challenge local authorities as they seek to bring about improvements in identified schools using increasingly sophisticated data for pupils at school and local authority level.

I look forward to the roll-out of indicators that monitor how effective schools are in reducing the gap between the attainment of children with SEN and that of those children with no SEN. The indicators have been included in the national indicator set for local government that will be used from 2008-09. That is an important step forward.

The mechanisms concern only attainment and, of course, the aim of this Bill is to concern ourselves with wider aspects of how to improve the outcomes of children with SEN. That is why I pressed so hard to have the outcomes listed on the face of the Bill.

As I have said, I have received a great deal of support from across the SEN sector and I want to draw on some of the points that have been raised in relation to the Bill. TreeHouse is a national charity for autism education whose vision is to transform through education the lives of children with autism and thereby the lives of their families. TreeHouse was established in 1997 by a group of parents. It runs a school for children and young people with autism and campaigns nationally for better autism education. I look forward to visiting the school in the near future.

The Special Educational Consortium is an umbrella group that represents a number of charities with an interest in SEN. The consortium says in its briefing on the Bill that

"the lack of information on children with SEN prevents a clear focus on whether the provision made for these children is promoting the best possible outcomes for them. The lack of information at a central government level has been highlighted in responses to parliamentary questions, which often concede, 'This information is not collected centrally.' The information this Bill will secure is required to provide a better basis for national planning, particularly as the pattern of needs change over time."

The support of such a large number of organisations in the shape of the SEC is clear evidence that we are taking the right step. I would like to thank Brian Lamb again for the support and guidance he has given me and my team. I am also pleased to have had the ongoing support of Dyslexia Action. Shirley Cramer has been behind me from the inception of the Bill and I want to thank her and her team once again.

Dyslexia is not a minority issue. As many as one in 10 people have dyslexia, and 4 per cent. have it severely. Two to three children in every classroom may be affected. There is a clear link between unidentified dyslexia and poor literacy, longer term failure at school, limited work opportunities, unemployment, poverty and crime. With the right specialist support dyslexia need not be a barrier to achievement. Dyslexia Action says:

"One of the big questions for parents, teachers and schools, and organisations like ours, is around the lack of specific information about what is happening regarding SEN in English schools. The Special Educational Needs (Information) Bill demands transparency for this complex area that is often frustratingly patchy—good in some places, bad in others."

We can but raise expectations for children with SEN by increasing information about their progress. Improved information will help to highlight areas that need greater attention through personal or financial support.

Some good things are beginning to happen. The Department for Children, Schools and Families' inclusion development programme, in which Dyslexia Action works with the children's communication charity, I CAN, to provide expert input and training materials, will improve

[Mrs. Hodgson]

awareness and recognition of dyslexia and communications problems. The programme is being implemented and represents the right course of action to improve outcomes for children with dyslexia and communication difficulties.

Dyslexia Action lobbies for early intervention, which is critical if children with special learning disabilities are to be prevented from developing the long-term problems associated with poor literacy skills, such as reduced employment opportunities that can lead to long-term unemployment. Even worse, children can go on to lead a life of crime, starting with youth disorder, which incurs the huge financial burden that time spent in and out of prison brings to the taxpayer. It is no coincidence that the percentage of prisoners with dyslexia and other SEN is far higher than in the rest of society. The implications of that failure are a huge cost to the individual and to the UK economy. Government statistics tell us that poor skills cost the UK taxpayer approximately £10 billion a year.

Dyslexia Action has so far relied on imaginative and far-sighted private donors to set up the project. However, in December, the Minister announced funding for the partnership for literacy of £250,000 over three years—

Mr. Deputy Speaker (Sir Michael Lord): Order. I am listening carefully to the hon. Lady's contribution. She is dealing with things that are related to the topic of the Bill, but she must try to relate what she is saying directly to the content of the Bill, as that is the purpose of Third Reading.

Mrs. Hodgson: As I mentioned in Committee, the needs of deaf children deserve strong consideration as we try to improve provision for children with SEN. I am pleased that the Royal National Institute for Deaf People has given the Bill its support.

There is evidence that deaf children are more likely to experience mental health problems. The RNID believes that collecting data on the five Every Child Matters outcomes, including information on admissions, attendance, behaviour, bullying and exclusion, will play a crucial role in helping us to monitor and ultimately improve the well-being of deaf and hard of hearing children.

I realise that other Members want to speak, so I shall make only one or two more points to underline why the Bill is of such importance. At national, local and school level, better information has an important part to play in improving outcomes for children with SEN. The information that will be collected if the Bill becomes law has the potential to improve our understanding of what works for children with SEN. It will help to raise expectations and provide a better basis for evaluating particular projects and programmes, enabling us to share good practice and improve our understanding of training and professional development.

Overall, the Bill will help to generate a more secure basis for the development of national policy. At every level of our education system there is significant potential for developing better understanding of the impact of policy on outcomes for children with SEN. As I said on Second Reading—I have reinforced the point today—there is tremendous support across the spectrum for more progress on SEN. Getting the best possible support for children is often a hugely frustrating experience for parents as they battle their way through the myriad forms and evaluations presented to them by the system.

In my conversations with the parents of children with SEN, the same phrase comes up time and again—I have even used it myself. Parents say, "If I had known then what I know now, then I would have done things differently." In time, the Bill will ensure that parents know more about SEN support in schools. It will give campaigners the tools they need to keep pressing local and national Government to follow the evidence. Most important, it will help us all to identify what needs doing to improve things for children. Over time it will make a difference in classrooms across the country.

Every child deserves the best possible chance to make the most of their talents. For 1.6 million children with SEN we can make that happen only if we know how to make it happen. I hope that in a few years' time more parents will say, "I'm glad I knew that, imagine how difficult it would have been if I hadn't." I commend the Bill to the House.

12.55 pm

Mrs. Maria Miller: I should like to take this opportunity to congratulate again the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) on securing the Bill and on trafficking it well through the House and, we hope, through to further discussion in the other place. I should also like to put on record my thanks to her and her staff for the discussions that we have had on the Bill, to produce a constructive set of debates. She has prompted a very important debate. In her opening remarks on Second Reading, she said that

"private Members' Bills come in all shapes and sizes"

and that

"special educational needs come in all shapes and sizes."—[*Official Report*, 1 February 2008; Vol. 471, c. 558.]

and she is absolutely right. The Bill will help parents, schools and teachers to come to terms with how diverse special educational needs are, and I hope that, through the data that are collected, it will help to ensure that the strategies that are needed to address such issues carefully are in place.

The hon. Lady spoke movingly about her experiences with her son Joseph and his needs. That was echoed by a number of hon. Members in their contributions on their personal experiences with SEN. Many people are affected by the issue; almost 20 per cent. of children are now on SEN registers. As a consequence, this can no longer be seen as a sideline issue; it is very much a mainstream issue for education to deal with. Given that children with SEN are eight times more likely than other children to be expelled from school and twice as likely to have no qualifications at the end of their school careers—again, as the hon. Lady suggested in her earlier contributions—we need to ensure that that tremendous waste is curtailed. Moreover, we need to ensure that we do not entrench disadvantage by incorrectly addressing the issues identified during the debate.

Hon. Members on both sides of the House have made important contributions to the debate. My hon.

Friend the Member for South-West Norfolk (Christopher Fraser) made an important contribution in Committee and on Second Reading. Indeed, he drew on his family's experience of SEN. We have also heard important contributions from the hon. Member for Luton, North (Kelvin Hopkins). Today, my hon. Friend the Member for Christchurch (Mr. Chope) drew many incredibly important undertakings from the Minister in discussing amendment No. 1.

My hon. Friend the Member for Forest of Dean (Mr. Harper), who is the shadow Minister with responsibility for the disabled, said something that resonated with me: information is not the outcome that we seek with the Bill, but it is the route to better outcomes for children. That sentiment drove a number of the amendments that hon. Members tabled both in Committee and on Report. The type of data is key, not just the collection of data for its own sake, and the Minister has echoed that sentiment in his comments.

Particularly today, I feel that the discussion of teacher training yielded a great deal of clarification on the Government's position, although we have discussed that throughout the debates on the Bill. I remember that the hon. Member for Stourbridge (Lynda Waltho) made a contribution on training. She highlighted her inadequacy in SEN training when she was trained as a teacher and said that that issue still required a lot of attention.

The thing that I found most helpful was the undertaking from the hon. Member for Gateshead, East and Washington, West to press the issue of training further, and to meet the Minister—I should be delighted to attend that meeting—to ensure that it is not forgotten. Her tenacity makes me certain that it will not be forgotten at all. Her commitment to the issue is welcome, and I look forward to doing what I can to support her. I know that she will not allow the Minister to dismiss the issue without a fuller investigation because she, like me, knows that the quality of teaching directly affects the outcomes for children. Perhaps, at that meeting, we can join together to persuade the Minister to place a burden on himself to undertake to work in his Department to co-ordinate research on teacher training. It is important that the initiatives that the Government have introduced, and which we all welcome, have an effect on what happens in the classroom.

Like the hon. Member for Gateshead, East and Washington, West, I thank all the organisations that have taken so much time and trouble to develop briefings for everyone involved in these debates. There are many such organisations, but I shall mention just a few, including TreeHouse, the national charity for autism education, which, throughout my time as an MP, has always taken the time and trouble to keep me informed about many issues, and has shown great support for our debates on the Bill. Xtraordinary People, the RNID, the National Union of Teachers, the National Children's Bureau, and the special education consortium, which the hon. Lady highlighted, have all provided important insights on which we, as parliamentarians, have been able to draw to ensure that our debates are as well-informed as possible.

There has been no lack of initiatives from the Government on SEN. As I said on Report, I would detain the House far too long if I detailed each and every initiative introduced by the six Secretaries of State who have been in post since the Government took office 10 years ago. Each of them has taken the time to introduce some initiative or make an announcement on SEN. Importantly, the Bill's provisions will help us to see how those many initiatives translate into action in classrooms throughout the country. By collecting information and providing it to parents, we will ensure not only that the money that the Government are using is deployed effectively but that the initiatives result in pull-through on the ground—something about which concerns have been voiced in our debates. It is important that we have the information for which the hon. Member for Gateshead, East and Washington, West has called, so that we can drive up standards. I remain concerned that the ambition for children with SEN is not as high as it should be, and it is important that we do all we can to support those children throughout their educational lives.

In conclusion, the hon. Lady called her Bill "a catalyst for change", and I hope that she is right. Baroness Morris of Bolton, who will work in the other place in support of the Bill, shares my enthusiasm for it. I am sure that the Bill will be safe in her hands, but she will pick up on the issues that I have raised, including teacher training, to make sure that we get the detailed information that will be useful to parents. There is a compelling case for the Bill, and I wish it well as, hopefully, it goes to the other place. Again, I congratulate the hon. Member for Gateshead, East and Washington, West, who has shown the energy, drive and commitment to make sure that it makes a real difference to this country.

1.4 pm

Annette Brooke: I, too, reiterate my congratulations to the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson). She has shown superb leadership and persistence throughout proceedings on the Bill. I am extremely pleased that she has indicated that she will persist in raising the issues on which detail is still needed, even when the Bill is passed. I also thank the Minister and the hon. Member for Basingstoke (Mrs. Miller), because we have all had very constructive discussions, and my hon. Friend the Member for Ceredigion (Mark Williams), who brought his personal experience to the debate.

We all want a real difference to be made, and the hon. Member for Gateshead, East and Washington, West reminded us that we are talking about a difference for individual pupils. We are looking to ensure improved information at individual parent and pupil level, school level, local authority level and national level, but at the end of the day we are talking about individual pupils. The Ofsted report of 2004 said that only a quarter of local education authorities have strong strategic management of SEN, and the majority had weak evaluation systems. It is a long time until 2009 and the next comprehensive Ofsted report on SEN, but I hope that our discussions during the passage of the Bill will have provided information for that report, and will have allowed the agenda to be moved along.

We want the Bill to result in monitoring, evaluations, the planning of better provision by local authorities, and of course the sharing of good practice. I keep mentioning local authorities; I intend to be challenging rather than critical, but I want to highlight the fact that

[Annette Brooke]

local authorities occupy a pivotal position, and I want the most made of that position. On Second Reading, much comment was made about the fact that when questions are asked, the answers are typically, "The information is not collected centrally" or "The answer can only be gained at disproportionate cost." I hope that that will no longer be the case.

On Second Reading, in Committee and on Report we spent a great deal of time talking about teacher training, and I am glad that our discussions on the subject will continue. Clearly, we are looking for a balance. We do not want the Bill to create bureaucracy for bureaucracy's sake. We want evidence-based policy and practice. It is critical that we get that balance right. The hon. Member for Gateshead, East and Washington, West mentioned the very large number of children who are identified as having special educational needs; perhaps we should add to that number to take account of those whose special educational needs have not been identified. We want to unlock the potential of all our children. The key to unlocking that potential is more than just information, but better information systems will make it easier to turn the key. I look forward to the Special Educational Needs (Information) Act.

1.7 pm

Kevin Brennan: It is my great pleasure to speak on the Third Reading of the Bill of my hon. Friend the Member for Gateshead, East and Washington, West (Mrs. Hodgson). In the light of the praise that has been lavished on her, she will have difficulty getting out of the door after today's debate, but all that praise is deserved. She is very persuasive in a way that is not always encountered in politics; she bowls people over with charm, as well as with the logic of her argument. My right hon. Friend the Member for Rutherglen and Hamilton, West (Mr. McAvoy), who is on the Front Bench, uses similar tactics in the Government Whips Office.

I was recently in the north-east. In many ways, people from the north-east and people from south Wales, where I come from, are very similar. I noticed that there is an advertising campaign for the north-east, and its slogan is "Passionate people, passionate places." My hon. Friend the Member for Gateshead, East and Washington, West is a living embodiment of that. Perhaps she should appear on the posters promoting the north-east to the rest of the country and the world, because she certainly lives up to that slogan in the way she puts forward her arguments on behalf of her constituents, and families with children with special needs right across the country. They have great reason to be grateful to her for introducing the Bill and steering it through its stages in such an exemplary fashion, and with great charm.

I want to thank the Opposition Front-Bench spokespeople for the serious and thoughtful way in which they have engaged with the Bill. The hon. Member for Mid-Dorset and North Poole (Annette Brooke) and I are former Select Committee colleagues, and I know how assiduously she cares about the issues, which showed in her contributions to the debate and the way in which she probed to ensure that the Bill achieves what we all want to see it achieve.

The hon. Member for Basingstoke (Mrs. Miller) has a good knowledge of the issues. We do not always agree across the Floor of the House, but we have debated the issues in a civilised manner. It is important that her party is, like the other parties in the House, committed to the cause of children with SEN. She has pressed me once or twice about whether the Government are doing enough in that area, and I have responded. It is only fair that I press her back occasionally, especially because she mentioned in her concluding remarks on Third Reading that children with SEN are eight times more likely to be expelled than the average. I remind her that that situation would not be helped if an important tier of protection on exclusions were removed by getting rid of independent tribunals. I urge Conservative Members to think about the impact of such a move on children with SEN, whose interests the hon. Lady has discussed during the course of the Bill.

The Bill is short, and it is not mine—it belongs to my hon. Friend the Member for Gateshead, East and Washington, West. I will not match my hon. Friend's level of detail on Third Reading, but I will make a few brief points.

The hon. Member for Basingstoke asked whether our ambitions are high enough for children with SEN. The Government have shown their high ambitions in the children's plan and by supporting this Bill. One of our ambitions is to make this country the best place in the world for children to grow up. That is our mission and our ambition, and we want those words to become reality.

When we discuss the issues, it is important to will not only the ends but the means. That is why we have made record investment in education and SEN. In the course of the Bill, I announced a number of measures on the provision of information and the improvement of teacher training. Our ambitions are high, and the children's plan, which we published last December, makes it clear that those ambitions are high not only for some children, but for all children. In particular, our ambitions are high for children from the most deprived or vulnerable backgrounds and for children with SEN.

We all believe that every young person should have a fair chance to reach their full potential, which is the driving force behind this Government's agenda on children. As a result, the Government are determined to help children overcome the barrier presented by SEN. As we have discussed, a great deal of work is under way to try to narrow the gap in achievement.

Incidentally, another hon. Member who contributed to proceedings and who is worthy of attention, particularly in relation to her contribution on deaf children, is my hon. Friend the Member for Worsley (Barbara Keeley), who made a good speech earlier in our proceedings.

We are determined to do more in the future, but I agree with my hon. Friend the Member for Gateshead, East and Washington, West, which is why the Government have supported and will continue to support the Bill in its passage through Parliament. We will not get anywhere on improving outcomes without better data. As the hon. Member for Mid-Dorset and North Poole has said, we do not want bureaucracy for bureaucracy's sake, so it is important that we collect information and data for a purpose that will have an impact at the front line and, ultimately, on the outcomes for those vulnerable

children. We need a clearer picture of the scale and impact of SEN around the country to drive up the transformation that we want to see in standards. We want to see better outcomes for all children with SEN as well as other children in our schools. That is why the Bill is so important, and that is why the Government have been able to give it our wholehearted support. We wish the Bill bon voyage on its way down the Corridor to the other place, where we hope it will have a smooth journey into law.

1.14 pm

Mr. Chope: In this short contribution, I want to add my congratulations to the hon. Member for Gateshead, East and Washington, West (Mrs. Hodgson) on getting the Bill to the stage that it has reached today. Hers was the second in the ballot of private Members' Bills; last week, we got the first one through. I am not sure how many more Bills will get on the carousel before the end of this Session, but getting the first two on their way to the other place is a great achievement for the two Members who were lucky in the ballot.

I should like to ask the Minister a rhetorical question. What will the Government do with all the information to be provided? During these debates, we have referred to the issue of deafness. I have here a letter from a constituent who says how horrific it is that only 32.9 per cent. of deaf children in England achieve five GCSEs at grades A* to C, against a national average of 57.1 per cent.; the hon. Member for Mid-Dorset and North Poole (Annette Brooke) has also referred to that. Now that we have those figures, how will the Government ensure that something is done to remedy the situation? Information is power; that is why this Bill could be significant. However, it will not be any use unless the information gained gives power that is exercised to bring about some improvements.

Earlier, I referred and paid tribute to the work of the Priory Church of England primary school in Christchurch and its work with the Dore programme. All that was drawn to my attention by Judy Jamieson, the hard-working and able deputy chairman of governors. She has almost single-handedly been trying to promote the idea in a wider area of Dorset. Although the Minister did not really address the issue on Report in his response to the amendments, I hope that proper information about the Dore programme will be made available. One of the problems seems to be that the programme relates to a different category in respect of some of the special educational needs that we have been discussing. As was said by one of the professors giving evidence to the Welsh Assembly in November last year, there can be two approaches:

> "You can try to tailor the teaching to the child, or you can try to change the child in some way so that they are more able to benefit by traditional teaching."

The Dore programme uses that latter approach, and it is not clear to me whether the Government are wholeheartedly open-minded about or willing to endorse it. The professor went on to say:

> "It seems that this is what the complementary therapies of all types are perhaps trying to do; rather than directly teaching reading, they are trying to alter the child's ability to learn."

There is tremendous potential there. If there are people following these debates who find it difficult to access information about various symptoms of dyslexia, dyspraxia and other conditions, I am sure that they will become better informed, as I have, by looking at the Dore website, which has an amazing amount of information.

Most important of all is the issue of early screening, to which the hon. Member for Gateshead, East and Washington, West referred in her Third Reading speech. If there were proper screening of all pupils of between six and eight years old, I am sure that we would be able to take remedial action much more quickly and direct it to the relevant children's differing needs and circumstances. I hope that that will be one of the things to come out of the Bill.

I congratulate the hon. Lady once again. If the Government are genuine about taking the matter forward—I hope that they are—the hon. Lady has done a good job in bringing the Bill before the House.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Fixed Term Parliaments Bill

Order for Second Reading read.—[Queen's Consent, on behalf of the Crown, signified.]

1.20 pm

David Howarth (Cambridge) (LD): I beg to move, That the Bill be now read a Second time.

It is difficult to believe that last year the whole political and media establishment of this country spent more than two months doing little else but speculating about whether there would be a general election and when it would occur. By the end of it, people had become experts in the most extraordinarily arcane subjects, such as the likelihood of rain on particular Thursdays in November, the hours of daylight in that month, or the details of precisely when the electoral registers were compiled. In the end, the only way one could have guessed that the Prime Minister was going to bottle out, as the inelegant phrase of the time had it, was if one understood that if he were to go to the palace at the time that he was rumoured to be doing so, there would not be enough time to turn off all the Members' computers in the Palace of Westminster. We therefore knew at that point that there was not going to be a general election. The political system was reduced to a sort of guessing game. That seems to be a bizarre way to run a country. One has to be some kind of Hercule Poirot to work out whether there is going to be a general election.

That entire episode was, of course, subsequently disastrous to the Prime Minister's own political reputation, but it was also ridiculous and damaging to the whole country and to the political system itself. As a consequence, I went back to an old proposal from my party that in future Prime Ministers should not have the power to decide when general elections should be held but that the parliamentary term should be fixed by law. The current position, as everyone in this House will understand, is that the Government can in effect call an election whenever they want within the five-year term of Parliament. If the Government win that election they get another five years, and the whole thing starts again.

The first and most obvious thing wrong with that arrangement is that it gives an enormous unfair advantage to the incumbent party. It is rather like having a 100 m race in which one of the runners has the starting pistol, and can occasionally use it to shoot one of the other runners. The incumbent need wait only for a few favourable polls and call an election within a three-and-a-half week period and is then rewarded with another five years in power. That makes politics rather more a matter of luck than of performance. As we all know, in political life there are times when Governments are blamed for events entirely beyond their control, but there are also times when they receive the credit for events that equally had nothing to do with them.

Of course, if the Prime Minister had called the election last autumn and won it on the basis of a bit of luck about foot and mouth or the floods not being the disastrous administrative episode that they might have been, we would now be facing another five years of him. I am not sure whether that prospect would be very attractive to the country, to his party, or, sadly, to himself. Our system can produce unfortunate results for all concerned, and it is the ultimate in incumbency advantage.

Mrs. Eleanor Laing (Epping Forest) (Con): I thank the hon. Gentleman for giving way on the point about incumbency. Are the Liberal Democrats in favour of this Bill because for nearly a century they have not had an incumbent Prime Minister, and have no prospect of having one for the next century? At least the Labour party and the Conservative party have a fairly equal chance of having an incumbent Prime Minister at some time.

David Howarth: The hon. Lady's remarks are on the record to haunt her in future decades. A point against the present system is that it favours richer parties, which can raise funds to fight general elections more than once every four or five years. There may be something in what the hon. Lady says, but only because of the unfortunate way in which we fund political parties in this country.

The second reason the present system should be got rid of is that it interferes with good government. It is said that fixed-term systems produce a political cycle in which Governments cause pain—necessary pain, they would say—in the first part of their term, but move to pleasure in the second part. At least that cycle is obvious to the electorate. In a non-fixed term system, things are worse because in effect we have a convention of four-year Parliaments, with all the disadvantages of a fixed term, but with the possibility of periodic panics where the idea that an election might be in the offing leads to immobility in government. It might not be a bad thing if the Government were to do less, so perhaps immobility might be a good thing in some circumstances, but it is not good if it prevents the Government from working on particular projects.

I have one specific example with which I was involved last summer. The Climate Change Bill got through a Joint Committee in July and was supposed to appear well before the new Session of Parliament. It was supposed to be debated extensively in this House early in the new year. As far as I can tell, no work at all was done on the Bill during the summer; the whole process was massively delayed. It has gone through the other place, but has yet to appear in this place. Having a system of occasional, months-long speculation about whether there will be an election leads to stop-start, boom-and-bust politics. It would be much better to have a regular rhythm.

The intervention from the hon. Member for Epping Forest (Mrs. Laing) was interesting, because another disadvantage of the present system—I am being stared at by a number of Whips at this point—is that it adds to the Government's power over their Back Benchers. The threat to recalcitrant rebels that if they vote the wrong way, they might bring the Government down, leading to a general election, has been heard recently in our political lives. The general election gives the ruling party an interesting threat to make to its own Members—that they might find themselves not selected for the subsequent election.

Mr. John Randall (Uxbridge) (Con): I am listening with great interest to the hon. Gentleman's arguments. He might be coming on to this, but I have been trying

to see where in his Bill there would be provision for an earlier election if, for example, there were some emergency. If a Government were to lose a substantial vote, that should trigger a general election. Would that be covered by his Bill?

David Howarth: I will indeed go into that later, but the point that my Bill tries to make is that to hold a general election in those circumstances should require a greater consensus among the political parties in the House of Commons and the other place than merely a decision by the Government of the day. The power to call an election in such circumstances still exists and must exist, but should it lie with the House or with the Government? I say that it should lie with Parliament.

The fourth reason for rejecting the present system is that it leads to a rather silly macho style of politics, as we saw last autumn when the debate was effectively reduced to a version of "Come on and try it if you're hard enough". We ended up with a game of political chicken between the parties, each trying to outdo the other in showing that it did not fear a general election. The outcome was very nearly a general election that no party really wanted, and it is extraordinary that that situation was allowed to arise.

Part of what was going on last year is another reason for rejecting the present system. Certain elements in the media wanted an election, and tried to encourage the parties to vie with another in their eagerness for one. That was because newspapers tend to sell more copies during general elections. I want us to resist the underlying thesis that politics has become simply part of the entertainment industry. The power of Governments to call elections is definitely entertaining, but it does not strike me as good governance.

Mrs. Laing: Does the hon. Gentleman not agree that last year there was a perfectly legitimate reason for a general election to be held? The premiership had changed. The Labour party had the privilege of electing the new Prime Minister, but the rest of Parliament and the people of the country had not had an opportunity to do so. We can discuss later whether it would have been right to hold a general election, but there was a perfectly legitimate reason for some commentators and Members of Parliament to say that there should have been a general election. If the hon. Gentleman's Bill became law, that would not be possible. Under a fixed-term system, if the leadership of the governing party changed there would be no opportunity to hold a general election, and therefore a plebiscite on the new Prime Minister.

David Howarth: That is not exactly true, for reasons that I shall explain later—they relate to the answer that I gave the hon. Member for Uxbridge (Mr. Randall)—but even if it were true, I do not think the hon. Lady would be right. I know that the leadership of my own party made a point similar to hers last year, but I do not agree with it, because I consider that we are a parliamentary rather than a presidential democracy. I think that the idea that every time there is a change at the top there must be an election takes us in the wrong direction, down the road of a presidential system. I prefer our traditional parliamentary system.

That brings me to my next point, which relates to what happens in other countries and elsewhere in our own country. It is true that fixed terms are far from universal. I do not claim that the fixed-term system is the one that everyone else uses, and that we are out of line. There is a division of opinion in mature democracies. In France, for instance, there are no fixed terms: the President can dissolve the Assembly at will. The best known example of a fixed-term system is the system in the United States, which has strict fixed terms with no escape clause. That, however, is not the normal way in which fixed terms are arranged in mature democracies. There is normally a fixed term, but also some mechanism for escaping from a form of political deadlock. If stable government becomes impossible, most fixed-term systems involve some way out of that deadlock, although it usually requires a much broader political consensus than simply a decision by the Government to call an election. In Germany, for example, there is quite a complicated mechanism, whereas in Spain there is a very simple mechanism: a four-year fixed term, and if they cannot get a new Prime Minister within two months of the election another election is held; the Government have no power in the process. There is a similar idea in the Scotland Act 1998 and the Government of Wales Act 2006: the Scottish Parliament sits for four years and the only exception is if a new First Minister cannot be found within 28 days, and there is a similar system for Wales.

There is another type of system, the best example of which is in Sweden. There are regular elections every four years. The Government can call extra elections, but if they do so they do not get a new four-year term; they get only the end of the previous term. Therefore, they cannot cause the regular four-year election cycle to stop, which reduces their incentive to try to take a short-term advantage.

Mr. Randall: I am fascinated to hear about that; is that option used much in Sweden, and what is the purpose of it?

David Howarth: It is not used often, and I fear that Governments might use it to clear out the rebellious Members whom they no longer wish to be in their party, which might be an attractive option for a Whip.

Local authorities in our country offer another example. They are on strict fixed terms, which encourage parties to work together. There is a legitimate question to ask those who favour the current system at national level: why are they not therefore calling for it to be extended to local government? Why not say that the leader of a county council or London borough may call a council election whenever they feel like doing so? That is such an absurd proposition that it throws into doubt the reasons of those people who want to maintain the present system at national level.

The principle of the Bill, which I hope will be endorsed on Second Reading, is simple: that elections should happen on a regular cycle that cannot be changed by purely ministerial action. Everything else in the Bill is detail, which I would be happy to discuss in Committee. I fear that some of the details might not be popular in some parts of the House, but I will be happy to discuss them at a later stage.

Mrs. Laing: I just want to let the hon. Gentleman know that he has my support at least for one small detail of the Bill. I and most of my hon. Friends would entirely support it if it consisted only of clause 1(1):

"The next general election shall take place on 7th May 2009."

We think that that day—if not sooner—would be an excellent date.

David Howarth: I suspected that that might be the case, and I also suspect that the Government might not like that provision at all. I accept that if I were to have the opportunity for the Bill to proceed I might have to give up that date to gain the Government's support. That provision makes the current Parliament a fixed-term Parliament, but I fully accept that to make further progress I might have to give it up and instead go for making the next Parliament a fixed-term Parliament—although I think we should start as soon as possible.

Another detail in the Bill is that the campaign should be a month long. The Bill controls when dissolutions will happen so we do not have the extraordinary variations in campaign length of the past 20 or 25 years; sometimes they have been two months long, and at other times barely a month.

Mr. Randall: Surely if the date of the election is known, the campaign can start at any time? There have been different lengths of campaign because the date of an election has been called later, but under the Bill the start of the campaigning would be a simple matter.

David Howarth: I consider that to be an advantage of the Bill, although the form of politics that we have reached is arguably one in which there is campaigning all the time. That is true both in our system, where there is no fixed term, and in the US system, where there are fixed terms; a constant campaign seems to have been adopted there, too.

One of the objections raised when I first announced the Bill was that it would prevent the Government, or Parliament, from changing the day of the week on which the election was to be held. I have dealt with that in the Bill; the House of Commons would retain a power to change the day of the week, if it so desired.

Mr. Christopher Chope (Christchurch) (Con): Why is the hon. Gentleman keen to have the election in May? Having general elections in May on a fixed-term basis would surely always give the incumbent Government the opportunity for a giveaway Budget shortly before the election started?

David Howarth: That is one point of view, but if the election were held at another time, I suspect that the budgetary cycle could be changed to make up for it.

I chose May, although I am not wedded to it as a principle of the Bill, simply because that was when the previous election took place, and making the present Parliament a fixed-term one required the election to be held in May. One of the things that we learned last year was that late autumn elections are not particularly convenient, especially given the way in which the electoral register is put together, and what happens when the clocks change and the rain starts. There might be an argument for May on general principle.

Mr. Randall: One of the advantages for an incumbent Government of an autumn election might be that if Parliament did not sit during the summer they would not have had to be scrutinised and the Executive would not have had to sit and listen. There might be some advantage for an incumbent Government in having a September or October election.

David Howarth: That is a very interesting point, which had not occurred to me. My view in favour of May is strengthening as time passes, although I am not tied to these particular details. Another such detail is whether the term should last four years or five. Some countries have five-year Parliaments; the European Parliament has such a term. The principle is for there to be a fixed term, not that it should particularly be for one period or another.

Finally, I wish to touch on the escape clause—the break clause. Avid readers of the Bill will have noticed that it contains no such clause, although there is an implied one. The implied escape clause is that if it was generally thought desirable for there to be an election, because it was the only way to break a political deadlock, it would of course be possible to pass an amending Act. Passing such an Act would simply say, "There shall be a general election, notwithstanding what the Fixed Term Parliaments Bill says." Such an approach is always possible under our system, which does not have a written constitution. The break clause means that there would have to be more general political consensus—not only here, but in the other place—that there should be an election than simply what the Government of the day believe.

Mr. Randall: The hon. Gentleman just addressed this point; I was just wondering whether this Bill to change the date would be subject to the approval of both Houses of Parliament, including an unelected House.

David Howarth: It should be. That is in line with at least one part of our existing constitution, because there is an exception to the Parliament Act that if there is a Bill to extend the life of Parliament, the House of Lords retains its ancient veto. As a safeguard, it should retain that veto in the instance we are describing too, although I, of course, look forward to the time when the House of Lords is fully elected, and, thus, fulfils the promise made to the people of this country by the Liberal Government of 1911.

Mrs. Laing: The hon. Gentleman said that Parliament could pass an Act to amend this Bill, should it become an Act. In effect, he is arguing that the Prime Minister of the day could throw out the provisions of this Bill and have a general election whenever he or she wanted within the four or five-year period.

David Howarth: Fortunately, it takes a long time to get Bills through without the co-operation of the other parties. It is easier for a Government to get Bills through this House than the other place, but the combination of the two would mean that it would take so long to get the Bill through that the opportunity to hold an election that might have arisen because of some short-term shift in public opinion would probably have passed. It would also be risky for a Government to try to push through such a Bill to take advantage of a

short-term opportunity that might have gone by the time the Bill had been passed. If there was a political crisis, and it was agreed by all parties that the only way out of the deadlock was to have an election, a Bill could pass through the Houses smoothly. Therefore, although the Bill does not apparently have an escape mechanism, it does have quite a good one, by implication.

Mr. Randall: Am I right to think that the Government would have to move a Bill of the sort that the hon. Gentleman describes, so if the Government did not want to do so in a political emergency, the Opposition would not be able to do so—as is the case now, as we cannot choose when we want an election?

David Howarth: That is right, and that is in line with the practice in most other countries, although it could be changed by amending the House's Standing Orders. The Standing Orders in the other place are as great a mystery to me now as they have ever been.

It would also be possible to add another escape clause. I am happy to listen to arguments for such a mechanism in Committee. Although because we do not have a written constitution we can never escape from the possibility that Parliament might pass another Bill incompatible or inconsistent with this one, it might be possible to build into this Bill another way to do that, which might meet the hon. Gentleman's objection. One could build in, for example, something like the Scottish mechanism of a two-thirds majority in this House on a motion moved on an Opposition day. I would be happy to listen to such proposals in Committee.

The present system led to a farce last October that affected not only the Prime Minister's reputation but that of the entire political system. The present approach is both unfair and creates bad government. There is a better way. I am happy to argue about the details of how to achieve that in Committee, but I ask the House to endorse the principle that the term of Parliament should be fixed by law and the right to call general elections taken out of the hands of the Prime Minister.

1.48 pm

Mr. Christopher Chope (Christchurch) (Con): I am grateful to the hon. Member for Cambridge (David Howarth) for introducing his Bill in such lucid terms. It is important for the House to consider such issues anew, and he has brought some fresh thinking to bear on the subject. The only merit in the Bill is that it would provide for a general election sooner than we would otherwise get one, and if it gets into Committee, I would be keen to move an amendment to provide for a general election even sooner than 7 May 2009.

The hon. Gentleman's motivation seems to be to cover up for the bottling out by the Prime Minister last October, but the electorate appear to be making their own judgment about that in fairly harsh terms. Indeed, that is not confined to the electorate, but includes many members of his own party, including those in Parliament. There was a similar situation in 1978, when the Prime Minister, Callaghan, could have gone to the country. He chose not to do so in October 1978, and was penalised by the electorate in 1979, when he did not win the general election. People still look back at that period and say that if he had had the election in 1978, he might have won.

I disagree with the hon. Gentleman most about the current system giving the incumbent party an enormous unfair advantage. It does, but his system would give the incumbent party an even greater unfair advantage, because it would enable it, from the day that it got into government, to do everything to get the electorate on its side for that fixed date in four years' time. In the United States, the two years before a presidential election is geared to that election. The consequence of having such a system would be that the Government would ruthlessly use all the tools at their command to their advantage.

David Howarth: I follow the hon. Gentleman's point, which is important, but the difference is that, in a fixed-term system, both the Government and the Opposition know when the election date is, whereas in our current system, only the Government know.

Mr. Chope: When I was a member of the Government, I did not know the date of the general election until after everyone else seemed to know. When the hon. Gentleman says that only the Government know, perhaps he means that only the Prime Minister and the Prime Minister's closest advisers know. I am not sure that that addresses the issue.

Under such a system, everyone would know that there was to be an election on a fixed date in four years' time, but only the Government would have the resources to manipulate things to their advantage. I am thinking particularly of Government propaganda. The amount of money that the Government spend on advertising has been shooting up, and one can imagine them organising their advertising budget in the three or six months running up to the fixed election date. They would have an even greater advantage under such a system than they have under the present system. It is possible for the Prime Minister to take a raincheck after local elections, in May, and decide whether to have a general election in June. That happened twice in the 1980s, and reflected the opinion at that time. I am not sure that it would work to change the system in the way that the hon. Gentleman suggests on the basis that it would make things fairer for everyone.

I also have a difficulty with the claim that the Bill would promote good governance by ending stop-start cycles and boom and bust. I wonder how consistent that is with the policy of the hon. Gentleman and his party of wanting proportional representation, which would make it much less likely that we would have a strong, single-party Government. The likelihood of having a strong, single-party Government—if that is what he is keen to have—would be more undermined by a PR system than it would be helped by the Bill.

David Howarth: One could argue that fixed terms and PR go together, as often happens in other parts of Europe. If there were a fixed term that could be bypassed only with broad political consensus, parties would have to work together more. The hon. Gentleman talks about strong government, but I would talk about popular

[David Howarth]

government. The Government would be more popular, more of the time, because they would be backed by more of the people.

Mr. Chope: The hon. Gentleman talks about a Government being popular, but what is important is having a good Government. A Government who are not popular in the short term might often prove popular in the longer term, when the benefits are seen.

I am simply putting down a few markers. I am sure that the Bill will go into Committee and that the Government will be enthusiastic about allowing it to do so, so that it can be amended along the lines I have been suggesting. I am also sure that other Members present would like to contribute to this timely debate. I congratulate the hon. Gentleman on having chosen this subject, which is a refreshing change from a lot of the routine that we have on Fridays.

1.55 pm

Mrs. Eleanor Laing (Epping Forest) (Con): I congratulate the hon. Member for Cambridge (David Howarth) on introducing this important matter. I am not enormously enthusiastic about his Bill, but this issue ought to be discussed and I am very pleased that he has given us that opportunity today. It occurs to me that there is one Member of this House who might have wished that this Bill was already law by this time last year—the Prime Minister himself. Then, he would not have got into the dreadful mess that he got into in the autumn, and which has so fatally damaged his reputation as a politician. I am sure that the hon. Gentleman did not introduce this Bill in order to help the current Prime Minister, but he has raised many points today that the Minister is no doubt looking forward to addressing.

This is one of those issues that is very much a question of balance. On the one hand, there are the advantages of the present system's flexibility, some of which the hon. Gentleman mentioned, as did my hon. Friends. On the other, there is the enormous political power that the current system gives to an incumbent Prime Minister. As I said earlier, it might be that both the larger parties in this House, which have for the last century formed either the Government or the Opposition—

David Howarth: For almost the last century.

Mrs. Laing: Indeed. It might be that both those parties can see the advantage of incumbency and would like to hold on to that advantage. It is Labour's now but it will be ours at some point, and so it goes. The Liberal Democrats, I am afraid, have no chance whatever of benefiting from that incumbency, so I am not surprised that the hon. Gentleman wishes to introduce a Bill that reduces the advantage given to a current Prime Minister.

I see why the matter arises now—because of what happened, as I said, last autumn. I recall that in its 1992 manifesto, "It's time to get Britain working again"—it was not the most successful manifesto in history—the Labour party said:

> "This general election was called only after months of on-again, off-again dithering which damaged our economy and weakened our democracy."

Of course, that was not the case. The then Prime Minister, now Sir John Major, might have called a general election in 1991—I recall being ready for it myself, just in case—but he did not call it until the spring of 1992. In the intervening time, that did no harm to the economy or to the political process. Indeed, it did no harm to Sir John Major, either, or to the Conservative party, but it did do a lot of harm to the then leader of the Labour party and his campaign and campaigning style, and presumably affected the amount of campaigning that the then Opposition were doing. I do not know what sort of effect it had on Labour's party funds, but Labour felt strongly enough about the issue to have fixed Parliaments in its 1992 manifesto.

Strangely, fixed-term Parliaments—what a surprise!—were not in the successful Labour party manifesto of 1997, when Labour eventually did get into government. My point is that it would appear that every Opposition want to use all the tools available to them—not surprisingly—to get rid of the Government. However, as soon as they get into government they do not want to do that.

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): Let me put everything in the picture about the 1992 manifesto. The subject of fixed-term Parliaments was dropped but, as the hon. Lady might remember, my right hon. Friend the Member for Manchester, Gorton (Sir Gerald Kaufman) described that manifesto as the longest suicide note in history. Perhaps that was not the only proposal to be dropped from that manifesto, as quite a lot of other things have changed since then.

Mrs. Laing: The hon. Lady is right. I could have been much crueller about the 1992 manifesto—and indeed about the 1983 manifesto—but I thought that that would be unfair. The hon. Lady is right that there were many other reasons why the 1992 manifesto failed to bring about a Labour Government.

Bridget Prentice: I apologise. The hon. Lady is quite right to mention 1983. That was my mistake, and my right hon. Friend the Member for Manchester, Gorton was describing the manifesto from 10 years earlier than 1992. Nevertheless, manifestos change from time to time.

Mrs. Laing: I endorse that point. Indeed, Conservative manifestos are changing for the future, too.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I remember the 1992 manifesto with some clarity, and I was about to point out that the quotation cited by my hon. Friend the Minister referred to the 1983 manifesto. I was grateful for the dithering of the then Government in 1991, because I was pregnant, and at one point I anticipated that I would have my baby in the middle of that autumn election campaign.

Mrs. Laing: The hon. Lady strikes a potent chord with me, and I have every sympathy with her. As the hon. Member for Cambridge mentioned earlier, the

date of the 2001 election was changed because of the foot and mouth crisis. I was expecting a baby at that point, and had thought quite happily that we would have an election in April or May, at which point I could manage one just fine. The election was quite rightly postponed for a month, and so I fought a general election on 7 June and gave birth to my son on 14 June. I sympathise completely with the hon. Lady.

I do not know whether fixed-term Parliaments—I am not suggesting that we get into this argument—will help future generations of female Members of Parliament and potential Members of Parliament to plan the birth of their children. I know that I got it pretty wrong—well, not entirely, because my son is of course the most wonderful person in the world. I appreciate that that point is out of order and nothing to do with the Bill, Mr. Deputy Speaker.

Mr. John Randall (Uxbridge) (Con): The hon. Member for Cambridge (David Howarth) said that Governments are given a great deal of incumbency power, but what happened last autumn showed the Prime Minister to the populace in a bad light. His power was turned against him and he is now the most unpopular Prime Minister since records began.

Mrs. Laing: As ever, my hon. Friend makes an extremely important point, which I hope we can emphasise during the rest of the debate.

I quoted the Labour party manifesto from 1992, which said that the question of whether the election would take place in late 1991 or 1992 had

"damaged our economy and weakened our democracy."

The hon. Member for Cambridge argued that what happened in the political world last autumn likewise damaged our democracy and our economy. However, I argue that it did not damage the working of our democracy and it did not damage our economy. The only damage was to the Prime Minister and to the reputation of those around him for good political management. That is part of the world of politics—it is what happens in a democracy. Legislation such as the Bill would not prevent such things from happening again.

Annette Brooke (Mid-Dorset and North Poole) (LD): I think my hon. Friend the Member for Cambridge was making the point that because of the speculation many actions that were important for the country were put on hold: for example, brand new Secretaries of State were put in charge of a possible election campaign. That false start, which none the less involved much planning, led to delay in many areas—not least the Climate Change Bill.

Mrs. Laing: I understand what the hon. Lady says, but the same thing would happen in a fixed-term Parliament, as we can see in the USA at present. The Americans have been campaigning for a long time—it seems like centuries. They refer to President Bush as a lame duck president because his term of office will soon be finished, but he is still in office. The circumstances she describes arise just as much in fixed-term systems as in flexible systems. It is all part of the democratic process.

A cross-party organisation called Fixed Term was set up in October 2007—I do not know whether the hon. Member for Cambridge was a mover. The organisation campaigns for fixed-term Parliaments and has published the results of a poll conducted in October 2007. It found that 25 per cent. of Conservative MPs, 41 per cent. of Labour MPs and 88 per cent. of Liberal Democrat MPs support fixed-term Parliaments. If anything was to convince me to be against any Bill it would be the fact that 88 per cent. of Liberal Democrats but only 25 per cent. of Conservatives are in favour of it.

I did not quite understand the relevance of the other statistics published by Fixed Term, which tell us that 43 per cent. of male MPs, but 49 per cent. of female MPs, support fixed-term Parliaments. I could not understand why the organisation had bothered to research such information until the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) made a point with which I entirely agree. I can now understand why female Members of Parliament are more in favour of fixed-term Parliaments, and I might even be persuaded on that point myself, but not this afternoon.

The strongest argument for change is that the incumbent Prime Minister has an unfair advantage. As I said earlier, it is ironic that the one person who would prefer a fixed-term Parliament system right now is the incumbent Prime Minister.

The debate has been valuable, and I am sure it will become even more valuable as we hear what the Minister has to say. I want to ensure that she has plenty of time to address the issues, and I am certain this will not be the last time that we debate the matter over the coming months.

2.8 pm

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I congratulate the hon. Member for Cambridge (David Howarth) on his success in the private Members' ballot. It is always a great achievement and Back Benchers value it greatly. I am grateful to him for initiating this debate on fixed-term Parliaments. Parliamentarians love to discuss the topic; we always feel more expert than anyone else on anything to do with Parliament and the way it works—we always think we know better than most about that.

May I apologise again to you, Mr. Deputy Speaker, and to the House for my absolute lapse of memory on suicide notes and Labour party manifestos, especially, after all, as I was elected on the 1992 manifesto? I should hardly want to admit that I was elected on a manifesto with which I did not have some association. Nevertheless, manifestos evolve and change, as does the parliamentary system.

The hon. Member for Cambridge has put his argument with great cogency. Indeed, in some ways, it would appear a neat and persuasive one. In fact, the issues that relate to the dissolution of Parliament and the timing of elections strike at the very heart of our democracy and constitution. We need to treat them seriously, so we very much welcome openly discussing possible changes to enhance the democratic process. That has been reflected in today's debate and in some of the other things that we consider, not just the timing

[Bridget Prentice]

of general elections but the other aspects of our constitution, the way that campaigns develop and so on.

I was concerned that the hon. Gentleman said that his Bill made provision, albeit implicitly, for situations where the fixed term should not apply. It is a short, neat and very clear Bill, and I can see nothing in it that would allow Parliament, the Government or any other part of the Executive or the legislature to call an election outwith the fixed term.

David Howarth: The simple answer to the Minister's question is that the principle of parliamentary supremacy allows us to pass any Bill that we like, and it would take precedence over anything that we had passed previously.

Bridget Prentice: The hon. Gentleman referred to that in his opening remarks. Yes, Parliament can pass any Bill that it likes. Some Bills take longer than others to pass, and others can be passed in a day. If a Government had a reasonable majority they could present a very short Bill—it would be at least as short as this Bill, if not shorter—to say, "We're going to change the Fixed Term Parliament Act" and railroad it through very quickly in a day. I am sure that the hon. Gentleman would consider that not very democratic and certainly not within the spirit of what he is trying to achieve with the Bill.

David Howarth: I thank the Minister for giving way again, but trying to force a Bill through the House in a day is very difficult without the co-operation of the other parties. Resources and procedural devices could be used that are not used when the other parties are co-operating. Furthermore, without the co-operation of the other parties, getting a Bill through the House of Lords, where the Government have no majority, is impossible in a day.

Bridget Prentice: I would not say that that is necessarily impossible in the House of Lords; otherwise a Government might find themselves never reaching the end of their legislative programme. However, it is true that Labour Governments certainly have far more difficulties in the House of Lords than do Conservatives ones. Nevertheless, there is a fundamental flaw in the Bill, but I will come back to that later.

Clause 2, which deals with the dissolution of Parliament and states that the present Parliament should be dissolved on 7 April 2009 and that it therefore cannot be dissolved at any other time, goes on to state that every subsequent Parliament should be dissolved 30 days before a general election. However, again, that does not seem to offer the flexibility required if other perhaps non-parliamentary events took place that might make a Government consider it appropriate to dissolve Parliament. Indeed, if a Parliament were to complete its fixed term, and something happened within, or close to, that 30-day period, there would be no flexibility in such circumstances, either.

The Bill primarily seeks to fix the date of the next general election, and I understand why the Opposition see merit in that proposal. However, they will not be surprised to know that the Government do not quite take that view. The Bill is prescriptive in its provision that elections should take place on the first Thursday in May, although I accept that the hon. Member for Cambridge said that that date could be changed on Parliament's say-so. The worrying thing about the Bill's wording is that it categorically forbids the dissolution of Parliament other than in accordance with its provisions.

From my perspective, there are two reasons why the hon. Gentleman has introduced the Bill, both of which are based on a genuine wish to improve the democratic process. First, the measure would repeal the serving Prime Minister's sole ability to decide the timing of general elections, presumably to ensure that there is a fairer, broader and more democratic system; and, secondly, it would curtail the duration of Parliament generally by regulating the timing of general elections. The Government believe strongly in representative democracy with Parliament at its heart, and we have a long history of constitutional reform. Indeed, we have championed change in response to demands to modernise the institutions of government. As a Government, we are not afraid to consider and to implement constitutional and parliamentary reform if it better reflects the changing face of our modern democracy.

In honour of that philosophy, in July last year, the Government launched a Green Paper entitled, "The Governance of Britain", which set out our vision and proposals for constitutional renewal. One of the main objectives was the rebalancing of power between the Executive and Parliament, and that agenda included a number of proposals to limit the Executive's power, to transfer power to Parliament, and to expand Parliament's role in certain areas. Some of those proposals were reflected in the Prime Minister's statement about the forward legislative programme. We have undertaken an extensive consultation on policies with members of the public, private bodies, firms, academics and, indeed, other Government Departments. We always welcome contributions from Opposition parties.

Mr. Chope: I do not know whether the Minister has had the benefit of reading the proceedings of the Joint Committee on the Draft Constitutional Renewal Bill, but if she has, she will know that almost all the evidence that we have received complains of a big gap between the Government's rhetoric and the reality, particularly in relation to the draft Bill.

Bridget Prentice: I have not read the details of those proceedings, but we are in the process of having that debate—the Joint Committee has been set up, and we are discussing the measure with people. The rhetoric begins the process, and the reality is what will come out of the findings of the Joint Committee and others about constitutional renewal. The package of reforms that we have put forward represents the recalibration of a number of significant parts of our constitution. It is another step in the long and detailed programme of constitutional change that the Government have undertaken since 1997.

There have been some fundamental reforms, including devolution in Scotland, Wales and, more recently, Northern Ireland, and the transformation of the role of Lord Chancellor. A supreme court is about to be established.

The Freedom of Information Act 2000 and the Human Rights Act 1998 were introduced, although I know that members of the Conservative party are not necessarily persuaded that we need a Human Rights Act. A lot of work has gone towards ensuring a wholly or mainly elected second Chamber. The Government have been at the forefront of constitutional renewal for the past 10 or 11 years.

The reforms in the draft Constitutional Renewal Bill will have real consequences for the governance of the country. For example, they will ensure that a future Government cannot make changes to the core values of the civil service without proper parliamentary debate and scrutiny. They will give Parliament a vote on the ratification of treaties. They will stop the involvement of the Lord Chancellor and Prime Minister in certain judicial appointments. Those are tangible reforms that will absolutely change the way in which our constitution and our Parliament work. I want to consider some of those reforms in detail in this debate.

The process of constitutional renewal continues with the publication of the Constitutional Renewal Bill. It is in draft so that we can respond to the debate so far, and then move on to the next phase. We invite Parliament and others to consider and comment on it and on the White Paper; that will enhance the quality of our legislation and contribute to the next step in the improved constitutional settlement. Of course, the Bill and the White Paper do not set out the final blueprint of our constitutional settlement; they are the next step in the governance of Britain programme. We hope that people across the country, in every walk of life, will continue to participate in the debate. That is a vital step in strengthening our democracy.

The governance programme is of particular relevance to today's debate. It sets out to remove the power of the Prime Minister of the day to call a general election at will—that is the essence of the Bill before us. One of the main areas of the governance of Britain work is our commitment to consult on whether to change the system for dissolving Parliament. There is a very useful House of Commons standard note on fixed-term Parliaments. Currently, the Prime Minister requests that the monarch exercise her prerogative power to dissolve Parliament. The note says:

"it is the Queen who formally calls a general election since it is she...who is vested with the legal power to dissolve and summon Parliaments. The power dates back to at least the thirteenth century."

Of course hon. Members will today have heard my right hon. Friend the Member for Rutherglen and Hamilton, West (Mr. McAvoy) say that the Queen has given her consent to our debating the Bill in Parliament.

Constitutional monarchs may continue to play a role in the formation of Governments, even in European countries where proportional representation, written constitutions and fixed-term Parliaments are in place. In Denmark, for example, the Government are in existence in law by virtue of the Prime Minister being nominated by the sovereign. In some countries, such as Belgium and the Netherlands, the monarch traditionally plays an active personal role in forming a coalition.

David Howarth: First, that is not the position in Sweden. Secondly, does the Minister not think that it is a good idea to remove our monarch from any possibility of involvement in politics?

Bridget Prentice: Our current system is better than those available elsewhere, which is why we should continue with it. The monarch decides on the appointment of the Government through constitutional convention, so it is important to note that the introduction of fixed-term Parliaments in the United Kingdom would not necessarily eliminate the use of the royal prerogative in dissolution. We do not intend to take away the important and historical tradition of referring to the monarch, but the system requires updating to reflect the more democratic time in which we live.

We intend to change the convention so that the Prime Minister is required to seek the approval of the House of Commons before asking the monarch for a dissolution. In effect, that would empower Parliament to influence the general election process, a role that it does not currently have. Evidently, any new arrangements will have to provide for a situation in which it proves impossible to form a Government who command the support of the House of Commons and Parliament refuses to dissolve itself. In short, the Government are already implementing a process of review for the dissolution of Parliament and considering an alternative mechanism, by which Parliament, rather than just the Prime Minister, will be more responsible, and therefore more accountable, in that process.

Mrs. Laing: Does that mean that the Government would still keep the rule whereby a vote of no confidence in a Prime Minister leads to a general election, which could be important in the next few months?

Bridget Prentice: While I disagree with the hon. Lady about whether that is likely to become important in the next few months, the Bill does not take account of what Parliament can do if there were a vote of no confidence in a Government, which is a big weakness. The Bill is too inflexible for Parliament to respond in such a situation.

Restructuring the recall of the House of Commons is another case in point. Currently, the House may be recalled by the Speaker during any period of Adjournment under Standing Order No. 13 at the request of the Government. There is no power for MPs, or even a majority of MPs, to force a recall. In the past, hon. Members have argued through early-day motions that there should be the opportunity for Members to ask the Speaker to recall Parliament. The current arrangement allows Parliament to be recalled. Indeed, in the past few years—

Mr. Deputy Speaker (Sir Michael Lord): Order. The Minister is straying rather beyond the bounds of the Bill before the House.

Bridget Prentice: I am sorry, Mr. Deputy Speaker.

Because of the wording of the provision and the fact that Parliament can be dissolved only at certain times, the Bill would not allow the current flexibility whereby Parliament can be recalled at the Speaker's behest, where an outside event might make it appropriate for hon. Members to gather together to discuss the matter, as we did, for example, in the cases of the Omagh bombing and Iraq.

If the hon. Gentleman wants to introduce fixed-term Parliaments in order to redress the balance of power

[Bridget Prentice]

between Parliament and the Executive, he should welcome the fact that we hope to introduce a system that will allow the House to be recalled at the initiative of the House rather than of the Government. That would allow a majority among Members of Parliament to request a recall, which the Speaker would then consider.

I shall go on to discuss other areas of reform that the Bill would curtail, but I want to point out that many Parliaments do not last for the full five years. Between February 1919 and the present day, very few Parliaments have gone the full term. The flexibility inherent in the current system allows for what I believe to be the principle behind the hon. Gentleman's Bill, which—

It being half-past Two o'clock, the debate stood adjourned.

Debate to be resumed on 6 June.

Remaining Private Members' Bills

HUMAN RIGHTS ACT 1998 (MEANING OF PUBLIC FUNCTION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

DISABLED PERSONS (INDEPENDENT LIVING) BILL [*LORDS*]

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 20 June.

ENVIRONMENTAL PROTECTION (AIRPORTS) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

DISQUALIFICATION FROM PARLIAMENT (TAXATION STATUS) BILL

Order read for resuming adjourned debate on Question [25 January], That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 6 June.

CITIZENS' CONVENTION BILL

Order for Second reading read.

Hon. Members: Object.

To be read a Second time on Friday 13 June.

FOREIGN NATIONALS (STATISTICS) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

DRUGS (ROADSIDE TESTING) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

DRUGS (RECLASSIFICATION) BILL

Order for Second Reading read.

Hon. Members: Object.

To be read a Second time on Friday 6 June.

Mr. Christopher Chope (Christchurch) (Con): On a point of order, Mr. Deputy Speaker. I am rather concerned that the Public Sector Buildings (Energy Performance) Bill was not moved. I have received a lot of correspondence asking me—pleading with me, indeed—not to object to that Bill. Now it has not even been moved today. I fear that an enormous amount of energy has been wasted in that connection.

Mr. Deputy Speaker (Sir Michael Lord): Whether Bills are moved or not is a matter entirely for the Members in charge; it is certainly not a matter for the Chair.

London Olympics (Employment)

Motion made, and Question proposed, That this House do now adjourn.—*[Alison Seabeck.]*

2.33 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): It gives me great pleasure to speak on the vital issue of the London 2012 Olympics and their possibilities for regenerating the lives of people in the Olympic boroughs in the east end. I clearly remember where I was when it was announced that London had won the bid to host the 2012 Olympics. In common with most Londoners, I was thrilled and excited—more than I had anticipated being. It is appropriate at this point to note the tremendous work and commitment of the then Prime Minister, the then Mayor of London and my right hon. Friend the Minister for the Olympics in helping us win the bid.

I was thrilled and excited not only because it is a huge honour for London to play host to one of the greatest international events but because of the possibilities for the regeneration of the east end. It seemed to me that not only was the country poised to host this tremendous event, but the east end of London, which includes some of the poorest communities in the country, also stood to benefit.

Three years later, I am still a strong supporter of the Olympics and hugely optimistic about what the Olympics can do for the east end of London and my constituency. As the plans have unfolded, we have all seen what an ambitious and creative project hosting the Olympics is. We now have a new Mayor in London, and whereas I knew the commitment of the old Mayor using the Olympics for regeneration, one has yet to hear in detail from the new Mayor. It therefore seemed to me appropriate to come to the House at this point to set out what the people who live in the Olympic boroughs in the east end of London were promised and what progress has been made on jobs, business and employment.

For the Olympics to be a genuine success for this country, for London and for the five east end host boroughs, the people who live in Hackney, Newham, Tower Hamlets and the other Olympic boroughs must believe that they really will benefit from hosting the event; otherwise, the people of the east end will be like children pressing their noses against a window when something exciting and glamorous is happening on the other side. Local residents must feel that the employment possibilities for them and their children are going to rise. They must feel that the wonderful Olympic park, media centre and other buildings really will be turned into spaces that the community can use after the big event. It is important to remember that not just the local authorities of the five boroughs, and not just the streets, buildings and open land, but the people who live there are hosting the Olympics. Those people deserve to be part of the Olympics and to benefit from them.

However, it is not just a matter of principle. I remind the House that the five host boroughs—Greenwich, Tower Hamlets, Newham, Waltham Forest and Hackney—are among some of the poorest areas in the country. In fact, they are all among the 15 per cent. most deprived areas in the country, and my constituency of Hackney is in the bottom 5 per cent. Even at a time when the Government have done so much to invest in training and to put people into employment, only 55 per cent. of people of working age in Hackney are in employment. That is not just an abstract figure. There is a direct relationship between the problems that we see in our inner cities of gangs, deprivation and social exclusion and the continuing very low employment rates in the east end. As the former Mayor of London, Ken Livingstone, remarked, many parts of the east end of London have not seen major regeneration since the Victorian era. The importance of getting economic regeneration right is immense. The Olympics represent a significant opportunity to turn round the fortunes of these poor areas and change the lives of the people who live there. For those of us who live in the east end, that means better transport links, improved facilities, a cleaner local environment, better access to sport, particularly for young people, and jobs for local people and contracts for local businesses. I will concentrate on the last two issues—jobs for local people and contracts for local businesses—in my remarks.

Let me remind the House of what was promised to the east end from the 2012 Olympics. In June 2006, my right hon. Friend the Minister for the Olympics said:

> "We are determined to ensure that legacy is at the heart of everything we do, whether it is delivering world-class stadia or providing grassroots facilities designed to benefit the whole community."

In October 2006, Lord Coe, chairman of the London 2012 organising committee, said:

> "London was chosen to host the 2012 Games because of its diversity, unique heritage and the enthusiasm of local people. We want to invite people from all of London's communities, particularly those who live around the Olympic park, to get involved and to reap the benefits the Games will bring."

In its 2012 annual report, the Department for Culture, Media and Sport named one of the key objectives of the Olympics as:

> "To maximise the economic, social, health and environmental benefits of the Games for the UK, particularly east London."

I stress "economic". The Olympic Delivery Authority says in its 2008 employment and skills strategy:

> "London 2012 is committed to creating a positive employment and economic legacy for London and the UK after the Games. This will be achieved through the creation of new jobs, an increase in sustainable skills among local people and improved links between employers and those looking for work, recognising the high proportion of Black, Asian and minority ethnic people in the community."

Those are very hopeful words.

When we add the sheer volume of investment and work that needs to be done on the Olympic site to the hopeful words that the people of the east end have heard, we can see the possibilities. Five permanent venues will be built, as well as three temporary venues, one media centre, earthworks, landscaping work, 11 highway bridges, 13 permanent footbridges, extensive land clearing, waterways and new roads. And that is just to build the park. Once the games are over, there will be a large amount of work to do to transform the park into legacy mode. Recent research by ConstructionSkills—the sector skills council for the construction industry—found that because of the Olympics construction work in Greater London, construction jobs will grow in number by 8.4 per cent. between 2008 and 2012. Its research predicts that 14,930 new recruits will be needed every

[Ms Diane Abbott]

year to meet that demand and 3,000 construction, professional and technical staff will be needed each year until the end of the games.

A huge amount of money is going in. The Government are providing at least £5.9 billion; the Greater London authority and the London Development Agency are providing £1.17 billion; and the launch of the London 2012 business network includes details of £6 billion of contracts, and an estimated 10,000 to 20,000 associated supply chain opportunities. That represents huge potential for local people and local businesses. It is perfectly true that the ODA and the LDA have produced plenty of papers. They are planning training and skills programmes and there has been a lot of talk about employment possibilities and creating an Olympic work force that looks like multicultural London. Sadly, it seems to me that the reality does not match the talk. It does not match what people have been promised, the number of jobs that will be created or the billions of pounds of public money that have been invested in the Olympics. I know that people have been meeting; there have been committees, papers have been drawn up and people have highly paid jobs that ostensibly speak to that agenda, but it is important to highlight the problems and draw attention to what is happening now before it is too late for the employment benefits of the Olympics to make a difference to my constituents. I worry that by waiting to see whether local businesses are able to access tenders and whether local people get training, we may be waiting for one, two or three years in which local people have missed out.

I am sorry to say that the current figures are dismal. Despite the billions of pounds being poured into the construction of the Olympic park, the numerous training programmes and the huge amount of labour that needs doing, the number of people from the east end who have received jobs there remains low. I understand that only 430 people from the five host boroughs are currently employed in Olympic jobs, out of a possible 2,488 jobs that have been given out so far. Employees from the host boroughs make up only 17 per cent. of the total Olympic work force, and out of those figures, sadly, Hackney has the lowest number of residents involved in Olympic jobs. Just 48 Hackney residents have Olympic jobs out of the 2,488 people employed.

Unfortunately, the situation does not look much better for training, about which there has been a lot of talk. The training programmes designed to get local people into Olympic jobs have not had much success. A programme called Personal Best was piloted in Hackney, and 50 local residents graduated from it. But out of those 50, only two have secured employment whilst eight have been taken up as volunteers. The Olympic Delivery Authority scheme aimed at getting local people involved with the Olympics has put only eight Hackney residents into employment. As for local businesses, business suppliers to the Olympics total 600 at the moment. Out of those 600 businesses, only 77 are based in the Olympic boroughs and only 13 in Hackney. That means that Hackney businesses have just 2 per cent. of the business tenders available so far. That is simply not good enough and it would not be surprising if local people began to think that all the talk about them benefiting from this huge billion-pound extravaganza was simply talk.

The Olympic Delivery Authority's equality and diversity strategy sets out the ODA's aims—widening participation and opening up the construction industry to under-represented groups such as women and black people—and claims that they can be achieved by following a fair recruitment process and adhering to equal opportunities. That is admirable, but in reality a fair recruitment process and adhering to equal opportunities are the bare legal minimum, and what we should expect of any company or organisation. They are not proactive ways of increasing diversity; if anything, they are simply ways of maintaining the status quo.

The Department's annual report does not focus much on local employment. Instead, it talks of the aim of local participation in cultural and community activities and volunteering. I have been there before. When billions of pounds were being spent on the Dome, I went to talk to those who were running the project about jobs for local people in Greenwich. All I heard about was volunteering. In the end, local people and companies did not benefit from the Dome as they should have, although there is now a fabulous building there, in south-east London.

I do not dismiss the benefits of voluntary work, but I do not want efforts to secure volunteers to detract from the crucial need for local people to be given paid employment. It strikes me as somewhat patronising to suggest that the residents of the Olympic host boroughs will remain compliant as long as they are thrown some cultural activities or volunteering work. If the Olympics are to have an impact on levels of unemployment, deprivation and social exclusion in the east end, they must focus on the employment issues.

I do not think that those who talk of employment for local people have got to grips with a proactive strategy. The ODA tells me that it aims to employ 10 to 15 per cent. of people in the Olympic park construction work force from the five host boroughs. It says that that is the average number of people currently employed on a typical work site in London, but I say that it is a pitifully unambitious target. The public have not spent billions of pounds on the Olympics only to achieve that level of employment. The Olympic project should be raising the stakes. It will have no sustainability if local people see 85 to 90 per cent. of jobs going to outsiders.

I am concerned about the low targets, and about the lack of a proactive strategy not just to make the Olympic park reflect employment realities now, but to make the Olympic park, Olympic construction and Olympic development show the way towards what can be done to employ and give opportunities to local people. I am sure that the Department is not merely cashing in on the image of London as a multicultural city, or on the idea that the Olympics will take a deprived region out of poverty—whereas, in reality, few local people have Olympic jobs or contracts—but that is how things look at present.

It seems to me that if the Government, the Mayor and the ODA are to make good the promises made to the east end three years ago, we need a much more proactive and urgent strategy both to put local people into jobs and training and to give local business

particularly small business, access to the tendering process. The current targets appear to admit defeat before even trying to increase local employment. There is a danger that some of the big employers will get away with making token gestures rather than doing the sort of work that was done at the time of the Atlanta Olympics, which represented a huge stepping-stone for black business and jobs for local young people because the necessary political leadership was there.

I remain as thrilled and idealistic about the Olympics as I was when I first heard that our bid had been successful. I bow to no one in my respect for the people, including my right hon. Friend the Minister, who were the architects of that successful bid. However, if we are not to see deepening disillusionment in the east end over this major project, we must deliver both the practical and the political meaning of the promises that were made about regeneration.

I would not like the change of Mayor to lead to a slackening of the emphasis on economic regeneration and jobs for local people. It is not enough to have meetings and working parties. It is not enough to draw out strategies on paper. It is not enough to recruit highly paid persons with supposed responsibility for these issues. The stakeholders involved in 2012 must raise their game and achieve concrete targets for local employment and local regeneration.

2.50 pm

The Minister for the Olympics (Tessa Jowell): I congratulate my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) on securing this important debate. I agree with almost everything she has to say—both in terms of her analysis and her challenges. She is right that when we made our bid to host the 2012 Olympics the then Mayor, Ken Livingstone, and I were absolutely clear that were we to win, it would accelerate the regeneration of east London by 10 to 15 years and on a scale that would be unimaginable if we did not win. I wish to take this opportunity to place on record the Government's recognition of the enormous contribution the previous Mayor made both to our winning the Olympics and to securing those regeneration ambitions.

My hon. Friend is right that it has been envisaged that the legacy of the games will take two forms. The first is the structures, including the venues, the approximately 10,000 new homes by 2020 and the largest urban park anywhere in Europe for 150 years. The park will be a destination for not only the five boroughs, but the whole of London, and it will be populated by not only new environmental features but world-class venues, each of which is being designed with two objectives. One of them is community use and the benefit of the local community—there must be no local people longingly pressing their noses against the window because they are excluded, as that would be a travesty. The other objective is to provide the world-class venues that London has lacked for too long. It is worth reminding my hon. Friend that of the £8.1 billion—£6.1 billion plus £2 billion of contingency—that is available for the development of the park, 75p out of every pound spent will go on regenerating the wasteland that disfigures those boroughs following generations of neglect.

My hon. Friend eloquently described the second part of the legacy: the increased skills in five of the most deprived boroughs in the country. I shall deal in detail with the points she made. Our ambition always exceeded simply hosting the Olympics and Paralympics—and I should underline the extent to which our ambition goes further, and is being realised more quickly in practice, than in any other Olympic city.

As my hon. Friend knows, economic activity in the five boroughs is well below that of London and the rest of the UK: 40 per cent. of the working-age population are unemployed, 40 per cent. of the residents of the host boroughs are black and ethnic minority, and 22 per cent. have no educational qualifications. My hon. Friend has raised some sharp challenges for the work being undertaken by the Olympic Delivery Authority.

My first response to those challenges is to say that we must see the progress that has been made—which is by no means the extent of the ambition—in the context of generations of neglect in developing the skills and potential of so many of the people who live in the five boroughs. The Olympics and Paralympics provide unprecedented opportunities for those individuals and for local business. In providing those opportunities, we are rising to a challenge that sits at the heart of the Government's ambition to raise the bar and to see the increase in the skill level as an essential driver of economic growth.

Two objectives in the bid and the staging plans for the 2012 Olympics are to regenerate east London socially and economically, and to regenerate it physically. We want to give new opportunities to people, particularly those who are furthest from the labour market and have absolutely no educational qualifications, thus creating opportunities for people in those circumstances to get into work and training and breaking the cycle of unemployment and deprivation.

I should say a word about apprenticeships, of which Hackney has fewer than 100. A commitment has been made through the skills academy that has been established for the Olympic park, focusing specifically on construction skills. The commitment is for 2,000 apprenticeships and work experience work placement opportunities, which will transform the entry point opportunities for people in the Olympic boroughs.

The Olympic Delivery Authority is responsible for overseeing the construction, and I wish to discuss its employment and skills plans. Its job, more than anything else, is to deliver the games on time and on budget, but, in doing so, to create a legacy of better trained workers with the prospect of better careers. My hon. Friend has challenged what she sees as the timidity—that is my word, rather than hers—of the ODA's figures, and I should put that into context.

The ODA's target is for 10 to 15 per cent. of the total work force to come from the local boroughs. The industry norm, which we must accept is a baseline, is between only 3 and 5 per cent, so the ambition is considerably greater. A second target is to ensure that 7 per cent. of the work force is made up of people who were previously unemployed, which compares with an industry norm of between 3 and 5 per cent. and a figure of 22 per cent in respect of those who come from Hackney. I accept my hon. Friend's point that when things are translated into specific numbers, the

[Tessa Jowell]

numbers involved are small. The strategy focuses on getting people into training and employment, reflecting the skill levels in the area.

I recognise that Hackney's local labour figure is low, but I can assure my hon. Friend that the ODA and the London Development Agency—my discussions thus far with the new Mayor give me no reason to believe that he will resile from this commitment—are working to address the low level of Hackney residents getting jobs on the park. The LDA is granting Hackney funds to build the capacity of its job brokerage scheme, and the ODA is working with it directly to analyse what more needs to be done to increase the number of Hackney residents gaining jobs on the site. By our deeds, rather than by our good intentions, shall we be judged, and that was the thrust of my hon. Friend's speech.

There are early successes. The Personal Best scheme, to which my hon. Friend referred, is working with people who are as far as it is possible to imagine from the labour market. Every graduate of that scheme who gets into work is a story of hope in a context—for those people—of hopelessness and complete lack of ambition.

Time is short, and I hope that there will be many other chances to go through with my hon. Friend the many opportunities that will be provided. If we fail, we will have betrayed the great ambition we have for the Olympics in east London. We will not fail and, with my hon. Friend's advocacy, we have an even greater chance of success.

Question put and agreed to.

Adjourned accordingly at Three o'clock.

Westminster Hall

Tuesday 29 April 2008

[MRS. JOAN HUMBLE *in the Chair*]

Zimbabwe (Sanctions)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Ms Diana R. Johnson.]*

9.30 am

Norman Lamb (North Norfolk) (LD): My voice is fairly croaky, so I apologise if I have to give up halfway through.

It seems to be an opportune moment to be considering Zimbabwe. The purpose of the debate is to focus on the sanctions regime and the role of British companies in Zimbabwe, particularly Barclays bank. First, I will reflect on why it is important that we consider the sanctions regime. None of us needs reminding of the dire situation that faces the people of that country, not just now but over very many years. There have been years of human rights abuses. The economy is in abject ruin. There has been mass suffering, with allegations of massacres perpetrated by those close to the Government during the Mugabe regime.

Since the election, the opposition Movement for Democratic Change has claimed that 3,000 families have been forced out of their homes, and hundreds have been injured. It estimates that 10 to 15 of its supporters have been killed in Government-fuelled violence. Reports on the BBC are of hundreds of people fleeing across the border into Mozambique, and of 600 opposition MDC supporters camped out at the party headquarters in Mutare after attacks by ruling party militias, and so it goes on.

It is worth acknowledging that there are some positive signs in Zimbabwe and Africa in terms of the African response. First, there was the one-off arms embargo that was initiated by dock workers in South Africa, which then rapidly spread to other southern African countries. That was not initiated by leaders in Africa but by ordinary people—often trade unionists. Now there appears to be a growing regional consensus that there must not be any delivery of those arms—they appear to be on their way back to China—and that Mugabe's attempt to steal the election must not be allowed to succeed.

Bob Spink (Castle Point) (UKIP): The hon. Gentleman is right; his debate is extremely timely. I congratulate him on bringing it to the House. Does he share my concern that although we welcome the initiative of the dock workers, it should really have come from the African nations themselves, in particular South Africa and Mozambique, which should have led the way? They are betraying their region in the world by not taking an earlier lead. They are spineless and cannot expect the international community to act unless they are prepared to do so themselves.

Norman Lamb: I think that the international community has to act, but I share the hon. Gentleman's view about the weakness of the leadership, particularly from the South African President Thabo Mbeki, who appears to have gone along with so much of what Robert Mugabe has perpetrated over recent years. However, I wanted to deal with some of the positive signs.

To everyone's surprise this weekend, the Electoral Commission refused to buckle to intimidation and to overturn the seats won by the opposition. Subsequently, it confirmed that ZANU-PF had lost its majority in Parliament, and that is a remarkable development. There were reports yesterday that opposition parties are reuniting. Morgan Tsvangirai and Mr. Mutambara have confirmed that they will work together, which means that there will be an effective majority in Parliament against ZANU-PF. Last week, during the visit of Jacob Zuma, I heard from African business leaders that business is ready and willing to invest in Zimbabwe again. That is already happening in the expectation of change in that country. *Africa Confidential* confirms that expats and foreigners are starting to invest again in real estate and equities in the country in the expectation of change because they believe that change will ultimately happen. Those are all encouraging signs.

Let me focus on my real purpose, which is to look at the sanctions regime. European Union sanctions were first imposed in 2002 when there were fears that Mugabe was attempting to rig a presidential election—that sounds familiar, does it not? Article 6 of the EU sanctions regime referred specifically to the freezing of accounts and other funds of individuals who were named in an annexe to the EU sanctions document. No funds should be made available to, or be for the benefit of, those people listed in the annexe. The targeted sanctions were designed to hit the regime and its supporters, not the general population. Of course, sanctions in the past have perhaps been counter-productive because of the impact on the innocent general population. The UK firmly backed that sanctions regime, which was intended to make a difference and to make life very difficult for those leading individuals in the Mugabe regime. There were very disturbing reports in *The Observer* and *The Sunday Times* last year that Barclays, in particular, was helping to, in the words of *The Observer*, "bankroll Mugabe's regime." The article in *The Observer* from last January also referred to two other British-based companies, Standard Chartered bank and Old Mutual. I will deal first with the allegations.

The Observer reported that any commercial bank operating in Zimbabwe is required by Government to reinvest 40 per cent. of its profits in Government bonds. The argument from the companies is that "these are the terms on which we have to do business in the country, and so we have no choice." However, *The Observer* reported that Barclays, Standard Chartered and Old Mutual had lent the Mugabe regime about £100 million by purchasing Treasury bills and Government bonds. It also reported that Barclays arranged finance facilities worth £110 million to Zimbabwean companies involved in tobacco, mining, sugar manufacturing and horticulture.

Later on that year, in November, *The Sunday Times* carried more serious allegations. It said that Barclays was providing agricultural loans, including to friends of Mugabe who had been given land seized during the land grab. Here is a British-based company, through a subsidiary, providing financial support to those who had benefited from the land grab. We have to remember that the land grab did not return land to the people of Zimbabwe. Those who benefited were primarily members

[Norman Lamb]

of the ruling elite, and many were very close to Robert Mugabe. *The Sunday Times* reported that loans totalling £750 million were made in the first half of 2007, mostly through a Government scheme to boost farm productivity. The scheme is the agricultural sector productivity enhancement facility, known as ASPEF. Again, participation is the condition of doing business in Zimbabwe.

In the first half of 2007, according to the report, there appeared to be a 17 per cent. increase in loans offered by Barclays. At least five Ministers received loans through the ASPEF scheme to benefit them and the farms that they had been given following the land grab. Some of the Ministers involved are on the list of 131 regime individuals in annexe III to the EU sanctions regime. The MDC, which is a party that we ought to listen closely to, given its bravery, says that loans under ASPEF are used as a

"vehicle of personal wealth accumulation for the regime",

provided by Barclays bank.

New allegations have emerged that at least two—I understand that it could be four—members of Mugabe's regime who are on the sanctions list have received personal banking services from Barclays. They have been involved in the land grab strategy, which has wreaked economic havoc on the country, and one of them faces serious accusations of personal involvement in that process. Given that providing loans was specifically barred in the sanctions regime, the Government presumably condemn Barclays for doing that. I would be grateful if the Minister dealt specifically with that matter in her response.

How can Barclays bank, a British-based company, act in a way that is apparently in flagrant breach of the sanctions regime? Because it operates through a locally registered company, Barclays Bank of Zimbabwe Ltd. It is a public company, listed on the Harare stock exchange, and Barclays Bank plc, the UK-based company, holds 64 per cent. of the shares in it through a locally incorporated holding company, Afcarme Zimbabwe Holdings Ltd. We can see where the real ownership is.

Because that is a locally registered company, even if ultimately owned in majority by a UK-based company, it completely avoids the sanctions regime. Had the services in question been provided by an EU-based company there would have been a clear breach of the regime, but Barclays managed to avoid it. Surely it is scandalous that a British company, via a local subsidiary, is providing financial support and sustenance to a brutal regime and to key figures within it. We preach good governance in Africa—we hear that constantly from the Government, and rightly so—yet companies based in this country appear to be behaving reprehensibly.

After seeing the reports in *The Sunday Times* and *The Observer*, I took up the matter with the Foreign Office. I wrote to the Foreign Secretary at the end of last year and had a reply dated 7 December from Lord Malloch-Brown, the Minister of State. It confirmed that the Foreign Office was

"currently looking at one specific case to assess if there has been a breach of Article 6"

of the EU regulation that I have referred to. It appeared that an investigation was under way. I wrote again, asking for an update. The second letter that I received was far more general and evasive, and said nothing about that apparent investigation. I was left completely unclear whether any process to discover whether there had been a breach was continuing. All that the second letter said was that the Foreign Office was committed to enforcing the sanctions regime, but I have already described how weak it is because it is so easy to avoid through locally registered companies.

I wrote again on 12 March, making a request under the Freedom of Information Act 2000. I asked for documents relating to the Foreign Office's investigation of Barclays bank and whether there had been breaches. I am still waiting. I informed the Minister's office last week that I had secured this debate and wanted to raise the matter, and said that it would be helpful if I had a reply before the debate. I was informed yesterday that it would not be possible to answer my letter, a month and half after it was written. Either deliberately or by default, the Foreign Office has ended up providing cover for banks such as Barclays that appear to be helping to sustain the Zimbabwean regime. Given the seriousness of the situation there, I find it extraordinary that the Foreign Office is behaving in such a way. All the questions that I asked in my letter could have been answered in a short time. There is no reason for this endless delay, and I condemn the Foreign Office for its failure to address my serious concerns.

Tony Baldry (Banbury) (Con): If the sanctions are an EU regime, who in the EU is meant to police them? Is the hon. Gentleman's assertion that Barclays has breached the EU sanctions regime and that there has been no penalty, or that Barclays has complied with the strict law of the sanctions but managed to evade the spirit of them, and that it should be condemned for that? I am not sure of the exact allegation that he is making.

Norman Lamb: I am grateful for that intervention, which helps me to clarify what I am saying. It appears to be very easy to avoid the sanctions regime by operating through a locally based company. Barclays may well have managed entirely to comply with the letter of the law by operating in that way, but the first reply that I received from the Foreign Office said that it was investigating a possible breach. I want to know what has happened to that investigation, because so far the Foreign Office has absolutely refused to tell me.

I am also interested in whether the sanctions regime has done anything effective to bring about change in Zimbabwe. One of my concerns, which was reinforced by speaking to an expert on the sanctions last week, is that it seems that there is no capacity to investigate alleged breaches of sanctions, either at EU level or, I suspect, at Foreign Office level. We impose sanctions and then do nothing to police them.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): The hon. Gentleman has just made the serious charge that the Foreign Office has refused to answer him. I think that he would like to put the record straight and say that that is not the case.

Norman Lamb: Will the Minister repeat that intervention? I did not understand it.

Meg Munn: The hon. Gentleman made the allegation that the Foreign Office had refused to answer him. I think that he would like to put the record straight. *[Interruption.]*

Norman Lamb: I think that others here are reinforcing my view that that is not what I said. I have not had a reply. The Foreign Office has failed to reply. It seems to me—I repeat this charge—that it would have been perfectly possible to respond to the serious allegations and concerns in my letter. A month and a half later, it has failed to respond. Despite the additional chance that I gave it last week to respond before today, it has continued to fail. I hope that I will get a substantive reply, but I know this Government's attitude towards the freedom of information legislation that they themselves introduced. It tends to take several years to get any proper, substantive response to requests to central Government.

The Government presumably condemn what is happening with Barclays, because if loans were being provided to members of the regime by a company registered in the EU, it would be a clear breach of sanctions. Is Barclays a company that the Government in this country should be doing business with? Is it a company that other public bodies in this country should be doing business with? If these sanctions are to mean anything and if we are to be serious about what we say are our concerns about the outrages going on in Zimbabwe, surely the measures that we introduce must have some teeth, rather than being pure rhetoric, and empty rhetoric at that.

It must be said that Barclays in Africa has form. Of course, we know all about its record in South Africa under the apartheid regime. What is not so widely known, however, is that Barclays provided the finance for the sale by BAE Systems of a military air traffic control system to one of the world's poorest countries, Tanzania. That deal is currently under investigation by the Serious Fraud Office. Barclays provided the loan finance at a time when all the allegations were in the public domain and concerns were being raised that it was a dodgy deal.

I would like to know a number of things from the Government. First, what is happening to the investigation that I was initially told about in the reply to me by Lord Malloch-Brown, the Minister's colleague, which was dated 11 December 2007? What is happening to that investigation into an alleged breach of the sanctions regime? When will I get a reply to my letter asking for information and documents under freedom of information legislation?

Secondly, what assessment have the Government made of the effectiveness of the sanctions regime? What capacity is there within the Foreign Office to investigate breaches or alleged breaches of the sanctions regime? What capacity is there at the EU level to carry out such investigations, because I am told that there is no effective capacity to investigate those sanctions? Are sanctions merely a fig leaf, to demonstrate to the world that we care, while we actually do nothing effective to bring about change?

I end by reminding hon. Members why the issue is so important. We are dealing with a brutal regime, whose leader has defied the international community and the results of elections, and who continues to wreak havoc in his country, destroying it economically as well as perpetrating human rights abuses. My final question to the Government is this: what are we doing in an effective way to bring about change?

9.52 am

Kate Hoey (Vauxhall) (Lab): I congratulate the hon. Member for North Norfolk (Norman Lamb) on his speech, on securing this debate and particularly on the very interesting points that he made about Barclays, which I think we all found of great interest. May I also say, Mrs. Humble, that I too have a croaky voice, one that is probably slightly worse than that of the hon. Member for North Norfolk?

It seems clear to all of us that the international community has a responsibility to step in to try to protect any population that is being beaten up by its own Government. It remains true that, apart from a few honourable exceptions, most of the voices speaking out on behalf of Zimbabwe's battered people come from outside Africa. There is still deep unwillingness on the part of leaders in the region to be frank and to name Mugabe's tyranny for what it is. Any idea that Mugabe will somehow start to behave well as a result of these diplomatic and fraternal niceties is absolute rubbish. I believe that both history and the people of Zimbabwe will judge the leaders of Africa and will not look kindly on the way that, even now, some of those leaders are continuing to offer excuses for the regime and allowing the destruction of Zimbabwe to go on.

Since the election, Mugabe's illegitimate regime has gone all-out in deploying a reign of terror on individuals and communities, out in rural areas and out of sight of any cameras, attacking people who voted for Morgan Tsvangirai and the Movement for Democratic Change. The military, the police and the secret operatives of the Central Intelligence Organisation have been unleashed, as well as the youth militia and so-called "war veterans". ZANU-PF needs a lesson in arithmetic, because the age of most "war veterans" suggests that the war in which they supposedly fought took place long before they were born, in rather the same way that many on the Zimbabwean electoral roll seem able to cast votes long after they die.

The targeted measures imposed by the UK and other states in Europe—not only members of the EU—as well as by Australia, New Zealand and the United States of America, have achieved far more than they have sometimes been given credit for. The travel ban on Mugabe and his Ministers has been a huge embarrassment and irritation to the regime. That is why the only major demand made by ZANU-PF during the Mbeki negotiations was that the MDC should call for the lifting of so-called "sanctions". Of course, "sanctions" is a word that has huge resonance in the region and its use has allowed Mugabe a propaganda machine to misrepresent those targeted measures.

The EU measures that have been in place since 2002 are very narrowly targeted at about 130 named individuals. They are not economic sanctions like the sanctions that were imposed on Rhodesia during the illegal regime there or on South Africa during the apartheid regime, and they do not affect the general population. They certainly cannot be blamed in any way for the chaotic mismanagement and meltdown of the economy. That is purely the fault of Mugabe's regime.

[Kate Hoey]

There is strong suspicion that ZANU-PF would not even have agreed to participate in the Mbeki mediation talks if it had not believed that the process might have led to a lifting of the travel ban. Furthermore, it is significant that the communiqué from the Southern African Development Community summit in Dar Es Salaam that set up the talks:

"appealed for the lifting of all forms of sanctions against Zimbabwe".

Of course, it also claimed that

"free, fair and democratic presidential elections were held in 2002",

which we all know is totally false. I am afraid that communiqués of that nature and the pro-Mugabe pronouncements of SADC's secretary-general, Tomaz Salomao, have done much to discredit SADC. Fortunately, as has been mentioned earlier, there has been a shift in attitude led by people such as the President of Zambia and the new President of Botswana. They are leading SADC forward in a more progressive direction, away from some of the dishonest and disastrous posturings of the past few years.

There are now calls for the list of names on the EU restricted list to be reviewed and revised, but I think that we need to be very careful about doing that. We can afford to be cautious. If anyone currently on the banned list sees the light and wants to work for reform in Zimbabwe, there are many things that they can do simply by standing up inside Zimbabwe or by visiting neighbouring countries; they do not need to come to Europe to make a difference. I therefore hope that the Minister will confirm that she and the rest of Her Majesty's Government will not support any lifting of any of the targeted sanctions. People who have been happy to remain inside the system while Morgan Tsvangirai and his colleagues in the MDC were beaten on the streets should use their contacts inside the system to help to bring about change.

I am also very suspicious of people who are now calling for a Government of national unity or for an inclusive Administration. It is strange that people who have been most reluctant to comment on anything that has happened under ZANU-PF's years of misrule, claiming that it would compromise Zimbabwe's sovereignty, are now very ready to hand out advice to the MDC, even though it has been given its own very clear mandate to govern by the people of Zimbabwe. There seems to be a rather odd idea that Zimbabwe is a fragile gift and that a way must be found for ZANU-PF to hand over that gift very gently to the MDC, and perhaps even stay on in the long term to help the country, as only ZANU-PF really knows how to care for Zimbabwe; but we know that ZANU-PF has destroyed Zimbabwe. ZANU-PF has undermined the economic development of the whole region and jeopardised its stability.

The struggle in Zimbabwe, carried on by the MDC as a political party and by civil society participants such as the Zimbabwe Congress of Trade Unions and the National Constitutional Assembly, has been about democracy. ZANU-PF lost an election and then unleashed a new wave of violence. It would be completely anti-democratic if external pressure were to be applied on the MDC to include ZANU-PF in a new Government of national unity. What does such a proposal say to the people of Africa about democracy? What does it say to the long-suffering members of the MDC who, despite years of being victims of brutality and electoral rigging, withstood the temptation to resort to violence?

Morgan Tsvangirai and the team that he has built around him deserve enormous credit for having held together a political party under the most adverse conditions. There are far too many names in the MDC to mention, but I am honoured to call many of them my friends. I have got to know them when I have been inside Zimbabwe during my visits over the past four years. Those visits were only brief and I cannot imagine what it must be like to live under the constant threat of death and violent retribution, with no end in sight and no hope of respite. The MDC was isolated and denigrated; it was deprived of all the normal means of communicating its message, and yet it has prevailed. Imagine how much more decisive its win would have been if 3 million Zimbabweans had not been forced to flee abroad, given that most of the exiles are MDC supporters. I hope that they will soon be able to return home to rebuild their country.

Just as the government of Zimbabwe should be by Zimbabweans and for Zimbabweans, the reconstruction of Zimbabwe should be by Zimbabweans and for Zimbabweans. Huge amounts of aid will flow in from all around the world, and it is important that it be used to rebuild a sound infrastructure. The most vital element of a sound infrastructure is the local population, and Zimbabwe probably has the most able and well qualified population of any country in Africa. Having been fleeced by Mugabe and his cronies, I hope that everything will be done to guard against a bloated contingent of UN officials and international corporations being given a chance to siphon off aid to their own coffers.

The struggle has been about democracy. Democracy will work when people in Zimbabwe feel that they can influence the decisions that affect their lives. That means not only accountable politicians but accountable aid agencies. Just as outsiders must resist the temptation to try to micro-manage political solutions, they must be ready to implement the programmes that local communities want, not simply to impose grand designs that sell well in Rome or Geneva. Strengthening civil society means strengthening the voice of people at village pump level, not opening plush non-governmental organisation offices in Harare.

As an honorary vice-president of Surrey County Cricket Club, an issue that is close to my heart is the Zimbabwe Cricket Union. Mugabe is a ZCU patron, and its chairman, Peter Chingoka, and managing director, Ozias Bvute, are both deeply implicated in the financial corruption that props up the regime. Through cricket, they have access to hard currency, which they misuse to exercise corrupt patronage in collaboration with the bigwigs of Zimbabwe's ruling party. At international matches Chingoka uses the VIP pavilion to host the ZANU-PF politicians, CIO operatives and senior army officers on whom he relies for protection.

I hope that change in Zimbabwe is imminent but, until it actually comes, cricket is one small way to show that we care about the millions of Zimbabweans who feel isolated, forgotten and condemned to misery. Zimbabwe cricket is an extension of the worst aspects of Mugabe's regime. Those of us who care for Zimbabwe and cricket in particular, or human rights and sport in general,

must do all we can to support the Prime Minister's proposal to ban the Zimbabwean cricket team from touring in the UK. I hope the Minister will confirm that no UK visa will be given for Chingoka to come here to attend any International Cricket Council meetings, or for any other reason, in the next few months. I also want to ask whether the ICC has yet given Her Majesty's Government a copy of the KPMG audit for which they asked regarding ZCU financial malpractice.

The most encouraging development in recent days has been the show of solidarity from the trade union movement, which was mentioned earlier. The proposal by the South African Tin Workers Union not to unload the Chinese arms shipment nails the lie that Mugabe is respected by the people of southern Africa. That is a myth put around by the establishments of the region and their cronies around the world, many of whom need to boost the myth of their own popularity. Privately, many of them probably fear the end of Mugabe, particularly if it is civil society and trade unions that bring that about. They may be looking over their own shoulder to see what is happening in their own country.

I pay tribute to the efforts of the International Transport Workers Federation and particularly Randall Howard, its president, who is also general secretary of the South African Transport and Allied Workers Union. Thanks to the ITLF, the transport workers of all the countries in the region have imposed a de facto arms ban on the Zimbabwe regime. Their action has huge practical and symbolic importance, and, again, it nails the lie that there is no support in the region for restrictive measures against the Zimbabwe regime.

I also pay tribute to the Congress of South African Trade Unions, which has stood firmly alongside its brothers and sisters in Zimbabwe. When I visited COSATU in Johannesburg last year, it was impressive to see its engagement with the struggle in Zimbabwe. If Mugabe and all his hangers-on do not vacate State house soon, I understand that the ITF may well consider an embargo on the shipment of luxury cars and other goods bound for those who are running ZANU-PF and certainly not for the badly beaten and depressed people of Zimbabwe.

The trade unions have paved the way for a formal United Nations arms moratorium, and today—almost as we speak—that is being considered by the Security Council. The call for an arms embargo has been echoed by the Archbishop of Cape Town. I am pleased and proud that our Prime Minister set out his position on Zimbabwe in such robust terms when he addressed the Security Council recently. I hope that, if things have not changed by the time the UK is chairing the Security Council, further progress will be made at that time to protect the votes of the people of Zimbabwe. Those votes embody the sovereignty and independence of the country.

I again congratulate the hon. Member for North Norfolk. What we say in this House is significant, and it must not be assumed that the things that we say help to boost Mugabe and his propaganda machine. I hope that those people all over Zimbabwe who by various methods get communications from outside the country will be absolutely encouraged by the fact that we are debating this subject. I also hope that the Minister will be able to respond to the questions that have been asked, and that very soon we will see the end of Mugabe and a Government in Zimbabwe led by Morgan Tsvangirai.

10.5 am

Mr. Richard Benyon (Newbury) (Con): I shall contribute briefly to this debate. We are all running out of adjectives with which to describe the regime in Zimbabwe. In a way, describing its actions is a waste of time, because we want to get down to discussing other details, but last night I sent to the hon. Member for Vauxhall (Kate Hoey), who is the courageous and highly respected chairman of the all-party group on Zimbabwe, some e-mails that had been sent to me about precisely what is happening. There is an organised campaign of terror by Mugabe's Central Intelligence Organisation and senior echelons in the army against the Movement for Democratic Change and the courageous people of Zimbabwe. It is highly moving and deeply distressing to hear exactly how brutal and vile the regime is being at this time.

To the outside world, one of Mugabe's most perverse acts is the abandon with which he prints money. The Reserve Bank of Zimbabwe is printing money as though it were confetti, because Zimbabwe's Government believe that, by so doing, they have more money. That is the most economically illiterate thing that they could be doing. It is driving a nation that has been impoverished by the regime into even greater poverty.

I pay tribute to the hon. Member for North Norfolk (Norman Lamb) for securing this debate. In a debate on sanctions, we must ask how that Government are physically able to print money, because what is absolutely certain is that the banknotes are not being printed in Zimbabwe. As a Back-Bench MP, it is relatively difficult to find out precisely where they are being printed, but I suspect that it is relatively easy for the Foreign and Commonwealth Office to find out. Through rumours and articles that we might read in *Africa Confidential* or other papers, we have been led to believe that they are being printed in Germany. If that is the case, I want to look into the eyes of the company's directors to see whether they are ashamed of their complicity in the impoverishment of Zimbabwe; I want to find out from the German Government what they are doing to bring pressure to bear on the company; and I want to find out from the European Union Commission what pressure it is bringing to bear on companies, such as that one, which support the vile and perverse actions of the Government of Zimbabwe.

At times, I have a problem with the approach of the FCO to what is happening in Zimbabwe. I visited the country in 2000 or 2001 with my right hon. Friend the Member for Horsham (Mr. Maude), who was then the shadow Foreign Secretary, after having gone there many times in the past and having worked with members of the Movement for Democratic Change. I saw that the MDC was rising as a real political force in that country, but diplomats in our high commission were saying, "No, no, we should not be talking to the MDC. We should be talking to the young bloods in ZANU-PF. They are the future." That was not my reading of the situation.

I was alarmed recently to discover that an enormous amount of weight was being put behind Simba Makoni as a possible future political figure in Zimbabwe. In fact, he did not have much traction with the electorate. I feel that the tentacles that diplomats put out in Zimbabwe are not really bringing back the true message—which perhaps they do not want to hear—that the MDC is the

[Mr. Richard Benyon]

Opposition, whatever we hear about different factions, and we should be putting our weight securely behind the MDC.

I have often raised another aspect of sanctions—I raised it with the right hon. Member for Blackburn (Mr. Straw) when he was the Foreign Secretary. Many family members and followers of the cronies and thugs who are part of Robert Mugabe's coterie come to this country and benefit from our education and health systems and various other aspects of our tolerant western liberal democracy. The right hon. Gentleman said, "You cannot visit the sins of the fathers on their sons, daughters, cousins and aunts." Well, I am sorry, but we have reached the stage where we just jolly well can and we must, because if those people are denied education and benefits from our health service and are prevented from doing business in this country, they will take a strong message back to Zimbabwe and will be forced to live in the country to whose impoverishment they have contributed.

If Barclays bank has been complicit, it has strong questions to answer, but in a debate such as this we should really look at who the true villains are in supporting the Government of Zimbabwe. We all know from history that the Government of South Africa can turn the switch off on the Government of Zimbabwe, given the way that Vorster turned the switch off on Smith in Rhodesia. I will not delay hon. Members any longer expressing my disappointment—that is a mild word for it—and deep frustration with the Government of Thabo Mbeki. I hope that Jacob Zuma will take a different approach. I sense that the new people moving into the governance of countries in the Southern African Development Community have a more modern, enlightened approach, and we must hope for more from them.

I do not believe that we as a Parliament can ignore—particularly at this time of the Olympics—the complicity of China in many of the problems in southern Africa. China supports the Governments of Sudan and Zimbabwe and they have been found out. Many hon. Members know that, while our Foreign Office is deciding how to cut costs here and different missions there, China has been buying up Africa—buying the infrastructure and companies—and providing arms, financial support and, no doubt, banking support to Governments such as the Government of Zimbabwe. How could they do that at a time like this? I hope that the Minister will tell us today that the Foreign Office is being as strong as it possibly can in saying to the Government of China, "You are in the eye of the storm now. The world is looking at you at the time of the Olympics. You have to join the world condemnation of such regimes, not just by warm words but by your actions. You have the power, as the Government of China, to turn off the tap of your support for regimes such as the one in Zimbabwe."

10.12 am

Jeff Ennis (Barnsley, East and Mexborough) (Lab): I congratulate the hon. Member for North Norfolk (Norman Lamb) on securing today's important debate.

I must admit that I am not an expert on Zimbabwe. I have never been there. The closest I ever came to it was playing rugby with two Rhodesian guys in the early 1970s at college in Bristol; who were really good eggs, as we say. However, we need to consider sanctions in the context of the post-election crisis in Zimbabwe and the humanitarian implications of further sanctions.

Many religious leaders in Zimbabwe feel that, if nothing is done to help the people of Zimbabwe, we will soon be witnessing genocide similar to that in Kenya, Rwanda, Burundi and other African hotspots of the past. There is widespread famine in the countryside, basic goods are unavailable or too expensive and there are no medicines to treat people injured in the post-election violence. There is no doubt that people are being tortured, humiliated and abducted for voting for the wrong candidate in the recent election.

My hon. Friend the Member for Vauxhall (Kate Hoey) mentioned the trade unions active in the Southern African Development Community area that are trying to oppose the regime in Zimbabwe. I recently received evidence from my former trade union in Britain—the National Association of Schoolmasters Union of Women Teachers—via e-mails about what is going on in Zimbabwe at present. I received an e-mail from a former head teacher in my constituency, Tony Skipworth, who now lives in Darfield and was head teacher at Shafton primary school, which I used to serve as a governor. His e-mail included a couple of graphic photographs of a guy who had been beaten up in Zimbabwe. I showed those photographs to Lord Malloch-Brown last week at the meeting of the all-party group on Zimbabwe and I shall pass them to the Minister at the conclusion of this debate. They are pretty graphic.

Mr. Skipworth's e-mail reads as follows:

"These are the latest pictures and report from out of"

Zimbabwe.

"Please forward onto anybody, your local MP, human rights organization, etc., that you know, demanding something is done to help the people in Zimbabwe.

The attached pics are of a young man (38) from Dzivarasekwa, Harare who was abducted by 'soldiers' militia in full combat camouflage kit with fringed hats who beat him for hours with chains and fan belts on his back and chest. Also on his feet and hands. The reason for this terrible beating is that he transported MDC supporters to the pre-election rallies.

Ambulances went to Kotwa Hospital on Saturday evening to uplift five critical cases and they were stopped just short of the hospital by CIO agents who threatened their lives and then followed them for 100 kms back to Harare. Now the ambulances refuse to go out there. I really fear for those peoples' lives. We have been trying to get them out in civilian trucks, but Police road blocks surround the Mudzi area",

preventing them from doing so.

"This is a shocking situation we find ourselves in, when we are prevented from taking our battered and burned members to hospital."

That is the reality of Zimbabwe today under the Mugabe regime.

I should like briefly to mention the Archbishop of York's stance against the regime in Zimbabwe. Hon. Members might remember that he cut up his dog collar on a political programme on television just after Christmas. He also instigated a day of fasting at York cathedral this Sunday. As a Yorkshireman, I am proud to have John Sentamu as the Archbishop of York; he is doing a fantastic job.

Many political pundits in the immediate aftermath of the election felt that Mugabe was ready to stand down. It is only certain party officials and senior military and

police personnel who have stopped him doing so, protecting their own backs. Many of those are among the 130 people identified by the resolution and the sanctions embargo. I agree with many of the points on sanctions made by my hon. Friend the Member for Vauxhall. If sanctions are to be increased, we must try to target those individuals more and expose them more in the eyes of the media to exert more pressure on them to comply with change. The difficulty with increasing sanctions is that, if we instigate broader economic sanctions, it is only the people of Zimbabwe who will suffer and they are suffering enough at present.

I share the concern of the hon. Member for North Norfolk about the role played by three British banks—particularly Barclays bank, which he named—that appear to be assisting the Mugabe regime. I hope that they will review their business activities in Zimbabwe once they have read this debate. As a member of the all-party group on cricket, I also agree with many of the points made by my hon. Friend the Member for Vauxhall about Zimbabwean cricket.

In efforts to resolve the current impasse, it is difficult for us as the former colonial power to be in the driving seat. In my opinion, the main driver in the first instance has to be the Southern African Development Community, which needs to take a much firmer stance in not allowing the desperate position in Zimbabwe to deteriorate any further. Most hon. Members who have contributed this morning have made that point. All 14 member states of the SADC need to be much more vociferous than they have been. In particular, South Africa, via President Mbeki, needs to set the future agenda. After all, the former Rhodesian leader, Ian Smith, knew that he was finished when South Africa pulled the plug on him. History could repeat itself. In addition, I believe that Kofi Annan and the United Nations could play a positive role in resolving the situation.

People speak of an African solution to an African problem. There has already been an African solution for Zimbabwe, which the people of Zimbabwe voted for about a month ago. The will of the people of Zimbabwe must prevail.

10.19 am

Tony Baldry (Banbury) (Con): The debate has demonstrated that while such a discussion in Westminster Hall is valuable, the subject should be debated as soon as possible on the Floor of the House. It is astounding that the usual channels and the business managers have not made such a debate possible, and I hope that that will happen in the not-too-distant future.

Since the horrors in former Yugoslavia and Rwanda, there has been an emerging doctrine of responsibility to protect, but I am becoming increasingly depressed and pessimistic about the international community's ability to deliver consistently on that concept. If one thinks about it, there are four possible mechanisms by which one can deliver that.

The first is by way of military intervention but, as we have seen in Darfur, with the considerable difficulties of getting together even a UN and African Union military force, unless there is a fairly serious military lift capability, mobilising an effective peacekeeping maintenance or intervention force is extremely difficult. I am fairly pessimistic about what the combined UN and AU force will be able to do in Darfur, where the situation continues to disintegrate, with an increasing number of warlords seemingly having a stake, as we have seen with the deterioration in Somalia. One consequence of NATO's involvement in Afghanistan is that very few NATO countries have spare troops for peacekeeping responsibilities elsewhere in the world. The civilised international community's capacity to enforce civilised norms by military intervention seems to be pretty thin.

The second mechanism is sanctions. This debate, which the hon. Member for North Norfolk (Norman Lamb) introduced, demonstrates a number of difficulties with sanctions regimes. The hon. Member for Bromsley, East and Mexborough (Jeff Ennis) made it clear—I think we all support his point—that sanctions must be targeted to be effective, otherwise they may end up simply hurting the weakest and most vulnerable in the community that we seek to protect. If there are to be targeted sanctions, who in the EU or the UN will police them, and what are the penalties for people who breach them, either in the letter or in the spirit? For example, who in the EU will report back to the European Parliament and who will report back to this House on sanctions regimes, or will there just be a declaratory statement with no follow-through?

Sanctions against South Africa were probably effective over a period, but what effect have EU sanctions against Zimbabwe had and who has monitored their effect? I am fairly pessimistic, but I hope that the Foreign Office is considering how to assess sanctions regimes and their implementation. It will be interesting to see in the Security Council today whether China signs up to an arms sanctions regime, not just against Zimbabwe, but against Africa as a whole. It is increasingly disturbing and distressing that arms shipments from China are increasing and enhancing African instability.

The third mechanism is the International Criminal Court, but we saw with Rwanda and the former Yugoslavia that it is perilously and tortuously slow. Two individuals from the Sudanese Government were indicted by the ICC, but absolutely no progress has been made on arresting them or sending them to The Hague following the indictments on Sudan. That is depressing.

The final mechanism is regional pressure. Since 2000 and the millennium declaration and summit, there has increasingly been a concept of a covenant between Africa and the rest of the world. It was best demonstrated perhaps in the New Partnership for Africa's Development, which was a trade-off under which the developed world would increase the amount of its development aid and assistance to Africa, and Africa would introduce peer review and seek to exert mutual pressure on other African states to bear down on corruption, to promote good governance, and to ensure that donor funds were used wisely. It is with some distress that I say that Africa has failed that test in relation to Zimbabwe.

A couple of weeks ago, I was fortunate enough to be invited to a meeting at the South African high commission where I heard President Mbeki speak. He was at Sussex university at about the same time as me. Indeed, I think there are more graduates of Sussex university in the South African Parliament—quite a number of African National Congress members were there—than in the UK Parliament. However, some distinguished Members of Parliament—for example, the Secretary of State for Environment, Food and Rural Affairs and the right hon. Member for Neath (Mr. Hain)—were at Sussex.

[Tony Baldry]

What I found really depressing when listening to President Mbeki, who is a very nice and civilised man, is that he just did not get it. We were not on the same page. He told the audience honestly that he had almost not come to London for the meeting with the Prime Minister and others—Tony Blair arranged for a collection of Heads of Government from the new left to come together—because he knew that he would be lobbied about Zimbabwe. He then gave a long explanation about the electoral process in Zimbabwe, but there was not a scintilla of a shadow or a suspicion of a suggestion of any criticism of Robert Mugabe. There was not even a semiquaver. I found that deeply depressing because President Mbeki is not distanced from what is happening in the world or incapable of understanding what people are saying, and the fact that there was no resonance makes me deeply depressed about the capacity of peer and regional pressure to work on trying to ensure that the norms of responsibility to protect prevail.

The difficulty in Africa—this is an African problem that one does not find in other continents—is a covenant that states and Heads of Governments do not interfere in other Governments' countries. There has been a mutual tontine about that, but the world has moved on and Africa as a whole must recognise that many countries, particularly the United States and elsewhere, see Africa as one entity. Zimbabwe at the moment is a disgrace to Africa as a whole. What is happening in Zimbabwe not only hurts Zimbabwe, it hurts the whole of Africa and people's willingness to invest in Africa, to do business with Africa and to provide continuing donor support for Africa.

In the context of this debate, we must collectively do a lot more work on how to deliver the concept of responsibility to protect. How do we ensure that the international architecture is better capable of delivering on the responsibility to protect? Otherwise, we may have wonderful declaratory statements about EU sanctions or about AU/UN peacekeeping troops in relation to Darfur, but if those statements are not effective, they are just ashes in the mouth. As part of their work, I hope that the Foreign and Commonwealth Office and the Government collectively are considering how to ensure that the international civilised community can better deliver on what is now the accepted norm of the responsibility to protect.

10.30 am

Mr. Edward Davey (Kingston and Surbiton) (LD): First, I would like to comment on the excellent speech of the hon. Member for Banbury (Tony Baldry), particularly the fact that he brought the notion of responsibility to protect into the debate. I agree with him: we need to have that philosophy behind the way in which we approach these situations. The problem is that that concept has not been taken up and international law is still way behind in the development of it. I welcome the recent speech made by the Pope at the United Nations in which he pushed for the concept to be taken more seriously. If that were to happen, we would be far more effective and diligent in considering how to make sanctions work. Clearly, sanctions are very much a part of that whole notion, but I do not think that either at a UK level, as my hon. Friend the Member for North Norfolk (Norman Lamb) has shown, or at an EU or UN level have we learned the lessons on how to make sanction regimes work, how to implement them, how to monitor them and so on.

The Canadian commission that began to develop the notion of responsibility to protect in 2001 subdivided it into responsibility to prevent, to react, and to rebuild. The notion of responsibility to prevent is also something that those dealing with foreign policy need to get to grips with, whether in the FCO, the Department for International Development or elsewhere in the Government. Doing so would change the way in which we gather intelligence, focus our foreign policy and decide our budgets. If we are to take the notion of responsibility to protect seriously—and it is right that the concept is brought into the debate—we must think more deeply about it.

I agreed with the comments of the hon. Member for Banbury about President Mbeki, and similar remarks have also been made by other hon. Members. However—and I hope that the hon. Member for Vauxhall (Kate Hoey) will confirm this—at the all-party group on Zimbabwe, Members from the other place said that we should be careful about how we talk about the recent record of President Mbeki. I am not saying that I share this analysis, but the defence that is made of President Mbeki is that in the background he has skilfully pushed for the free and fair elections that have occurred. I do not know enough about what has happened to say whether that is true, but the results seem to show that the people of Zimbabwe have gone against Mugabe in a huge way, despite the intimidation of ZANU-PF. Therefore, history may show that there was a contribution by Mr. Mbeki. I totally agree with what other hon. Members have said: South Africa should go further and has been too dilatory in using its muscle to bring the denouement to this sorry affair.

I congratulate my hon. Friend on securing the debate and on the dogged determination with which he has questioned the Government. Although we are right to say that China must do this and South Africa must do that, we are elected to this place to hold the Government to account, to question their actions on ensuring that measures—sanctions and regimes—are in place, and to ask how those provisions are monitored. The Government are saying that we, in Britain, will have a sanctions regime. However, the sanctions regime that has been designed is not effective because it allows a bank, such as Barclays, to bankroll Robert Mugabe and his Cabinet. That really is not good enough and my hon. Friend is right to bring that issue to the House and to ask questions. I congratulate him on the detail that he has given.

James Duddridge (Rochford and Southend, East) (Con): I apologise for not being present at the beginning of the debate. I understand that Barclays was mentioned. As well as making the accusation inside the House, has the hon. Gentleman made the accusation outside it, without parliamentary privilege, that Barclays has bankrolled ZANU-PF and the Cabinet? He might want to be a little more cautious.

Mr. Davey: When the hon. Gentleman reads the record, I think he will regret making that intervention because my hon. Friend quoted from newspaper articles in this country which have made similar allegations. He

has also asked detailed parliamentary questions and obtained detailed answers from Ministers. I hope that the hon. Gentleman will read the record and apologise to my hon. Friend. He should have been present at the start of the debate when those allegations were made.

When the hon. Member for Newbury (Mr. Benyon) talked about the involvement of Barclays, he seemed to go soft pedal a little. I am afraid that that is not good enough. My hon. Friend has produced detailed evidence and it is incumbent on the Minister and her colleagues to answer the questions that he has pursued through parliamentary questions and letters.

Mr. Benyon: I am sorry if I gave that impression; that was not at all what I was saying. I said very clearly that if Barclays has questions to answer it must do so, but in the context of all the organisations and Governments who are complicit in the situation in Zimbabwe, many other villains also need to be held to account.

Mr. Davey: I am glad that I gave the hon. Gentleman the opportunity to make his position clear.

Hon. Members from all parties would certainly condemn Mugabe's regime and its history, going back to the appalling atrocities that verged on the genocide in Matabeleland between 1983 and 1987. They would also condemn the way in which thugs have intimidated people before and since the election. When we talk about sanctions, the question is whether we can improve the sanction regime that currently exists. There may be questions about whether travel bans can be tightened up, and I am certainly in favour of considering whether the families of those on travel bans should be included in them.

There is also an issue about what signals we should send to people under the ZANU-PF regime about how they should think about the future. It is interesting that my information shows that Simba Makoni is still on the travel ban list. Will the Minister confirm whether that is the case? That is an example of someone who has been brave enough to stand up against Mugabe, yet he is still on the list when there is clearly a case for him to be removed.

The really pressing case for improving the sanctions regime is with respect to the arms embargo. The UK, US and EU have had an arms embargo in place, but the fact that there was a huge shipment of arms from China shows that there is the potential for leaks through that embargo. If it were not for the spotlight of the world being on southern Africa, those arms would have ended up in Zimbabwe, make no mistake about it. It was only because of the courageous actions of those trade unionists—the South African dock workers—that that did not happen. They should be celebrated.

Having been to Lord Malloch-Brown's briefing, I know that the Government are trying to get the different countries in the region—Zambia and Botswana in particular—to sign up to an arms moratorium. I celebrate that and think it is a good approach. However, it is time to take this matter to the UN and to have a UN arms embargo. There are arguments against that, and two of the five permanent members, presumably Russia and China, might vote against it. However, with good diplomacy, Russia, for whom southern Africa has never been a real sphere of influence, would not vote against the proposal. China is the real issue, but it is under severe pressure in the run-up to the Olympics. We know China's position on Tibet, Darfur and elsewhere, so the last thing it wants is more bad publicity. We have a real chance to use good diplomatic skills to force China to sign up to a UN arms embargo. If we could achieve that, it would be the strongest signal that the British Government and their allies—the UN Security Council—could send.

We could talk about many other issues in relation to an arms embargo and sanctions. There are many lessons for us to learn from the experience that we have had in Zimbabwe and from other embargoes. It is particularly difficult to have embargoes on African countries because they have the poorest borders, and a lack of capacity to implement them in terms of resources and political will. I hope that the FCO, for the reasons that the hon. Member for Banbury gave, is studying those problems.

However, there is a flipside to sanctions, and we are beginning to get to that point—the holding out of incentives. As my hon. Friend said, there are encouraging signs. We need to do all that we can to promote those, because with the right incentives—the promise of aid, more development, investment and the opening of trade—people from across the political spectrum in Zimbabwe will realise that it is time that they respected the democratic will of the people, which is in the long-term interests of Zimbabwe, and, hopefully, they will help to give the final push to Mugabe and his cronies.

10.40 am

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a pleasure to serve under your chairmanship, Mrs. Humble. I congratulate the hon. Member for North Norfolk (Norman Lamb), my parliamentary neighbour, on initiating this debate at a very apposite time.

I agree with other hon. Members that Zimbabwe should be debated on the Floor of the House in Government time. It is no good the Leader of the House saying, "Well, it is up to the Opposition parties." As I recall, the last time that we had a proper debate on the subject was on a Thursday afternoon last July on a one-line Whip. The Minister probably has an unhappy memory of that debate. Perhaps it was unfair to her, but she was well and truly scragged by hon. Members on both sides of the House. It is very good that certain situations in Zimbabwe have moved on and that the Government policy has moved on and firmed up, not only because of a debate within Government perhaps, but because of the pressure brought to bear by hon. Members on both sides of the House.

I shall not repeat the points made by the hon. Member for North Norfolk. Quite rightly, he asked a number of questions for the Minister to answer. On the wider issues relating to sanctions, I recall that the other place produced a vast report last year on the whole business of sanctions, which concluded that, on the whole, sanctions often did not work, not only because of the blunderbuss approach, but because of the business of implementation.

Mr. Davey: Just for the record, I point out that the report was on economic sanctions, so it was not the case that the report castigated all forms of sanctions.

Mr. Simpson: I accept that, but many interesting questions were raised.

[Mr. Keith Simpson]

I shall concentrate on several points relating to sanctions in the few minutes that I have in which to speak. To begin with, I am continually astounded by the bravery and resilience of the people of Zimbabwe. In spite of what they have suffered—not only economic disruption and starvation, but massive brutality aimed at them—the regime has failed to get them to do what it hoped they would do, which was start some degree of insurrection so that they could be brutally put down. Their stamina is outstanding.

All those of us who have recently been involved in discussions with members of the MDC and people from other African countries have been impressed by the fact that they keep saying to us, "What you say and do is of absolute importance because it is reported in Zimbabwe." As much as anything else, what is important is the fact that the international community will not let this issue go away.

I have always been aware, as I know the Minister and other hon. Members are, of how far we can go as British people, with our colonial legacy, in being seen to criticise the Mugabe regime. The idea is that we are playing into Mugabe's hands and that he will be able to use us, as he did recently at a rally. There is a sort of guilt complex. However, it has been put forcefully to me by members of the MDC and people from other countries that we should not have that kind of colonial guilt at all. Indeed, not only do we have an important role to play, but the fact that Britain is seen to speak up on this issue is very important, and Mugabe monitors that.

The real question before us at the moment is what happens next. The situation seems to be so fluid that Mugabe has a number of options. First, he could allow the state of limbo to continue and rule under some form of emergency powers. Secondly, he could announce that he won the election—I think that that is almost impossible now—and somehow nominate a hand-picked successor. Third, he might have to come up with some form of exit strategy, one part of which, as members of the MDC have recognised, given the harsh world of political realities, would undoubtedly be that Mugabe is allowed to leave Zimbabwe and go into retirement somewhere else—Malaysia seems to be high on his list—with some of the moneys that he has acquired. Most of us would react to that idea with disgust, but it may well be the political reality; it has happened before.

The origin of the debate initiated by the hon. Member for North Norfolk is, quite rightly, the question how we plug the sanctions regime for which we are responsible, but there is no doubt that countries such as Malaysia have provided much of the financial support that Mugabe's regime has required. The real question is how we help to shift Mugabe and his party. I think we will do so, first, by doing what we are doing now. Secondly, we should provide as much publicity and support as possible for those who are attempting to effect change and give a lot of support to those in the Southern African Development Community countries—I spoke recently to some senior Kenyan politicians about this—to bring pressure to bear on their Governments. Thirdly, we should make certain that there is no let-up in the sanctions that we are already applying. Once again, members of the MDC say that what happens to the children and other family members of senior members of the regime in terms of the education that they have been privileged to have outside Zimbabwe has an impact on the regime.

We also have to recognise—the hon. Member for Vauxhall (Kate Hoey) might disagree—that there are splits within ZANU-PF. The MDC has, either directly or indirectly, been talking to people in that party who wish, for whatever reason, to see change. Some genuinely recognise that the system cannot continue; others are like Fouché and Talleyrand, whom experts in French history will know managed to glide seamlessly from supporting Napoleon Bonaparte to supporting the Bourbons. They want to survive regime change.

A number of hon. Members have made the point that the international community and Britain in particular should be thinking now about how we prepare for the regime change that will undoubtedly come. It could come very quickly or within the next year or two, but I take the point made by the hon. Member for Vauxhall that the last thing we want is the international aid caravan to descend on Zimbabwe, and not only on the grounds that vast profits will be made. Many of us, including my hon. Friend the Member for Banbury (Tony Baldry), have seen that happen in vast parts of the world—the descent of hundreds of 4x4 caravans and people looking for the best hotels and so on. The people of Zimbabwe and many of the politicians are perfectly able to run their own country. It is not a backwoods, third-world country at all. They need some help and advice to turn it into a modern democracy that is capable of being a powerful regional force and of providing the economic aid that is necessary to help to feed and develop the rest of southern Africa.

I congratulate the hon. Member for North Norfolk on initiating this important debate. Let us look forward to having such a debate in Government time on the Floor of the House.

10.49 am

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Meg Munn): I congratulate the hon. Member for North Norfolk (Norman Lamb) on securing this important and timely debate. It seems that I might have caught his sore throat, from which I hope he recovers soon.

The subject of the debate is Zimbabwe and the application of sanctions, but hon. Members rightly and inevitably referred also to the current situation—a subject that preoccupies us all. The concerns about the terror there and the pressure that is being exerted were mentioned by a number of hon. Members, but particularly by my hon. Friend the Member for Barnsley, East and Mexborough (Jeff Ennis).

I shall deal first with the issue that has provoked today's debate. We will respond shortly to a freedom of information request from the hon. Member for North Norfolk, who asked for information on the investigation being held into the activities of a British bank in Zimbabwe. We take seriously the obligations of the European Union common position, and carefully investigate suspected breaches. We are reviewing all the details that we have in order to present the hon. Gentleman with a full reply. That led to the need for an extension to the original deadline, which we will meet.

Norman Lamb: I appreciate the Minister's response. If the allegations in respect of Zimbabwe are true, and if it is engaged in activities that would have breached the sanctions regime were they the activities of a company based in Europe, will she condemn Barclays for that activity?

Meg Munn: That is a lot of ifs. I shall make some progress, and I can then happily come back to the hon. Gentleman.

We are determined to see that EU-targeted measures are properly enforced. The activities of banks incorporated in Britain and operating in Zimbabwe are subject to EU regulations. A number of hon. Members asked about the matter. Member states investigate such matters. We take allegations of possible breaches seriously, and we will always investigate. If there is a breach, we will act.

The Treasury leads on the issue, but with the support of the Foreign and Commonwealth Office. However, as the hon. Gentleman has observed, the EU common position applies only within the EU's area of jurisdiction. It is therefore possible for EU-based companies to own parts of business entities that are incorporated in Zimbabwe. I confirm that, to date, there have been no cases in which British banks have been found to be in breach of prohibitions under the EU regulations. We are confident that the common position is robust enough to prevent regime members from doing business with UK companies.

I turn to the specific issues raised by the hon. Gentleman regarding the response of the Foreign and Commonwealth Office. He first wrote on 12 November, and my noble Friend Lord Malloch-Brown replied on 7 December saying, "We share your concerns" and agreeing to look into the matter. The hon. Gentleman wrote again on 16 January, and the response was as follows:

> "I can confirm that to date there have been no cases where British banks have been found to be in breach of the prohibitions of the EU regulations."

The hon. Gentleman has indeed had a response.

The common position targets those at the top. It consists of a travel ban and an assets freeze on 131 named individuals responsible for repression or human rights violations in Zimbabwe. However, targeted measures are not the only means by which we are trying to bring about peaceful and democratic change in Zimbabwe. Only regional action backed by support from multilateral bodies can solve Zimbabwe's crisis. The EU has made clear the need for the election results to be released without further delay, and it has expressed deep concern about the deteriorating human rights situation. We hope that another strong EU political statement will be issued today to underline member states' concern about the ongoing situation.

At the UN Security Council today, the UN Secretariat will hold a briefing on Zimbabwe. We welcome the involvement of the Security Council and hope that it will facilitate further activity, particularly in allowing a greater focus on action to tackle human rights abuses.

Mr. Benyon: Will the Minister give way?

Meg Munn: I need to make progress.

As a number of hon. Members said, even at grass-roots level, regional action has proved effective. When considering our response to regimes such as that in Zimbabwe, it is important to remember that we have available a whole range of responses, and not only sanctions. Civil society has an enormously important role to play, and we have seen it in action—for example, the South African dock workers who refused to unload a ship bearing weapons destined for Zimbabwe sent a clear message.

I welcome the firm response of the South African Development Community countries in preventing the unloading and transhipment of the arms. The concern that those weapons could fuel violence during the election period was very real. It was a credit to those who stood against it that the shipment did not reach those who would have used the weapons to repress and violate innocent Zimbabweans. The reaction against that ship's load shows the strength and breadth of feeling. It also highlights how important international co-operation can be.

The message from Africans that they would not allow the weapons to reach Zimbabwe was the most effective means of preventing the shipment from reaching its destination. We played our part in that, delivering the message that supplying arms to Zimbabwe while its people are being subjected to violence and intimidation cannot be right. However, it is international and African action that will lead to changes on the ground. We are now considering ways to halt the sale of deadly weapons to the regime in Zimbabwe, at least during the current period of instability and crisis. The EU and the US already have arms embargos in place.

Hon. Members raised a number of other questions. We are pressing for others to match the embargo, and we are working to get it translated into international policy. The subject will be raised at today's meeting of the Security Council, following the UN Secretariat's briefing. Ultimately, our intention is to aim for an embargo by the Security Council, particularly if the constitutional crisis in Zimbabwe continues, but our current priority is to prevent arms from reaching Zimbabwe, and we are open on how states achieve that. The Security Council discussion is a useful opportunity for taking that forward.

On the current situation, our primary focus is to find a resolution that upholds the democratic choice made by the people of Zimbabwe over a month ago. Robert Mugabe is trying to steal the election, and we will support all who are working for democratic change. The African Union and the Southern African Development Community are both calling for the presidential results to be released. Africans across the continent have expressed their growing concern that Zimbabwe is sliding further away from a peaceful solution. We continue to work with those states in the region that are best placed to apply pressure on Robert Mugabe and those who surround him.

We all share the wish of the Zimbabwean people to secure their democratic rights. We commend civil society groups in Zimbabwe, which continue to fight for democracy and good governance under incredible pressure. It is a sad fact that the election process has already been undermined, as hon. Members have outlined. Robert Mugabe has unleashed a campaign of violence and intimidation. We cannot be fully confident that what is ultimately announced will not have been manipulated by those who want to keep Robert Mugabe in power.

The international community will continue to work for a peaceful resolution to the crisis in Zimbabwe. The UK, with many other countries and international organisations, stands ready to assist in the economic

[Meg Munn]

recovery process of Zimbabwe once conditions allow. Zimbabwe needs change and it needs sensible economic and political policies. Once there is evidence of such change, we will give substantial support to recovery there. It is important to note that the UK already provides aid to support the people of Zimbabwe—£49 million in 2007 and a total of £173 million since 2000.

The UK and the international community are committed to seeing a return to democracy and prosperity for Zimbabwe. That cannot happen until the will of the people is respected. We are clear that EU-targeted measures do not hurt ordinary Zimbabweans; they target the regime. That is what we must continue to do. The crisis must not continue. We believe that the solution to the crisis must be an African one, and we hope that it will come soon, for the sake of the people of Zimbabwe.

Primary Care Trusts (Exceptional Cases)

10.59 am

Dr. Ian Gibson (Norwich, North) (Lab): I am delighted to serve under your jurisdiction for the next hour and a half, Mrs. Humble. The debate has caused many different organisations to pick up this issue and put forward points of view on which I should like to expand today. I thank the bowel cancer groups that have been in touch with me. There might be over-emphasis on cancer in the debate, which also relates to drugs used to treat macular degeneration, for example, but cancer has received most publicity, and reports have appeared in every major newspaper. Almost daily, the issue of the availability of drugs in exceptional circumstances arises, so I shall concentrate on the meaning of "exceptional".

I thank the NHS Confederation, Macmillan Cancer Relief and the various lawyers who have been in touch with me. The latter seem to do rather nicely out of taking up cases around the country—some 110 such cases have been taken up to protest against decisions made by primary care trusts on exceptional cases. I also thank the specialised healthcare alliance and the Pamela Northcott Fund for the information that they have given to me on their experiences. All that makes me confident that this is a major issue. If I were Prime Minister for a day—God forbid, but it could happen given the way things are going these days—I would recognise that inequality in the health service and the unavailability of drugs is a major problem in this country. It should be a priority to get rid of something we often call the postcode lottery, but which I shall call "exceptionality" in our debate. Finally, I thank Myeloma UK. Myeloma is a rare cancer, but the debate involves rare cancers as well as bowel, breast and lung cancer, which are more common. The chances of obtaining a drug for the rare cancers are pretty poor in this country because of the financial considerations that I shall discuss.

PCTs commission health care services for their local populations. The majority of services are commissioned through a process that involves contracting arrangements with health care providers, but there are occasions when patients and clinicians may request a treatment that is not ordinarily provided. I shall concentrate on those situations, rather going through the usual arguments about drugs approved by the National Institute for Health and Clinical Excellence. Such cases usually arise because of the rarity of the treatment or condition, as I have pointed out, and the use of high-cost drugs.

The NHS has a finite budget, and tough decisions must be—and are—made to determine which treatments should be routinely available. NICE—a fine organisation—must consider the clinical cost-effectiveness of treatments and issue guidance as to why a PCT should fund them. If NICE issues positive guidance on a particular treatment, PCTs in England have three months, I believe, to make arrangements for funding; if NICE turns down a treatment, having judged that the NHS should not fund it, or if does not provide guidance, it can be difficult for clinicians and patients to gain access to those particular treatments, as we know. That is illustrated effectively by the Health Committee report that we shall debate later this month—I am sure that everybody will be present for that debate.

On the exceptional case and exceptional funding process, some PCTs have a system that allows individual patients to apply for a treatment that is not usually funded by the PCT concerned. I have lots of anecdotal evidence from organisations and individuals who have tried to use such systems, as I am sure every MP does. Not every PCT has a system in operation, and there are no countrywide standard processes or criteria for making decisions on whether patients can access treatment in exceptional cases. I shall give one or two examples later, but the measures used are commonly referred to as "exceptional case processes", although their titles vary according to PCT.

The issue was brought to public attention as a result of Ann Marie Rogers's fight to access Herceptin for early breast cancer. The Court of Appeal ruled that Swindon PCT's policy of prescribing Herceptin in exceptional cases was irrational and unlawful. The court did not rule that Mrs. Rogers should be able to receive Herceptin, but rather that the PCT needed to formulate a lawful policy on which to base such decisions, which I believe was a fair comment. Lots of different names for the practice are used by different PCTs, but we all know that going to court is stressful and extremely costly, and people are inhibited by such a system. The inequalities that are created by the exceptional case process have become apparent. Every PCT has its own system, and they are given different names—some are called "special funding", some "special circumstances", but there is no uniformity to define that arena of activity.

Norman Lamb (North Norfolk) (LD): I apologise for arriving late and also for the fact that I must leave early.

Having spoken to the hon. Gentleman before the debate, I know that he is aware of the case of a constituent of mine, Mr. Barry Humphrey—the hon. Gentleman has a local newspaper article on the case in front of him. Mr. Humphrey has been refused cancer drugs by Norfolk PCT. As the hon. Gentleman said, the PCT must decide whether the circumstances are exceptional, but no one seems to be able to clarify what that means. Does he agree that there is no transparency or guidelines on what test must be applied? In that particular case, everything, including the clinicians' view, points to the fact that Mr. Humphrey should receive the treatment that he needs and which would give therapeutic value.

Dr. Gibson: I agree with the hon. Gentleman—sorafenib, which would slow the growth of the cancer in that case, is available, but it is has not been made available by the PCT under its exceptional circumstances rules. People in other counties would be able to get the drug from their PCTs, but that is not the case in Norfolk. Lawyers around the country have been in touch with me about the matter. The availability of the drug is unequal and unfair. I have promised not to say anything about Scotland, because I no longer know what is true there and what is not. I am rather fed up being told, "If such and such happens in Scotland, why don't you go back there"—that is a familiar argument in politics—but it is possible to say that the situation in Scotland is different.

The Minister of State, Department of Health (Mr. Ben Bradshaw): If my hon. Friend went back to Scotland, he would have to wait twice as long for his operation.

Dr. Gibson: Yes, but depending what type of operation we are talking about, I might live longer if I had it. I might live to see my local team in the Scottish cup final while I waited.

Mr. Oliver Letwin (West Dorset) (Con): The point made by the hon. Gentleman's Norfolk compatriot, the hon. Member for North Norfolk (Norman Lamb), applies to my constituents in Dorset. Does the hon. Gentleman agree that part of the problem, apart from the inequities, is that the process is highly non-transparent? In fact, it is almost impossible to obtain clarity on what South West Dorset PCT means by "exceptional circumstances", so apart from questioning whether it means the same as it does for other PCTs, one cannot find out for one's constituent what rule is applied.

Dr. Gibson: I agree. It is also true that the systems that have been set up to examine whether exceptionality, special needs or whatever they are called in a particular county are different, and are not transparent. It is not even clear whether people can appeal against decisions—some PCTs say that people can appeal and some say that they cannot. I might well come to the obvious conclusion that we need uniformity throughout the country, and a discussion on that subject so that we do not have a postcode lottery.

Although such systems exist, patients who, together with their clinicians or oncologist, believe that they face a unique set of circumstances, and that the NHS should make the treatment or drug available to them and fund it because of the clinical benefit, can apply for it to be made available as an exception to the usual rules. A panel will typically consider such cases on their individual merits, and the factors that may be considered include the patient's medical history; the medical need that the exceptional funding is requested to meet; the expected benefits of the drug or treatment; details of any relevant research or trial supporting its use; and the patient's personal circumstances. Although a patient in one PCT may be considered an exceptional case and receive the treatment requested by their clinicians, they may not qualify under the criteria used by a different PCT.

That creates a decision-making lottery. The Department of Health does not give PCTs guidance on how, or whether, they should consider individual applications for treatments that are not routinely funded. In 2007, I asked the Minister about the committees established by PCTs to consider such cases, and he told me:

> "Primary care trusts are able to appoint committees of the trust, but there is no requirement for a special exception committee, an exceptional circumstance committee or other committee to approve treatments. There is no national guidance on the functions and operation of any such committee."—[*Official Report*, 11 July 2007; Vol. 462, c. 1566W.]

So, no messing there. As has been said, little is known about the operation of exceptional case processes. Committees do not publish details of their process, their membership and the outcomes of their meetings. However, data about the usage of the rarer, often higher-cost treatments would be invaluable to NHS planners and could be useful to NICE when such treatments eventually become part of its appraisal and review process.

I have been the chair of the all-party group on cancer for 10 years—indeed, we will celebrate our 10 year anniversary in a few weeks' time on the Terrace. We are

[Dr. Gibson]

very proud of the process that the Government have carried through under cancer plan one, the reform strategy and so on. We have seen real movement on the treatment of cancer right across the country: money has been put in, structures have been set up and people are living longer, which is a great tribute to the Government and to what they have done since 1997.

The all-party group is, however, concerned that applications from patients and clinicians are not always fully assessed case by case. In some cases, people are discouraged from proceeding, while some PCTs predetermine the outcome of cases. According to anecdotal evidence from Bayer Schering Pharma, clinicians have told members of its sales force that their PCTs tell them not to bother applying for certain drugs under exceptional case processes.

Dr. John Pugh (Southport) (LD): I am listening carefully to the hon. Gentleman. He mentioned resolving such issues case by case, but he also said that he wanted more uniformity. Is there not a paradox here? I understand that people want uniformity of procedure, but is there not a real difficulty about trying to deal with exceptional cases in a wholly uniform way?

Dr. Gibson: Yes, there will always be difficulties—not least the availability of funding. Provision will differ in different parts of the country, and a certain tumour might, for example, be more prevalent in one part of the country than another. Although there is a process for assessing cases, we must bear in mind how helpful the treatment would be for the individual concerned. To take another example, Herceptin was not the best thing for everybody with early-stage breast cancer. People had to have a particular genetic factor—HER2—before the drug became active, although it was hard in the climate that evolved at the time to stand opposite a patient and say, "This is not going to affect you." However, the day is coming when personalised medicine will allow us to say that a certain drug will work with A, but not with B, although it might work with C. That is happening more and more, and we should encourage it to bring a certain rationality to the use of drugs. However, such knowledge must be plugged into the system before we can make decisions in Dorset, Norfolk or wherever.

Many people use Macmillan Cancer Support's helplines to seek information about the exceptional funding processes operated by PCTs. Such processes can be lengthy, arduous and difficult for patients, and the problem is often perpetuated by the lack of information and support. An attempt has been made in the reform strategy to keep the process to 31 days, although that is still a long time. My instinct is that information and treatment should be made available much more quickly, and that should happen right across the country. That would be a real advance, and it would be extremely popular with the public.

I know that fellow MPs receive correspondence from constituents on this issue, because they often give it to me. In conjunction with groups such as Macmillan and Cancerbackup, which have now merged, of course, I use that information for other individuals. Exceptional case studies and processing are an important part of the PCT process, as PCTs' resources are finite, and treatment decisions must be made. The system could, however, be more equitable and transparent, and patients and clinicians should expect to receive the same decision wherever they live.

I do not want to go into lots of different cases, and I will mention just a couple. One woman, whom I will not name, was being treated for bowel cancer by Enfield PCT, and details of her case were sent to me for a view. She had had six years of treatment, involving chemotherapy and radiotherapy, but her condition was advancing. Her oncologist advised her that the next line of treatment would be a substance called Erbitux. The PCT does not routinely fund the drug, but the oncologist was allowed to appeal to the trust. That would have taken four to six weeks, so the woman, who was concerned that it would take such a long time, contacted the trust. She was told that funding decisions were taken at a monthly meeting on the seventh of the month. Eventually, her appeal was turned down. She was told that the extra life that the treatment might provide was not worth the money. She will apply again. As hon. Members can see, that takes us into the private sector, where there is the money and all the resources. The Library has sent me details of many such cases, which have featured in the newspapers over the years.

In another case, from a constituency next to mine in Norfolk, a patient sought Sutent from the PCT to treat kidney cancer. The drug is going through the NICE process, and there is no final guidance yet. Reissued health service circular 1999/176 states:

"It is not acceptable to cite a lack of NICE guidance as a reason for not providing a treatment",

which is fine. According to the press coverage of the case, Norfolk PCT said that the treatment is not cost-effective and that it cannot prescribe it. However, PCTs have a duty in such cases to consider not only cost-effectiveness, but clinical effectiveness. The individual concerned is using £3,000 a month from a nest egg to pay for his treatment—that is the level of commitment that individuals need to make.

Mr. Peter Bone (Wellingborough) (Con): The hon. Gentleman is making a powerful and important speech. Has he come across cases in which somebody has said, "Okay, you won't provide this on the NHS. I'll pay cash for the drug," but where the NHS has said, "If you do that, we won't carry on with NHS cancer treatment"? That seems wholly unfair.

Dr. Gibson: Yes, there are such cases. Somebody will offer to use the co-payments systems, under which the individual will pay something and the NHS will pay something. That is not allowed under the current system, and the NHS cannot work on that basis—it must operate at the level that the PCT has decided.

I mentioned Erbitux and I want to say a little more about it. In Kent, co-payments are refused, and it is not possible to give Erbitux for bowel cancer. At Maidstone hospital, however, the PCT allows co-payments and Erbitux, so there are differences within counties, and the position is not always clear. The patient in Kent has been happy to talk to me about his case, but I have said enough to illustrate what happens.

I have a whole list of places to illustrate the differences that I have described. Surrey, Sussex and Bromley are not good for allowing exceptionality. In North Yorkshire

and Dagenham, there is a 50:50 success rate, but only if people threaten, or actually undertake, a judicial review. In Cumbria and north Lancashire, there is some mixed funding, and treatment is carried out on a case-by-case basis. In the Birmingham area, there is little exceptionality. In Manchester, however, there is nearly 100 per cent. success. That is the extent of the variability. That information comes from lawyers who have taken up the cases.

So what is the solution? We must make sure that we provide the best treatment available under the NHS. In relation to drugs, there is—never mind about NICE approval—the exceptionality process. For the system to continue to operate in the national health service, there must be national guidance outlining the obligations of PCTs. A framework should be set up to help committee members decide what should be considered an exception. For the patients with whom I have been in contact, one of the hardest things is that there is no way of knowing whether their case will be heard, let alone whether they will finally get the treatment they require. The additional stress and uncertainty is detrimental to the health and quality of life of patients with cancer.

A recent report on NICE by the Select Committee on Health—I am pleased to see a member of the Committee, the hon. Member for Wellingborough (Mr. Bone), present for the debate—made several recommendations on tackling postcode lotteries, including the need to assess all medicines at launch and to involve PCTs in developing guidance. However, in my opinion the recommendations fall somewhat short of what is required, as they would still leave a discrepancy between PCTs in the matter of exceptional cases. That was not clear in the report.

Patients should have all the information that they want, at the appropriate time, to make informed decisions about their treatment. The lack of transparency and the postcode lottery affecting exceptional funding are not acceptable. PCTs are autonomous in the way they spend their limited resources, and must provide the best health care for the community they serve. Patients should be informed about how resources are distributed within the local PCT, and arrangements for exceptional funding should no longer be "shrouded in mystery"—to use a phrase from a judge's deliberations—from the general public.

Macmillan is in the process of surveying all PCTs in England by way of a freedom of information request, to discover how many have a formal exceptional funding process, what the processes are, details about the decision-making panel, how much it is used, patient criteria, whether information on the process is published, and so on. That information will be used to inform PCTs of how their processes compare with those of other PCTs.

Other organisations in the cancer community are doing the same thing—finding out how different PCTs operate. Some hon. Members will have been involved with the screening procedures that Cancer Research UK is examining to see whether different PCTs have different ways of carrying out screening for particular cancers. The current mood is that in addition to what was outlined by the Select Committee, an attempt should be made to do something about the differences between PCTs in certain fields. Those concerned will of course share their findings with MPs when the information is obtained.

I call on the Government to provide direction to PCTs and to support them in operating equitable and accessible exceptional case processes. That should include guidance on how exceptional cases should be dealt with, what criteria exceptional case committees should use to decide whether a case should be approved, who should sit on the committees and what patients should be able to expect, regardless of where they live. I want all PCTs to publish their exceptional case processes on their websites and through the local office of the patient advice and liaison service set up by the Government. The information should be freely available. PCTs should ensure that patient information about the exceptional case process is made widely available, in different formats and languages. I am continually astonished that in Norfolk 108 different languages are used, and I found that the PCT used only one—English. Suddenly Portuguese, Lithuanian and other tongues must be fed into the process, so that everyone gets the appropriate treatment, even within a county. It is a more complex matter than just trying to equalise what happens county by county. PCTs should provide all members of exceptional case committees with training in considering the relevant situation. They should collect data on how many cases are heard, the numbers approved or refused, and the therapy to which the decisions relate. That data should be considered by NICE when it gets round to appraising or reviewing its guidance.

The issue is an extremely important one in dealing with a facet of the work in question. Drugs are a major part of the treatment of patients in the national health service, and there will be more cancer drugs coming on to the market. It is estimated that in the next two years there will be 12 new drugs for different cancers. We should be proud that our scientists and medics are coming forward with new treatments—new cures, even—prolonging life and the quality of life. Politicians should ensure that if those treatments are available, they are available to everyone, wherever they live in this country.

11.24 am

Dr. Richard Taylor (Wyre Forest) (Ind): It is a privilege to follow my hon. Friend the Member for Norwich, North (Dr. Gibson)—I can call him my hon. Friend because sitting in the middle I can have Friends on both sides. I pay tribute to him for his work as chairman of the all-party group on cancer. For 10 years he has been indefatigable in working for cancer patients.

I shall try to illustrate my remarks from my local experience in Worcestershire, where we have what is called a complex case panel. I have had several battles with it over the years. The first related to anti-tumour necrosis factor drugs for rheumatoid arthritis, several years ago when Worcestershire had three PCTs and postcode rationing was even more ridiculous, in that one of those small PCTs would not fund anti-TNFs and the other two would. A huge advantage resulted from the merging of PCTs into larger areas, from that point of view. Since the merger I have had battles over biventricular pacemakers, cochlear implants and drugs for wet macular degeneration—all before NICE has made a ruling.

There is a tremendous difficulty, even with technology appraisals, which are mandatory, because they may override local clinical priorities. I remember that during the first inquiry into NICE by the Health Committee, several years ago, we received objections from St. Thomas's, over the water; the hospital representatives could not equate the demands from the technology appraisal for

[Dr. Richard Taylor]

implantable defibrillators with their much greater desire for more nurses in accident and emergency. There is a tremendous conundrum: local priorities against national uniformity. I do not pretend to have an answer to that, but we must think about it.

My most recent, continuing, failing battle with the complex case panel is over the drug called sunitinib, which the hon. Member for Norwich, North mentioned under its proprietary name, Sutent. Sunitinib is for renal cell cancer, and amazingly has been approved as a first-line treatment for renal cell carcinoma in the north of England. On 23 July 2007, the north of England cancer drug approval unit, taking the cost into account, approved the drug not for second-line but for first-line treatment of patients with renal cell carcinoma, and listed such evidence as improved progression-free survival and improved survival in patients who had failed on, or could not tolerate, current therapy. That was enough for the north of England patients, and for medical oncologists in Birmingham. One with whom I have had dealings in connection with two patients in my area wrote, in reply to an inquiry from me about the current position in the west midlands:

"I have worked with most PCTs in the West Midlands and Worcestershire regions and in many cases the PCTs have funded treatment with this drug. I am aware that Worcestershire PCT is funding treatment with Sunitinib in at least two cases."

That seemed to me rather more hopeful.

I tried to find out more about the prescribing of sunitinib across the country, and tabled a parliamentary question:

"To ask the Secretary of State for Health which primary care trusts in England provide funding for Sunitinib for patients with renal cancer who have failed to respond to all other treatments."

I do not really blame the Department of Health, but this is one of the many matters on which it does not hold information. However, the Minister who responded said, because we all know that NICE is appraising the drug:

"In the meantime, it is for local PCTs to decide whether to make Sunitinib available to patients. In doing so, they need to take into account the available evidence. It is not acceptable for national health service organisations to refuse to fund a treatment simply because it has not been appraised by NICE."—[*Official Report*, 19 November 2007; Vol. 467, c. 599W.]

On 22 November, Mr. Nicholson, the chief executive of the NHS, came before the Health Committee. That was just when we had heard the revelations that the NHS had gone out of deficit and into the most magnificent surplus. When we asked him about the surplus, he said quite clearly that the Department of Health was not telling PCTs not to spend their money on measures to undo postcode rationing. He said:

"What I can say is that the kind of decisions that you have described can now be taken wholly on clinical grounds, not on the basis of whether we have the resource."

I went back to the PCT, because in the meantime my two constituents who need the drug had failed in their appearances before the complex case panel and their appeals. Worcestershire PCT's reply quoted the PCT's area prescribing committee. In his letter to me, the chief executive said:

"Sunitinib is not routinely used or funded for patients in Worcestershire with metastatic renal cell carcinoma."

He went on to list the guidelines issued by the area prescribing committee:

"1. There should be no funding of these agents until further evidence is available to support use. It is expected that this should be in the form of mortality data."

My two constituents are literally waiting to die.

The second guideline is a very good way of getting rid of exceptionality:

"2. No cases are likely to be exceptional in nature, and in view of the current available treatment it would not be equitable to consider any case as exceptional in the future. All cases considered as such to date merely represent the natural progression of the disease and response to existing treatment options. It is not appropriate to consider any further requests in line with previous requests considered."

So exceptionality can just be got rid of. I looked up "exceptional" in my huge "Webster's" dictionary. It just means "uncommon or rare", nothing more. The chief executive went on:

"I trust that this reassures you that the prime decision for not funding this treatment is the lack of sufficient clinical evidence with which to support use; and that the way in which this drug was considered for use is consistent with the mechanism by which all new drugs are introduced into clinical practice in Worcestershire, i.e. through the Area Prescribing Committee."

I was further confused by a letter from the chief executive of the West Midlands strategic health authority; I was trying to apply a little pressure higher up. I cannot resist reading this paragraph, which she herself admitted she did not understand:

"I understand from the Cancer Network that an improvement in progression free survival alone is not accepted as reason for approval of a drug and, in this situation, if a drug is on the NICE agenda then the Network would await a decision from NICE, as the survival of patients is not compromised. They add that an improvement in progression free survival is not evidence that a drug changes the natural history of the disease; progression may be delayed but there may be accelerated repopulation of the tumour after the drug stops being effective. As a clinician, I assume this statement is more readily understandable to you than to the lay person."

Dr. Gibson: Is it?

Dr. Taylor: It was completely un-understandable to me, even as a clinician of some years' retirement. I found it very difficult.

Is there an answer? Ideally, NICE should make its appraisals, which are mandatory, much quicker. We shall debate that here in about a week's time. That would be the ideal, as we all know that NICE goes into incredible detail to find out the facts. Another answer would be—please do not think that I am asking for more money for the health service—for more of the money in the health service to be made available so that more of the new, expensive drugs can be afforded and NICE can use its quality-adjusted life years to let a few more drugs through. I am seeking not more money but more efficient use.

The Department has made a start with its NHS better care, better value indicators. We must stop waste and the inappropriate use of drugs and reduce medical mishaps, which so often arise as a result of drug errors. As I have said many times, I believe that we must have a public debate on health care rationing, because I do not think that the NHS will ever be able to afford everything. That debate must be both national and local. Many people have mentioned co-payments, and there must be

a national debate on that too. The very idea of co-payments underlines the fact that the NHS is free to everybody, because only those who can afford it could make co-payments, but there should be some way to tap into that. I do not know what that is. I hope that hon. Members might have some ideas. We also need better input from the public and patients into the commissioning system at PCT level. I am grateful to have taken part in this debate, and I hope that some answers will come out of it.

11.37 am

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow—I am not sure whether I can say "my hon. Friend"—the hon. Member for Wyre Forest (Dr. Taylor), my colleague on the Select Committee on Health, and to participate in the debate so ably introduced by the hon. Member for Norwich, North (Dr. Gibson). I listened to his opening speech, which seemed to go by in five minutes. He raised so many important issues that I could have sat here and listened to another hour of it.

To return to the point made by the hon. Member for Wyre Forest about co-payments, rationing and the NHS—we must have a grown-up debate about those issues on another occasion—my blood boils to think of it. Imagine that your mother was seriously ill with cancer, Mrs. Humble—unfortunately, my mother died of it—and that there was an opportunity for a drug that might help. Imagine being told, "We won't provide it on the NHS." You might ask, "What if I use my life savings to buy it? That's okay," but you would be told, "No: if you do that, you'll have to fund all your treatment privately." Most people cannot possibly afford that. What we are saying is that we will allow only very rich people to be treated with the new drugs. That is where the whole system falls down.

I believe that the unique NHS system into which we have got ourselves may have many advantages—terrific doctors and nurses work within it—but it has a flaw: it is actually a rationing system. Of course, in an insurance-based marketplace system, people would get the new drugs. One problem is that this country has one of the worst take-ups of new treatments.

I shall touch on two personal matters to illustrate the problem with exceptional treatment. First, many years ago, my father was diagnosed with the first signs of Alzheimer's, at which time he lived in Southend. The doctors said, "We have a new drug that we think might help your father. Would you like to try it?" We tried it, and not only did it stop the onset of Alzheimer's, but it actually improved his quality of life, and for the rest of the eight or nine years that he lived there was no deterioration. However, that very drug can no longer be prescribed in the early stages of Alzheimer's, which is nonsense.

For me, the second, and classic, case involved my wife: five years ago, local general practitioners spotted a lump in her chest and quickly referred her. It turned out that she had both liver and bowel cancer, and she was given a 30 per cent. chance of survival. She had an immediate bowel cancer operation, after which she received chemotherapy with a new drug. Luckily, we had private insurance, which it seemed right to use to save the NHS money—over the whole period, I suppose that the private insurance company paid up £40,000 or £50,000. After the chemotherapy, she underwent a major NHS liver operation—it was at the top of the scale for liver operations—performed by Mr. Ashley Dennison, a marvellous consultant in Leicestershire. After the operation, she again received chemotherapy, and tomorrow—thankfully—she goes for her five-year check-up, after which we hope she will be released from check-ups.

Listening to this debate, it struck me that if we had not had that private insurance, we would probably have been denied that drug, without which I do not think my wife would have survived. At the moment, only the rich, or those with private insurance, which tends to mean that they had the money in the first place, will get the treatment. That goes completely against the principle of the NHS being free to everyone based on clinical need. That is where the system is falling down. I am sure that that is not what the Minister, who is very able and caring, and the Government want. Sometimes these things happen without anyone realising it.

I agree entirely about the standardisation of exceptional circumstances. There is no clear guidance across the country. My only worry is that if the Government introduced that, it could bring in the lowest common denominator, so that fewer people might end up being treated, which I do not want to happen. My personal view is that if a consultant says, "This person should benefit from this drug," they should get that drug. I know that that is frowned on within the NHS's rational system, but it happens in other countries.

Dr. Gibson: Does the hon. Gentleman agree that behind-the-scenes consultants sometimes campaign through patients and using militancy or *The Sun* newspaper in order to get their way? Others adopt approaches different from the straightforward methods being suggested today.

Mr. Bone: That is entirely true.

Leaving that aside, however, I want to spend most of my time talking about wet age-related macular degeneration, and the campaign in which I was involved, which provides a clear case of something going fundamentally wrong. As the Minister will know, last year, NICE considered this issue, because of three new drugs that can cure the disease. For those who do not know, wet age-related macular degeneration applies to the elderly—obviously—and those suffering from it go blind unless they get treatment. Until last year, there was no real treatment, and the disease would simply progress towards blindness. Three drugs then came along: Lucentis and Macugen, which were developed purely for this disease, and Avastin, which is a bowel cancer drug but was found to do the same job.

The problem was that NICE made a pig's ear—unusually—when it published its draft recommendations. A massive row followed, and NICE withdrew its representations and reconsidered. Each year, 30 to 40 people per constituency contract this disease, and they were left with no NICE guidelines. In many parts of the country—in Liverpool, Somerset and Scotland, for example—patients received that treatment automatically. However, the thing that annoyed me the most was that it does not cost hundreds of thousands of pounds, but a few hundred pounds per injection, of which anything from three to 12 are needed to cure and reverse the disease.

I disagree with the term "postcode lottery"—it is no lottery, because my constituents will never win. Ours is

[Mr. Bone]

the worst-funded PCT in the country, according to Government figures, so we will never provide something that someone else does not.

That brings us back to exceptional treatment—I think that my PCT called it low-priority funding. Bear in mind the rapidity of the disease—within three months the patient will go blind: there will be a delay before the patient can visit a consultant; the patient is diagnosed with the disease, and the doctors say, "You will go blind unless you receive the treatment. The good news is that there is treatment that will cure you, but the bad news is that we do not provide it on the NHS," which is what a consultant at Kettering hospital rightly told my constituents. He then added, "For £1,500 you can come down the road and I will give you the injections," which seemed rather a lot for an injection. However, someone with a relative who will go blind unless they pay for the treatment, will pay for the treatment somehow.

When I first challenged Kettering hospital, it was very good, admitted that it was wrong, and paid for somebody's treatment privately. That was one case solved, but then of course I received many more cases, and I realised that the denial of treatment was commonplace. The PCT said, "It is not that we are denying treatment. Either they are exceptional cases, or low priority." This is what happens: the consultant makes a decision, which goes to a meeting a few weeks later, after which the patient is referred to Leicester for a second opinion, even though the first consultant has already said that they need treatment. Of course, by the time the final decision is taken, the patient will be blind. It is a Catch-22 situation: patients cannot win.

I am very pleased to say that after campaigning in Parliament, and with the help of local media and even the Prime Minister who got involved and said that it was unfair, NICE produced provisional guidelines in the middle of December saying that people should get treated on the NHS, which made complete sense. Not only was it right morally to stop people going blind—there could be no argument about that—but it was financially sensible. When people go blind, the cost of social services is enormous. So it did not even make sense monetarily.

Mr. Letwin: My hon. Friend has reached the point on which I wanted to speak—this should spare hon. Members the need for a full speech from me. His example affected a run of my constituents. As we investigated, it became clear that the regime under which NICE operates does not allow it to consider the knock-on consequences for social security, benefits, tax credits and other forms of personal and social care and support, which might—this is the case here—on any analysis, and regardless of the discount rate applied, hugely outweigh the up-front cost. Does he agree that one of the most urgent necessities, as well as trying to find means of speeding up NICE's consideration, is to find some means of injecting into the regime a consideration of the genuine economics, so that NICE can operate on a rational basis, rather than being forced to operate on an irrational one?

Mr. Bone: It must be clear to everyone that that is what should happen. There was a prime example of wet age-related macular degeneration in my constituency. Two people were living independently. I think that the lovely lady was 84 and her husband might have been slightly older. He had a mild disability and she was looking after him. She then got wet eye in both eyes and the PCT was going to allow her to go blind, which would have meant that the couple could not have lived independently and would have had to be looked after. The cost would have been enormous. Luckily, a private company stepped in and paid for their treatment, but we should not be operating at a level in which a local company steps in because of a media campaign. To its credit, the PCT changed its mind in February and decided to implement the provisional guidelines. However, that is not always the case across the country. This nonsense of exceptional decisions taking weeks and weeks to make does not help our constituents who are suffering from wet eye or cancer. If a cancer patient is fearing for their life and their whole world has been turned upside down—as happened in my family—they do not want to go through a bureaucratic process to see whether they can get treatment. That is fundamentally wrong and totally against what the NHS was set up to do, and I hope that the Minister might have some answers for us.

11.51 am

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for Norwich, North (Dr. Gibson) on introducing the debate and on having said so many wise things, as he often does, on subjects as diverse as health and taxation. Health care has been rationed from time immemorial, and that is because time and resources are limited. A lot of prioritisation, or rationalisation—whatever one wants to call it—is uncontentious. It is hidden behind the labels that we give to complaints, such as acute, chronic and minor. We are all familiar with prioritising when it comes to the very young, the accident victim, the heart attack patient or the victim of a life-threatening disease. Some prioritisation, however, can be contentious. The treatment of a drug user, a reckless individual, those with a smoking-related disease, victims of irreversible, incurable conditions that nobody knows what to do with, and those in need of cosmetic surgery can be set against therapies for common and widespread and more frequently met complaints. There will always be a public debate about the choice to prioritise, favour or rationalise—to favour treatment of group A at a partial cost to the treatment of group B, or to fund one kind of therapy as opposed to another. Ultimately and inescapably, how we resolve those issues boils down to the issue of society's values. However, the issue may be how those choices are made. Clearly, there are a number of different ideas about how they should be made. For example, such choices can be made by open democratic debate, by the popular press or by medical experts. Whichever choice is made will be contestable, because either the public—if they make the choice—may not know enough, or the medics may not share our values or be attuned to the values that the public hold. Whatever we do, different and hard-to-explain variations will exist in different areas and hospitals.

Here NICE enters as a kind of solution. It is a very professional outfit, but it does not get us off the hook. We cannot criticise NICE for not getting us off the hook or for attempting and failing. What NICE does is inform choice: it does not make the choice for us. It provides benchmarking of therapies and guidance. If it

fails to make an appropriate mark or benchmark, it makes a recommendation to the people who have to make the choice—the PCTs—to fund or not fund. The debate primarily is about those PCTs that ignore, bypass or overcome those recommendations, either in general or in selected cases, funding things that NICE thinks they should not.

What the hon. Member for Norwich, North has shown very capably is that PCTs vary, and that they vary for a variety of reasons. They vary across the board and there may also be a lack of internal consistency within PCTs. Certainly, and most culpably, PCTs vary in procedure as to how they address very difficult issues.

[MR. GREG POPE *in the Chair*]

I take a slightly different tack from the hon. Member for Norwich, North. I reckon that NICE is always going to leave room for judgments: it is not an oracle. It endeavours to do three very obvious things: first, to assess the cost of drug therapy; secondly, to evaluate the evidence of its benefits; and thirdly, to link those costs to the benefits using a strange unit of measure called the QALY—a quality-adjusted life year. In every stage in that process, controversy almost inevitably lurks. The cost, for example, is normally the UK market cost and not the cost of production plus a reasonable profit. We must be very wary in all such debates—it has been mentioned in other debates in the House—of drugs companies persuading patients and patient groups that the real problem is NHS parsimony and not drug company greed, because sometimes it is the latter.

In exceptional cases in particular, the assessment of the benefit by NICE is also a matter of debate. It considers the statistically average benefit, which ignores the fact that some drugs, for reasons unknown, benefit considerably some, but not all, targeted patients. That was almost certainly true of the Alzheimer's drugs that seemed to work partially, but not across the board. Doctors can often, and quite legitimately prescribe—the hon. Member for Norwich, North is a doctor so he can correct me if I am wrong—therapies that may work, but cannot be guaranteed in all probability to work. When needs must, they will try something that is possibly, but not necessarily, the likely solution of the patient's problems.

To make matters worse, the problem of linking the cost to the benefits by calculating the QALY is also methodologically questionable. The QALY is a bit like a unit invented in the 19th century by the utilitarian philosopher Jeremy Bentham called the hedon, which was a unit of happiness. He thought that one could solve all moral and political debates very quickly by totting up the number of pleasure units caused by adopting one policy or another. He recommended the unit to Government. It was a kind of hedonic calculus: one did one's sums and got the right answer. We could add up on one side the pleasure caused by compensating the millions of losers from the change in the 10p tax band and set against it the embarrassment and discomfiture caused to the Prime Minister and the Chancellor and then we could work out on a scientific basis what we ought to do.

The QALY enjoys the same fate as the hedon, because we can question whether we should or can rate a drug that, for the same money, delivers a 5 per cent. benefit to thousands against a drug that for the same money, not the same price, delivers a 50 per cent. benefit to a handful of severely affected individuals, or exceptional cases. How can we, or should we, distinguish a drug that may add a year to the life of a child as opposed to a drug that adds three years to the life of a middle-aged man or five years to the life of a person with a history of voluntary substance abuse?

The most touching case I came across in preparation for today's debate was in the Library notes. It was the case of a young lad who had to go to Germany to get a drug to sustain him so that he could live on for a few extra years. He was not likely to live for long, but without the drug he would die very quickly. That very vividly made the case that a young life is worth far more than the life of any of us here today. As the right hon. Member for West Dorset (Mr. Letwin) pointed out, NICE benchmarking does not tell us about social effects or the effects on others, which are particularly poignant in the case of children.

NICE offers guidance, identifies downright useless therapies and aids comparison, but it does not and cannot eliminate the need for judgment calls, by the PCTs or by whomever we think ought to make them. The question, which the hon. Member for Norwich, North put well, is whether that judgment should be unfettered and ad hoc, as it currently appears to be. I suggest that, however the PCTs exercise their discretion, or clinicians exercise their discretion in advising the PCTs, they should do so in a reasoned fashion, and not because they are stampeded into it by, for example, a press campaign. The process should be transparent, so that people know what has been done and why. It should be open to both expert and public scrutiny, and it should certainly be accountable, however we want that accountability to work.

Dr. Gibson: Is the hon. Gentleman saying that it would be tolerable to have different results from different PCTs across the country for the same exceptionally used drug?

Dr. Pugh: I suppose that one must ask whether we would be more comfortable with a judgment call being made by whichever national body was to prescribe to PCTs how to do things, or on a more locally accountable basis.

Dr. Gibson: I was talking about non-NICE-approved drugs as well. There are situations in which there is evidence, but NICE has not got around to assessing it. What is the hon. Gentleman's position on non-NICE-approved drugs across the country?

Dr. Pugh: I am just illustrating a case, not trying to solve the problem for the hon. Gentleman. We want a variety of opinions to come into an assessment, but we do not want the whole issue to be entirely predetermined by a national body.

12.2 pm

Mike Penning (Hemel Hempstead) (Con): I join colleagues in congratulating the hon. Member for Norwich, North (Dr. Gibson) on the excellent way in which he opened the debate. He is a diligent campaigner, particularly on behalf of the cancer community and cancer groups. I congratulate him in advance on his 10 years of work with the all-party group.

[Mike Penning]

I wish to touch on the points that very learned hon. Members have made, and also on NICE. I know that there is going to be a debate about NICE in the near future, but we cannot do justice to this debate without considering it, or without considering how the funding formula in the NHS works, particularly in England.

I have looked at a Library paper setting out figures for exceptional circumstances appeals in the hon. Gentleman's constituency. Some 57 per cent. won their appeal, and 31 per cent. lost. I do not know what happened to the other 22 per cent.—I have not had the opportunity to ask the Library whether they are just sitting out there in limbo—but there is obviously a problem. Those figures relate to people's lives. I do not think that the Minister and I will disagree about much in the debate, because we care passionately about getting things right.

In the constituency of the hon. Member for Norwich, North, 31 per cent. of those who were told that they needed a drug or treatment and appealed under the exceptional circumstances rule were declined. Many of those patients and their families will have known that, in another part of the country, they may well have had their treatment funded. That is right at the heart of the problem. The hon. Member for Southport (Dr. Pugh) was right that it is impossible to fund every treatment that experts come up with, and that the NHS has rationed treatment for the past 60 years since its inception. However, patients and their loved ones deserve as much open and honest information as possible about why they are likely to need treatment, why they will not get it and, as was said earlier, whether the treatment will work.

That is why I was worried by what the hon. Member for Wyre Forest (Dr. Taylor) said. He has generations of experience in the medical profession—probably longer than I have been alive. Having sat with him on the Select Committee on Health for two and a half years, I know that his knowledge is invaluable to the Committee. He said that the document that he had got from an SHA was—I shall use my language rather than his, which was much more generous—complete gobbledegook. He said that not only did he not understand the letter, but that nor would the patient, and probably none of the consultants who have seen it.

We are moving towards having drugs specially prescribed for a patient with a particular genetic footprint. How will a patient have faith in a consultant telling them, "This drug is no good for you, because you do not have the genetic footprint for it", if we cannot even get the basics of an appeals procedure into language that is common to us all. The hon. Member for Norwich, North, mentioned the diversity of his community and the number of different languages that are spoken, but here we are dealing with only one language, English, and even a retired senior consultant with years of experience could not communicate to his constituents what the SHA meant.

I was also concerned by what my hon. Friend the Member for Wellingborough (Mr. Bone) said. He is a doughty fighter for his constituents, and I congratulate him. How can we explain to anybody that they or their loved one will not get a drug that may well help them, because they are on the wrong side of an arbitrary border? I know that the Government are examining the funding formula as a result of the Health Committee's excellent report on the funding and deficits of the NHS. As the Minister knows, I am sceptical about how we have suddenly leaped into a wonderful period of surplus in the NHS.

Mr. Bone: My hon. Friend is laying out the arguments clearly. Before he moves away from formulae, I wish to say that the national capitation formula is worked out at great expense and is used to decide how much each PCT should get. Every year since that formula was introduced, my PCT has received less than 100 per cent. How can that possibly be fair? The Government cannot even fund their own formula.

Mike Penning: My hon. Friend has raised the core issue that the Select Committee, a Labour-dominated Committee, examined. We had grave concerns about how a formula that has cost huge amounts of money to decide could be so fundamentally flawed. My constituency is not a long way from his, and during the Committee's proceedings I asked the then Secretary of State why her constituents would get some £400 a head more than mine each year, which was causing extensive rationing, cuts and closures in my constituency. She simply said, "Your constituents are more healthy than mine, which is why you get less money". I think that the hon. Member for Wyre Forest was present at that evidence session.

I cannot say strongly enough that there is a dire need to address the anomalies in the funding formula. In my opinion and that of my party, many of the anomalies exist because there is not enough attention allocated to the age profiling of the particular area. Naturally enough, where there is social deprivation and there are early deaths because of that deprivation, we need to work on the public health side of matters. At the same time, however, if there is an ageing population in a constituency—the particular disease that my hon. Friend the Member for Wellingborough referred to is age-related—that constituency is penalised, because people are living longer, which is when that disease affects them; that is the situation in his constituency.

My right hon. Friend the Member for West Dorset (Mr. Letwin), who I am sure has gone to carry out very important duties elsewhere, talked about joined-up government and we would all like to see more of that. It is very difficult for NICE to make decisions without the knowledge of how those decisions will affect the community as a whole.

I would now like to look carefully at some ideas for NICE, and my party would be very happy if the Government took them up before the election, whenever that comes; I say all this completely in good faith. Often the problem with NICE is that, by the time it starts to look at a drug, that drug is a long way down the line. Perhaps lots of articles have already appeared in the press or consultants have talked about it, but NICE's assessment has not taken place early enough. It is very important that NICE starts to assess new drugs and treatments during the drug licensing process, so that it communicates much earlier with the drug companies and it knows what drugs are coming down the line. Therefore, it can start its assessment while the licensing process takes place. At the present time, the assessment takes place after the licensing process. Obviously, that situation applies not just to drugs but to treatments.

It is important that NICE is an independent body and that it is autonomous. However, it must also be set out as an autonomous body, and as one that is accountable. Perhaps we need a Bill before Parliament to give it that statutory role. At the moment, it has a special health authority role rather than a statutory role.

Earlier on, several colleagues alluded to the issue of the QALY, the quality adjusted life year. C leagues, we must think of another title for this measurement; we are talking about people's lives here. It is imperative that we not only look at the term "quality adjusted life", but that we look at what it actually means and whether it will give quality of life. On the Health Committee, we always looked at the top figure; how much is a life worth? It is much more detailed than a QALY would suggest.

NICE must also look much more at producing evidence-based commissioning guidelines. It must be much more involved with the whole process whereby evidence is given to different PCTs around the country.

Finally, I return to where I started, which is that we must not get away from the fact that this issue is about people, lives, futures and relationships with loved ones. The system is struggling to cope. I think that we would all agree with that: it is why we are debating this issue today. All too often my constituents come to me and say, "I have been denied this", or "My loved one has been denied that". People expect an openness and a frankness about decisions that are made which sadly, in many PCTs around the country, are not there.

I say to the Minister that, if the Government want to pick up on anything that I have said today, particularly on NICE, we would support them on that. We would also very much support the Government on establishing a much better practice within the PCTs around the country as to how they deal with these exceptional circumstances. I do not think that it is acceptable for a PCT not to have an appeals procedure, but some PCTs still do not have one. I do not think that that is acceptable in society today and certainly people should be able to appeal after they have applied.

12.13 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I start by congratulating my hon. Friend the Member for Norwich, North (Dr. Gibson) on securing this debate; Norwich is my home city. I also apologise that the Under-Secretary of State for Health, my hon. Friend the Member for Brentford and Isleworth (Ann Keen), who is the Minister responsible for this policy area, cannot be here to respond. She is away on departmental business.

My hon. Friend the Member for Norwich, North and other hon. Members have raised a number of specific points about how the local health service across England manages and considers exceptional cases for cancer drugs. I hope to respond to as many of those issues as possible today.

Let me start by trying to define "exceptional cases". They are cases where a primary care trust considers whether or not to fund a treatment where NICE has either not issued an appraisal or not recommended the treatment in its appraisal. It is worth remembering that, before the establishment of the National Institute for Health and Clinical Excellence, guidance on new drugs and treatments was being issued by numerous bodies at national, regional and local levels. Those bodies had very different ways of appraising evidence and developing recommendations. The status and implications of the guidance produced were not clear. That was confusing for doctors, who wanted to know what care they should be expected to give, and for patients, who wanted to know what care to expect.

That lack of coherent guidance led to big variations in prescribing practices across the country. It is precisely because of the complexities of modern treatment opportunities and also the need to ensure equity, clinical effectiveness and value for money for NHS patients that this Government established NICE as an independent body in 1999.

NICE is responsible for producing guidance for the NHS on the clinical effectiveness and cost-effectiveness of new and existing treatments, and it has become widely recognised as a world leader in its field. As I think my hon. Friend the Member for Norwich, North acknowledged in his speech, any taxation-based health care system will sometimes need to take difficult decisions on what to fund.

NICE's guidance is based on a thorough assessment of the best available evidence and is developed through wide consultation with interested parties, including the drug manufacturers, patient groups and the NHS itself. Its appraisal and clinical guideline programmes have been both assessed and commended by the World Health Organisation.

As part of its technology appraisal process, NICE calculates the cost per quality-adjusted life year—if the hon. Member for Hemel Hempstead (Mike Penning) has any suggestions for a better name for that measurement, or a better means of assessing appraisals, I am sure that NICE would be very pleased to hear from him—to assess both the health gain arising from a particular treatment and the cost of that treatment.

Mike Penning: I was not talking about how NICE comes to its conclusions; I was talking instead about the need to perhaps have more sensitive language, rather than language such as "QALY".

Mr. Bradshaw: Again, I am sure that NICE would be grateful for any constructive suggestions in that regard.

NICE does not operate a fixed threshold for the approval of a treatment but uses a broad range, to enable it to consider a broad range of evidence. The chair of NICE often refers to NICE's use of the quality-adjusted life year as a "tool not a rule".

NICE is currently carrying out a scheduled review of two of its key documents that provide a framework for its technology appraisals. These are the "Guide to the Methods of Technology Appraisal" and "Social Value Judgements: principles for the development of NICE guidance". These documents cover a range of important issues, such as NICE's use of QALYs and its consideration of orphan drugs, which I will come on to in a moment and which my hon. Friend mainly concentrated on in his speech. Draft documents have recently been subject to a full public consultation and NICE is considering all the comments that it has received.

Clearly, as hon. Members have said, it is vital that when NICE issues guidance, it is implemented consistently across the country and the Government have a role in facilitating that implementation. Provision for NICE

[Mr. Bradshaw]

guidance is made in funding allocations to PCTs, and NICE's technology appraisal guidance is supported by a funding direction that requires NHS commissioners to make funding available for NICE-recommended drugs within three months of guidance being issued. These measures ensure that NHS clinicians across the country should be able to prescribe any treatment recommended by NICE. NICE guidance does not override the clinician's responsibility for individual patients, but we expect NHS doctors to take NICE guidance fully into account in their decision making.

Compliance with NICE's technology appraisals is now a core standard against which NHS organisations are judged. NHS organisations are required to demonstrate for the annual health checks that they are providing funding for NICE-recommended treatments within three months of guidance being issued.

Mr. Bone: There is an important point to be made here. I think that the Minister is saying that, once NICE has reached a decision, it is three months until implementation of that decision. However, there is of course the whole procedure where NICE gathers evidence, then the matter goes out to consultation and there is a three-month period. What does he think that PCTs should be doing in that period?

Mr. Bradshaw: I will come on to that subject in a moment, if I may.

Where an NHS organisation fails to comply with NICE's technology appraisal guidance, it is the responsibility of the strategic health authority in the first instance to support any of its organisations to achieve the necessary improvement. My Department has made it absolutely clear that if evidence comes to light that a particular body is failing to comply with the statutory funding direction to put in place funding for NICE technology appraisals within three months, it would expect the relevant strategic health authority to ensure that action is taken. If any hon. Member in this Chamber or elsewhere in the House has examples of where that is happening, I would be happy to draw them to the attention of the relevant SHA.

Dr. Pugh: Will the Minister give way?

Mr. Bradshaw: No, I must make progress. I have to get through many responses.

Trusts are monitored against the core standards by the independent Healthcare Commission in its annual health checks, and each NHS organisation's rating is published. In 2006-07, 89 per cent. of NHS organisations were compliant with the standard relating to the implementation of NICE'S technology appraisals. That was a 5 per cent. improvement over the previous year.

A report issued in 2006 by the national cancer director, Mike Richards, showed a continued increase in the uptake of new cancer drugs by the NHS following positive NICE appraisal. It also confirmed a reduction in the variation around the country of the use of such drugs. That was partly due to the big increase in spending on cancer drugs—£729 million in 2006—which is expected to grow by between £60 million and £80 million a year for the next few years.

The improvement in implementation shown by Mike Richards's reports can be attributed to several factors. In addition to the comparative data presented in the reports themselves, the period also saw the establishment of NICE's implementation directorate and the introduction of the Healthcare Commission's independent assessment. Professor Richards will repeat his evaluation of NICE-approved cancer drugs during 2008 to ensure that patients across the country continue to have access to such treatments. The evaluation will assess the period July to December 2007 and is expected to be published by the end of the year.

Where NICE guidance does not exist, either because it has not yet been developed, as in the case of the renal cancer drug referred to by the hon. Member for Wyre Forest (Dr. Taylor)—incidentally, the letter that he read out is a good example of why a plain English campaign is needed in the health service—or because it is not part of NICE's work programme, it is for PCTs to make decisions based on the evidence that is available on whether to fund the drugs locally.

Such decisions are not new to PCTs. The principle of some local autonomy in decision making is supported by all parties in the House. It is important, as the PCTs are usually best placed to determine and meet the health needs of their population and to know more about the exceptional needs of individual patients.

Concerns have been raised about the speed between drugs being licensed and NICE appraisals being finalised, and the different decisions that might be made by PCTs around the country during that time. Four actions have been taken to try to address that. First, NICE introduced a new fast-track process so that for certain treatments it can provide guidance within weeks of a drug's being licensed. That process was used for the appraisal of Herceptin.

Secondly, we issued management guidance to NHS organisations in December 2006 reiterating the message that decisions on funding for individual treatments should be made on the basis of the available evidence. The guidance makes it clear that it is not acceptable to refuse to fund a treatment solely because NICE guidance does not exist. It also pointed PCTs to useful sources of information to help them in reaching their decisions.

Thirdly, the cancer reform strategy, which was published in December 2007, set out several sources of information that PCTs should consider as a minimum when making decisions on treatments not yet appraised by NICE. Finally, the strategy also proposed a default position that all new cancer drugs will be referred to NICE for appraisal if there is sufficient evidence and a large enough patient population to justify doing so.

My hon. Friend the Member for Norwich, North raised a couple of specific issues. He discussed the problem that he had encountered in respect of transparency and the democratic deficit in decision making by PCTs. He has a point. It is general good practice for PCTs to be open and transparent about their processes. Indeed, my noble Friend Lord Darzi will address the whole issue of democratic accountability of PCTs when he publishes the final report on his review of the health service later this summer.

The hon. Member for Wyre Forest also stressed the importance of commissioning. He is absolutely right. Again, we need better commissioning and better

accountability in commissioning decisions, which I think will be helped by the recommendations that we expect will be published this summer.

The hon. Member for Wellingborough (Mr. Bone) repeated his affection for a social or private insurance system of co-payments. That is not a position that we hold or, indeed, that his Front-Bench spokesmen support. We do not think that the solution to the problem involves any kind of subsidy for the private sector.

The hon. Member for Hemel Hempstead discussed the funding formula. He will be aware that we are awaiting the final recommendations of the independent body that gives the Government advice on such matters, and we will be making announcements in due course.

Let me turn to orphan drugs, on which my hon. Friend the Member for Norwich, North concentrated. Orphan drugs treat a condition that affects fewer than one in 2,000 people within the population, and it is true that they can often be expensive. However, it is not the case that they are less likely to receive a positive NICE appraisal. Over the past seven years, for example, NICE has completed 46 appraisals of cancer drugs, representing about one third of all its technology appraisals, and 41 of them have partly or fully recommended the treatment.

Up to 2007, NICE had appraised 26 orphan drugs. Three had negative appraisals and the other 23—including, for example, riluzole for motor neurone disease—received either a complete or partial approval. Indeed, information from NICE suggests that the proportion of orphan drugs that are considered cost-ineffective is not out of line with the technologies that it appraises for more common conditions.

Because cancer drugs are usually given for a relatively short period of time, even quite expensive ones can secure a positive NICE appraisal if they are effective. I know that the communities involved with less common cancers have expressed concerns about the use of cost per quality-adjusted life year in the NICE technology appraisal process for orphan cancer drugs, but, as I said, that specific concern is being considered as part of NICE's review of its framework for technology appraisals.

The drugs that NICE cannot really deal with are those that are both very expensive and require long-term, sometimes lifetime, treatment; for example, treatments for rare genetic conditions. Such drugs are sometimes referred to as ultra-orphan drugs, and some are considered outside NICE by the national specialised services commissioning group.

If a disease is rare, PCTs can collectively arrange a risk-share through their specialised commissioning group so that the planning and delivery of interventions that cannot be made available everywhere can be made available in enough hospitals to serve their population. Alternatively, if it is important to concentrate expertise, services can be commissioned through the SCG or the national commissioning function. I can tell my hon. Friend that the treatment for some 40 diseases, including primary malignant bone tumours, retinoblastoma, or cancer of the eye, and coriocarcinoma, or cancer of the placenta, is commissioned by the national commissioning group.

I know that my hon. Friend has had an opportunity to discuss some of his concerns with my colleague the Under-Secretary of State for Health as well as officials in my Department, and I understand that those officials are in correspondence about his concerns with representatives of the Rarer Cancers Forum.

I hope that I have managed to go some way to reassuring hon. Members that the Government take this issue extremely seriously. Both the Department and NICE take the issue of access to new drugs very seriously indeed. As I mentioned, NICE is assessing its policy on approval of orphan and ultra-orphan drugs. We recognise that local NHS trusts are in the best position to make decisions for their local populations, particularly for the exceptional cases of individuals, because they know their needs best. However, it is important to remember that mechanisms are in place through the national specialised services commissioning group to resolve some of the issues that have been raised today.

Tax Credits

12.28 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): This is an important and topical debate. We are entering difficult financial times. Many of my constituents in Shrewsbury are facing huge rises in the cost of living, the cost of food and petrol, and mortgage payments. It is important to get the tax credits system right and working properly and effectively, especially as we are entering this difficult time when the budgets of individuals who are the most vulnerable in society are being tightened up. I wrote that last part of my speech in preparation for this debate. The Prime Minister stated the same thing on GMTV today:

"We have got this credit crunch, we have got food prices rising, we have got fuel prices rising. I feel very worried about the effect of that on ordinary, hard-working families and on pensioners."

Those were the words of the Prime Minister today.

Problems to do with the tax credit system comprise, without question, the single biggest issue facing my office today. The Minister should send my secretary, Mrs. Helen Sheppey, a box of chocolates and flowers—not just today, but every week—for the work that she does sorting out the tax credit problems. The Minister's Department should have fixed that system a long time ago. My secretary does an enormous amount of work every day, through the Members of Parliament hotline, trying to sort out people's tax credit problems.

This is the first time that I have spoken at any length in the House of Commons about my secretary. Helen is extremely attentive to everybody who comes to see her about tax credits. She listens to constituents and sorts things out efficiently. Many people write, but when somebody comes in off the street without making an appointment, she drops everything and prioritises somebody with a tax credit problem. I will come in a minute to why everything is dropped to sort out people's tax credit problems and why the issue is so important.

Helen is coming under huge extra strain, as the number of cases that she has to deal with is soaring on a weekly and monthly basis. She has to deal, like many other constituency secretaries, with a great number of things: she has to manage me, which is a nightmare in itself. I sympathise greatly with her in managing my diary and my constituency engagements but, ultimately, those are the things—the main tasks of a constituency secretary—that she was hired to do. Yet we have estimated that she now spends about 30 per cent. to 40 per cent. of her time dealing with tax credits. That is astounding. I am deeply concerned about the amount of time that she is having to spend dealing with these cases. The numbers are staggering and growing.

What worries me even further is that the Government have said to us that they intend to try to clear up the mess of the 10p tax band fiasco, over which they have backed down, by using tax credits. So they are going to bring more people into tax credits. I understand that the Government are going to compensate those people who have lost out as a result of the 10p band being abolished by bringing them into the tax credit system. There will now be a huge extra strain on a system that is already not working and not operating efficiently, with even more people potentially facing chaos when trying to get their tax credits rectified and paid appropriately on time.

I come now to the most important part of my speech: not my comments as a Conservative Back-Bench MP, but the views of my secretary, Mrs. Helen Sheppey, for which I asked her in preparing for this debate because I wanted to put her words, not mine, to the Minister. In between sorting out tax credit issues, she has typed a one-page document containing some of the real problems that she faces daily in dealing with tax credits.

Helen wanted me to stress that,

"The staff on the MP Hotline are very helpful and knowledgeable",

because she acknowledges that. I thank the Minister for the MP hotline. There is no doubt that its staff are courteous, polite, helpful and will go to the nth degree to help MPs' secretaries try to resolve some of the problems. In fact, my secretary wanted me to put in a special plug for them, because she wants me to acknowledge just how helpful they have been to her. However, she continues:

"Constituents are very frightened when faced with a Tax Credit demand. Some constituents have told me when they receive a letter from Tax Credits they are too frightened to open it and ask a friend to come around and open it on their behalf."

I am staggered that my constituents are receiving official communications from the Government but are too frightened to open a letter and need a friend to help them open it and give them support. What sort of a system is this that is terrorising people—I do not want to be over-melodramatic—and frightening them in this way? You will know, Mr. Pope, that these are the most vulnerable people in my constituency, and in yours, and throughout the United Kingdom.

My constituents have had to borrow money from banks to pay off the debts. Suddenly, the Government realise that they have overpaid tax credits to a certain individual and send a demand for this money. In the meantime, these vulnerable constituents have spent the money, thinking, quite rightly, that they were entitled to it and, suddenly, they have to find the money to pay the Government back. They go to relatives, friends and banks to try to borrow money. Given the credit crunch, it will be increasingly difficult for them to find the money to pay the Government back.

My secretary continues:

"Some constituents have had such a frightening experience"—

this is the most important point—

"they no longer claim Tax Credits, even though they are fully entitled."

These are the words of my secretary, not myself as a partisan MP. What sort of system is it that leaves some of my constituents too fearful to claim something that they are entitled to, simply because of their experience?

"In the old system of Tax Codes, these problems did not exist."

I agree with her on that point.

With regard to case problems:

"Constituents telephone the Helpline to advise them of a change of circumstances (usually an increase in income). Constituents then receive a new Award Notice which does not show the new income details. When constituents telephone the Helpline, they are assured the information on the computer is correct, thus the payments they received are correct. It is only when the Award is finalised it is discovered the changes were not in fact made, and constituents have been receiving too much money. The onus is on the constituent to prove the date of their telephone call and the name of the person they spoke to.

Constituents have to return an Annual Declaration to Tax Credits at the end of the financial year to confirm the figures they have provided are correct. Constituents return the Annual Declaration and hear nothing further. Their payments later stop and they are informed the Declaration was not received."

My secretary's last point is that,

"If a joint claim ceases because a relationship has ended, it can be extremely difficult for the parent with care of the children. If the absent parent does not return an Annual Declaration, any overpayment is usually reclaimed from the parent with care."

That worries me greatly.

The chaos of the system is taking a huge amount of resources out of my budget as an MP. I give the Minister three options to consider. First, I could send her an invoice. I come from business, where there was a lot of accountability in respect of finances. I can happily send her a quarterly invoice for the 30 per cent. to 40 per cent. of my secretary's time in dealing with all these issues. Although I will not go into my secretary's salary and remunerations, I could work it out for the Minister and send her an invoice. I genuinely believe that her Department should be sorting this matter out.

Secondly, I can collate all the inquiries from people who are frightened and frustrated, and send to them the Minister's e-mail address and personal telephone number so that she can deal with them herself.

Thirdly, the Minister could ask the Exchequer to give MPs money for a full-time assistant to deal just with tax credits, because if the system continues as at present MPs will need one staff member—I am not being melodramatic—to deal just with tax credit problems. Those are the three options for the Minister.

I have three questions. First, why is the system not working, and why is it so chaotic? The Labour party believes that supporting the most vulnerable people in society is important, and is determined to redistribute wealth in this country, so why is its flagship and pivotal policy of helping the most vulnerable not working? Is it because of the system, or because of the computers? I do not know.

Secondly, what plans does the Minister have for reform? Does she acknowledge that there is a problem? I do not know, but I would like to hear from her, now that she has heard about the problems that we face in Shrewsbury. If she acknowledges that there is a problem, what plans does she have for reform?

Thirdly, what extra resources will the Minister secure from the Treasury to deal with the extra work involved in processing many new claims as a result of the 10p fiasco? Many more people will come into the system in the coming months and years as a result of the 10p fiasco, so what extra resources will she secure from the Exchequer to deal with the huge increase in demand when the system is buckling under the strain and is not fit for purpose?

My only party political comment—*[Interruption.]* My neighbour, the hon. Member for Telford (David Wright) is snorting at that. The cynical part of me believes that the Government are happy to allow this mess to continue because MPs are tied up with the problems. I have spoken a great deal about my secretary, but I also spend a great deal of time on Fridays and Saturdays dealing with people's tax credits. If the system was working effectively, I could spend that time campaigning for extra resources for infrastructure projects in Shrewsbury, scrutinising the Government, thinking of debates, and so on, but I cannot do that at the moment because I spend hundreds of hours every month dealing with tax credits, which should be working smoothly and purring along like a Rolls-Royce engine without MPs having to involve themselves. The cynical part of me believes that the Government are happy about the matter because it allows us less time to scrutinise them.

Until this mess is sorted out, we are very happy to help constituents. Some people may ask why this MP is whingeing about having to deal with tax credits. I am not. I am more than happy to deal with any tax credit problem for any constituent. I go further and urge any constituent in Shrewsbury and Atcham who has a problem with tax credits immediately to get in touch with my office. Until the problem is sorted out, I or my secretary will be happy to help. They can get in touch with me at my office in Harlescott lane, Shrewsbury—most of my constituents know where my office is—where we are more than happy to help them. I will do everything that I can to help them. Why should they have to pull their hair out in frustration? Their MP is there to help them, and I want to get that message across, but I have a duty at the same time to raise my concerns about a system that is not working. I want to scrutinise the Minister to find out what will happen to make it work more efficiently.

At the end of the day, what angers me most is that many of my constituents are treated as numbers, unlike me. The MPs' hotline purrs along beautifully, and when a Member of Parliament telephones the service is first class and the problem is rectified, but when a member of the public telephones, they must listen to music for hours on end, no one comes back to them, and they pull their hair out with frustration. People come to see their Member of Parliament because they are frustrated by their interaction with the system.

I do not believe that Members of Parliament should be treated differently from those whom we represent, and I want the excellent service that the Minister has provided for me through the MPs' hotline to be universal for all my constituents so that they can sort out their tax credits on time and receive the appropriate money. I very much look forward to hearing the Minister address some of the issues that I have raised.

12.46 pm

The Financial Secretary to the Treasury (Jane Kennedy): I see you smiling, Mr. Pope. You and I have had a number of conversations about tax credits, and this is a problem.

I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on securing this debate. I am grateful to him because it allows me to address the genuine problems that he is raising, and to explain some of the work that we are doing on an effective policy that is made difficult by its administration. I shall deal with one or two of the points that he raised.

I am grateful to the hon. Gentleman and to Helen Sheppey for their complimentary remarks about the MPs' hotline. The staff will also be grateful to have them recorded publicly. I acknowledge the work that Helen is doing. She, like probably one member of staff in almost every MP's office, has an almost personal relationship with staff of the MPs' hotline. There is a high degree of awareness of the problems in the system, but as for sending her a box of chocolates every week—

Daniel Kawczynski: Just once.

Jane Kennedy: Just once. It certainly sounds as though she deserves it. I was surprised to hear that she spends 30-40 per cent. of her time dealing with tax credit problems. I do not disagree that, although we have made great strides in improving performance, a great deal more needs to be done. Her Majesty's Customs and Revenue and I are working hard to improve the experience of our customers, not so that MPs receive the Rolls-Royce service that the hon. Gentleman described, but, as he suggested, so that anyone contacting the tax credit offices receives a quality service.

I know from meeting staff who work in tax credits how committed they are to that high quality service, and how disappointed they are if there are problems in the system or with the computer that prevent them from delivering that service. There is a real and serious intention among staff to provide a good service, and they will be particularly pleased to hear that some aspects of their work are happily acknowledged.

I do not have the details to hand and it would not be proper to talk about individual cases, but I receive monthly operational statistics from the tax credit office. I instituted that to monitor its work, and I assure the hon. Gentleman that the level of complaints and disputes that it receives is falling, although not as quickly as I would like, but progress is being made.

I was interested and disappointed to hear Helen's description of the impact on some constituents of receiving communications from HMRC. It would be disappointing if there was a widespread sense of fear when an HMRC letter comes through the letterbox. In the House—although often only in the few moments that we have at Question Time—I have described how we are working hard with regular customers who renew every year and every year have problems with their renewal. The renewal is part of the annual system by which we make sure the tax credit support that families get is appropriate and is exactly their entitlement. The renewal is a necessary part of the system and tax credit offices and call centres are now instituting work through which they proactively contact customers over the period of renewals, particularly those we know have got into difficulties in previous years, not only to remind them to renew, but to assist them in the process. If errors have been made because they have not understood the form, which is complicated, or if they are unaware that details of their personal incomes need to be included, staff can talk people through the difficulties. Therefore, we hope the number of customers who get into difficulties as a result of renewing will be reduced.

I was interested to hear the hon. Gentleman mention a case in which a family had renewed as requested and then did not receive anything at all. I want to go away and study everything that he has said in today's debate. I have a number of sources of information about the subject—not only colleagues such as you, Mr. Pope, but my staff and friends of mine who are debt counsellors in Liverpool and who work with people in such circumstances. I am kept aware of where the rubbing points are, but as I have said, the overall number of complaints and disputes is falling. I was concerned about and am interested to learn the extent to which people find the process so difficult that they decline to renew and let their claim lapse. The statistics that I have seen—and I have asked for more detail on this—do not indicate that that is widespread. I appreciate that to decline to renew is an expression of frustration, but for many families, particularly those in the lower income groups, tax credits are so important that people do, nevertheless, renew. Tax credits are an integral part of a family's income.

Daniel Kawczynski: I totally agree with the Minister: it is extremely important to ensure that people renew. In Shrewsbury, we have had some cases in which people have felt unable to renew because of the problems that they have had. May I write to her with the names? I will not inundate her, but I would like to provide a sample. Will she look at some of the worst cases and get back to me?

Jane Kennedy: Yes. I was going to suggest that the hon. Gentleman might wish to do that. I would be interested to look at those examples as case studies. Officials would be grateful to learn from the circumstances that he is describing. I do not wish in any way to diminish the pressure that he has described his secretary being under, but the information that I have, shows that during the past 12 months, he and his staff have made 34 calls to the hotline about 20 different customers. That is a large number, but it would be wrong and would distort the picture to allow people to assume that that represents the majority or a significant number of tax credit customers. In fact, 9,600 families benefit from tax credits in the hon. Gentleman's constituency. I do not offer that figure as a way of saying that he is taking a party political position; I know that he not. However, 9,600 is a significant number of his constituents. The families of 15,900 children benefit from tax credit support. Out of those 9,600, the relative number of people who come to him are small, but I accept that those who find their way to a Member of Parliament are often a small, but determined group. That is usually indicative of a problem that we, as Members of Parliament, need to take account of and be aware of. I, as a Minister, ought to be listening to such problems.

Daniel Kawczynski: On that point, I appreciate that, as an efficient Minister, the right hon. Lady obviously has the details of the cases with which we have been officially involved and that we have raised through the MP's hotline. I am sure that she will appreciate that because of the experience that my secretary is getting in dealing with these matters, much work is done on other cases, about which we do not necessarily phone the MP's hotline. Some of the problems are in certain cases very small and we do not need to approach the MP's hotline because, after three years, my secretary has experience of the issue. Although the figures that the Minister quotes are correct, they are just the tip of the iceberg of the other issues that my secretary is involved with.

Jane Kennedy: The hon. Gentleman makes a fair point and I take on board what he says. As I have said, I accept that there have been serious difficulties and that in the early days, they were very serious indeed. I hope he accepts that matters have improved since then. Her Majesty's Revenue and Customs now provides a much better, if not good, service—although I am the first to recognise that there is always room for improvement. The improved performance of the tax credit system has meant that fewer overpayments are caused by IT or

administrative errors. Again, that is demonstrated by improvements to the accuracy in processing and calculating awards, which increased from 78.6 per cent. in 2003-04—during the opening days when the systems were being set up—to around 97 per cent. in 2006-07.

There have been a number of significant changes in the past year, and I would like to mention briefly two important developments. One development that the hon. Gentleman might know of was the reform of code of practice 26, which is the policy that defines how HMRC should respond to disputes and complaints about recovery of overpayments. Previously, an overpayment was written off if there was an official error but it was reasonable to expect the customer to believe that their award was correct. That allowed for a huge area of disagreement between HMRC and the staff. I know that the reasonable belief test caused concern because people's perception of what is reasonable can vary greatly. Before I was the relevant Minister, I saw many tax credit cases involving my constituents, but when answering letters to Members of Parliament as a Minister, I bear in mind, as I always do, that what I see is the smallest wedge of complaints, and I ask myself, "Does HMRC's response feel reasonable to me?" Out of that discussion, work that was already under way with HMRC to review the reasonable belief test and code of practice led to a more straightforward set of questions and responsibilities, some of which HMRC also took on board. From the end of January this year, we replaced the reasonable belief test with a clearer test that sets out the responsibilities of HMRC and the customer for checking factual information.

Although we may not all be very good at doing it, if we are paid through pay-as-you-earn, we accept without question the responsibility that we have as taxpayers to ensure our pay slip is correct and to check our end of year tax statements and codes. We have a responsibility in relation to that and that is carried through into tax credits. The tax credits transformation programme, which started in 2006, aims to improve the service that families receive. Often, when I get the opportunity at Question Time, I mention the changes that are being introduced as a result of the work of this excellent group of HMRC officers. As I said, one change that has been made regards contacting customers at some of the most difficult times in their lives. When a family breaks down, we now have a system that is spread throughout the administration of tax credits. In the past, if a customer contacted the office to tell someone that their relationship had broken down, their joint claim would have been cancelled, a new form would have to be sent out, and it would have taken about six weeks to renew and get the person back into receipt of valuable tax credits at a time when the family needed it most. Now, we make the change during the phone call, so that the customer should not see a break in their receipt of payments. That is important to maintaining the confidence of our customers in the service.

I hope that the hon. Gentleman agrees that the service is getting better and that he welcomes our plans to improve the service further. I would be grateful to receive some of the detail of what he has mentioned if it is available, and I thank him again for securing the debate.

Commonwealth Immigration Visas

1 pm

Mr. Austin Mitchell (Great Grimsby) (Lab): I am grateful for this opportunity to raise two issues relating to Commonwealth migration. The first is the proposal to curtail the visa-less period during which tourists coming on holiday, visitors and people coming for family reunions can stay in this country from the current six months to three months. I do not know whether the British Tourist Authority was consulted on the proposal, but that is the aim of the immigration and nationality directorate.

The second proposal is to abolish ancestral rights—the ability of people from Australia, New Zealand, Canada and South Africa to enter the country and be eligible for settlement after five years and to work. That is a remnant of the old patriality situation. People could claim British citizenship if they had a grandparent who was born in this country. Incidentally, that still seems to be the case in Ireland. I hope that my hon. Friend the Minister can comment on that. People with Irish grandparents can still claim Irish citizenship, whereas we are curtailing that right in this country.

On both issues—curtailment of the visa-less period from six months to three and abolition of ancestral rights—there has been a consultation or a consultation is in progress. The first has finished and the second will be completed in mid-May, but to my mind "a consultation" is what we might call Blair-speak for getting rid of those provisions. People do not hold a consultation unless they want to get rid of the provisions. People have a consultation to show that they have listened and then do what they wanted to do in the first place, after the consultation. That is a very British way of doing things—polite and meaningless consultation.

I want to make it clear that I oppose both proposals, because they weaken a Commonwealth tie to which I and many other hon. Members are strongly attached, to which the Government say that they are strongly attached and to which a large section of our population is attached. I am referring to people with relatives or other ties, particularly to the old Commonwealth—people, incidentally, who vote.

That Commonwealth attachment works both ways: the other countries are attached to us as well, and New Zealand, which I want to concentrate on today, is more attached than most. It is a relationship from which we all benefit—both the Commonwealth country and we in Britain. In fact, we benefit more than most. I would like to remind the House of the contribution made to this country and this economy by New Zealanders. One goes back to people who could have claimed the same patrial rights and the same ancestor rights. I am thinking of Katherine Mansfield, Ernest Rutherford, Dan Davin, Sir Geoffrey Cox, Len Cook—the former national statistician—and hundreds of lawyers, teachers, accountants and doctors, from McIndoe downwards, all of whom have made a big contribution to this country. Do we want to close off that free market in people, from which we and the other countries benefit?

Let us consider New Zealand literature. Practically everybody I find on the Wikipedia list of great New Zealand writers—I also have a long list of great New Zealand artists; of course, those lists are subject to revision, like everything else on Wikipedia—has spent a period in this country learning their craft, working with British authors and perfecting their skills, because London has been a focus for writers from New Zealand, Australia, Canada and so on, from Janet Frame downwards.

Do we want to curtail that type of contact? Should we not be strengthening those ties, rather than weakening them? IND officials—Home Official officials—seem to me to want to weaken the ties, because they have been saying to Commonwealth diplomats who have been consulted on the proposals, "The concepts of immigration and Commonwealth that this visa"—the ancestral visa—"route is linked to are outdated." I do not think that they are outdated. They are important, they are living and they are vital. However, Home Office officials claim that their Ministers periodically ask them why those visas remain and they say that, when they are asked, they do not have "a robust answer" on the unique value added for the UK. That is more a comment on the IQ or the experience of the officials than it is on reality.

Mr. John Spellar (Warley) (Lab): First, I declare an interest as someone who, like many of us, has relatives in Australia. Does not this measure show, as my hon. Friend is rightly explaining, a lack of understanding of history? Both Australia and New Zealand have always been there for this country when we have been under threat. It also shows a lack of understanding of the real dynamic of the current relationship at all levels—he has mentioned culture, business and sport. It goes right the way through the economy and is growing even further under the excellent premiership of Helen Clark in New Zealand and as a result of the very welcome election of Kevin Rudd as Prime Minister of Australia.

Mr. Mitchell: I am most grateful to my right hon. Friend. Both those Prime Ministers, but particularly Helen Clark, are concerned about this development. A robust answer to Ministers' questions would involve not only the contribution that people make in that two-way trade, but the flexibility, skills and adaptability that people who come here from Australia and New Zealand contribute to our work force.

That contribution does not seem to be recognised by Home Office officials. It is reported that diplomats were "left in no doubt that neither officials nor Minister Byrne considered themselves bound to New Zealand by any historical ties." It is clear that none of them was at the opening of the New Zealand war memorial in 2006 by our then Prime Minister, Mr. Blair, and by the Prime Minister of New Zealand, Helen Clark, which affirms those strong emotional ties. I find it appalling that such a comment can be made in the process of the discussions, because there are ties not only of ancestry and history but in the form of the contributions made by Australia, New Zealand, Canada and even South Africa in two world wars and in other wars since. That may be felt more strongly by an older generation. I represent the "wheeze" generation, whereas the Minister represents the whizzkid generation—I am a "wheeze" kid. The feeling that I have described may appeal more to an older generation, but it is still strong and still important and it is still felt across the board in this country, but each of the proposals is an affront to that feeling.

Let me examine first the proposal to reduce the visa-less period for visitors from six months to three. We must not forget that the New Zealand visitors who will be affected by that come a long way. It is a journey of 13,000 or 14,000 miles; it is not a day trip with a pensioner's pass, such as the ones that I am now beginning to make around the country. It is a long journey and it merits a long stay. For many people it is often a retirement journey—a renewal of roots and contacts, a renewal of family connections.

Above all, those who come here are paying for themselves. They are not coming here to live on the system. When I first came back from New Zealand with a New Zealand wife, we were deluged with streams of visitors who all said, "Don't worry, I've brought a sleeping bag. I'll sleep on the floor." Clearly, there is a great deal of living on the land, but there is no living on social security. After all, they are paying for themselves and they will want to go back to their home country. They are visiting this country, and it is unnecessary to curtail those visits from six months to three.

There has been no indication of problems being caused by New Zealanders staying for the full six months. Are they growing and selling illicit kiwi fruit on some sort of black market? Are they preparing and merchandising their own brand of Spates beer? That beer was always labelled as "Man of the South", a tough image, but calling a beer "Man of the South" in this country would make it seem effeminate: it should be "Man of the North".

There is no indication that they have been indulging in that kind of illicit activity. They are not even going underground, hiding from the authorities and fomenting discontent by telling people that there is a better land. It certainly is a better land far, far away—so why should they stay here? A certain degree of disgruntlement is justified, but there is no indication that those people are a threat or abusing their time here. No evidence has been produced to that effect, and there is every indication that they want to go back to that better land because it is indeed better.

The length of visit seems not to suit the convenience of the immigration and nationality directorate. However, if it is curtailed it is certain to produce retaliation on British tourists in New Zealand and Australia. There is no indication of a problem, but there is every indication of huge benefits resulting from the relationship.

I turn to the ancestral visa, which produces the same kind of benefits. Descendants of British citizens have the right to come here, the right to work and, after five years, the right to become citizens. Again, there is no indication of a problem, so why is it being reviewed—unless it is a kind of administrative tidying up?

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): When one considers the number of such visas being given, nine out of 10 go to white Commonwealth citizens. That cannot be fair. It rests on the old patriality clause, which ensured that white Commonwealth citizens were spared the rigours of increasing immigration enforcement. A provision that indirectly allows white Commonwealth citizens rights that black Commonwealth citizens do not have is not fair.

Mr. Mitchell: Those are our ancestral rights, and they are quite specific. I agree with my hon. Friend on equality; it is unfair, but there has always been an ancestral right. I am asking for its maintenance, but it is already attenuated. It is a right to work, and a right to citizenship after five years, and I want it to be maintained. I am talking about our relationship with the older Commonwealth, and particularly the benefits that we get from such countries as New Zealand.

I have to point out that one cannot speak of being swamped by ancestral visitors; there were only 8,490 of them in 2006, a 3 per cent. increase on 2005. Admittedly, those figures were prepared by a New Zealander, but that does not detract from the figures given by Len Cook. I do not see how it can detract from their accuracy. The figures may be small, but in terms of long-standing Commonwealth relationships they have an enormous emotional impact.

What is the reason for the proposals? My answer—I hope that the Minister will comment on this—is that this piece of what I might call perfidious Albion, or perfidious pommery, is happening because the poms are scared that immigration is becoming a major issue. The number of immigrants, particularly from the European Union, which now has 25 member states, is rising rapidly. In 2005 there were 117,000 immigrants, and in 2006 there were 145,000. That was not expected. The numbers were underestimated. It is clearly causing problems and concerns. However, those problems and concerns have arisen because of pressures on social services, education and the health service. It is an indication that we are not spending enough locally, not an indication of major problems with immigration.

Local authorities, particularly, complain that they have not been provided with adequate funds to cope with that influx. However, we have a Government who need to show that they are doing something. They want to do something but cannot do anything about the major component because they cannot stop it—it is caused by people with European citizenship—so they are going to deal with it by taking it out on old and new Commonwealth countries. That will lead to a number of problems. For instance, with Pakistani and Indian doctors and ethnic restaurant cooks all being controlled, the two problems that I have raised today will occur. The proposals are totally unreasonable. The problem is caused by European immigration. I do not criticise such people. Poles are hard-working. We even have a Polish chief executive in Grimsby; we, too, move rapidly with the times.

It is as if the middle of the dam has broken and collapsed and the tide is coming in, and the Government propose repairing the side walls by trying to exclude Commonwealth citizens. I hope that I am wrong. I hope that the Minister can explain why it is being proposed. I hope that he will disown those views on the Commonwealth that I cited, and that he will tell us that, after consultation, the two policies will be rejected and will not go ahead.

Ms Abbott *rose—*

Mr. Greg Pope (in the Chair): Order. I would call the hon. Member for Hackney, North and Stoke Newington, but she needs the permission of the hon. Member whose debate it is and the Minister.

Mr. Mitchell: Certainly.

The Minister for Borders and Immigration (Mr. Liam Byrne) *indicated assent.*

1.18 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): The Government pride themselves, particularly under their brilliant new phalanx of Home Office Ministers, on firm and effective immigration control. However, for such control to be acceptable, it has to be fair—and, specifically, it must not be race-based. My hon. Friend the Member for Great Grimsby (Mr. Mitchell)—he is an hon. Friend—said that we have always had ancestral rights. We have not. I remember with some clarity the patriality clause being introduced, mainly because I used to work for the Home Office. It was brought in when the Government sought to bear down on Commonwealth immigration.

It seems to me that the sweeping away of the clause is long overdue. I do not believe that it would survive legal challenge. If we look at the figures, we will see that in 2004, out of 9,397 visas issued, more than 8,000 were to people from the white Commonwealth, and most of the rest were from Zimbabwe. In 2005, out of 10,143 visas issued, nearly 10,000 were to people from the white Commonwealth; in 2006, out of 9,741 visas, more than 9,000 were to people from the white Commonwealth; and the most recent figures show that out of 8,380 visas issued, 8,083 went to people from the white Commonwealth.

The clause has provided a route by which members of the white Commonwealth gain rights and access that are denied to members of the non-white Commonwealth. It is archaic, but not in the sense that it goes back hundreds of years—it is one of the many indefensible and incoherent aspects of immigration control. I welcome the fact that Ministers, in seeking to revise, improve and make immigration control more coherent, are eliminating the clause. I believe that if persons from the rest of the Commonwealth—Africa, the Caribbean and Asia—realise how disproportionate the figures for the handing out of the visas are, they would understand the nature of the clause.

1.20 pm

The Minister for Borders and Immigration (Mr. Liam Byrne): I should begin by expressing my gratitude to my hon. Friend the Member for Great Grimsby (Mr. Mitchell) for securing this debate this afternoon. This is the first debate that we have had on one part of the Green Paper, "The Path to Citizenship", which the Home Office published earlier in the year.

The House knows that 2008 is a big year for immigration reform. We are comprehensively changing how the system is policed and how we judge who has the right to come to this country and who has not—we debated the points system at length in the House last week. As those two sets of changes will come into force this year, I personally felt that it was time that the House turned its attention to the unfinished business of migration reform in the past 30 or 40 years.

Any student of immigration legislation since the second world war will know that the busiest periods of change in legislation for immigration reform were, first, in response to decolonisation in the 1950s and 1960s and, secondly, in response to the asylum crisis that we inherited from the Conservatives in the late 1990s. Since 1945, Governments and the House have never applied themselves systematically to thinking from first principles about who should be able to come and stay, and what we should ask of people to whom we grant the great privilege of British citizenship. The Green Paper attempts to do just that. Many of the ideas will be wrong or will need to be revised, and plenty of them will benefit from the House's attention, which is why they were published in a Green Paper.

Before I deal with the detail of my hon. Friend's remarks, I should put on record my thanks and gratitude to my right hon. Friend the Member for Warley (Mr. Spellar), who has bent my ear for some weeks and months about some of the proposals on immigration reform and more generally. My hon. Friend the Member for Great Grimsby touched on some of the changes that we are proposing for tourist visas. That is part of the proposed reform to how we judge who is allowed to come to the UK in the first place—I shall not detain the House with another discursion into the iniquities of the points system because my hon. Friend raised the point about how we are changing short-term visas.

My starting point for that reform is an analysis that says that the visa system was invented for the 1970s, which was a different era, and I do not believe that it works any more, so it should be changed. It does not work for business people who want to come to do business in the UK, or for family visitors, many of whom come to see me at my advice bureau in Birmingham each month. There is a strong argument for reforming how we offer tourist visas to the world, simply because something like 1.1 per cent. of people who apply for such visas stay for longer than three months.

We cannot think about the question in isolation from the changes that we want to make to youth exchange and youth mobility schemes. That has been an issue on which there have been enormously important exchanges between Britain and Australasia. I should declare my first interest at this stage: when I finished my A-levels, I spent four or five months working my way around Australia. At the tender age of 18, it taught me a great deal about life, and it certainly gave me an enormous love for Australia. When the Government publish some of the changes to the youth mobility schemes under the points system later this year, the House will see how clearly determined we are to ensure that there is a continued opportunity for people from Commonwealth countries, but in particular from Australia and New Zealand, to come to the UK and spend a bit of time learning about the country from which many of their ancestors came.

Mr. Spellar: Will the Minister assure us that he will give serious consideration to any representations from the Governments of our friends in Australia and New Zealand?

Mr. Byrne: I am delighted to give my right hon. Friend that absolute assurance. I was able to meet the Australian high commissioner shortly before he returned to Canberra recently. Such people are important friends of the United Kingdom; we have enormous regard for, and pay attention to, their advice and counsel. I urge my hon. Friend the Member for Great Grimsby not to see changes to the tourist visa system in isolation from the wider changes that we are making on youth mobility,

but the picture will become clearer in the next month or two when we publish relevant proposals.

My hon. Friend's second point, which I believe was the substance of his remarks, was about Commonwealth visas. Again, I welcome his comments. By publishing the Green Paper, the Government were attempting to go back to first principles and to set out a coherent story on the values and attributes that we want newcomers to sign up to if they want to become British citizens for the long term. I could not profess to have many of the answers to those questions, so I spent three or four months going around the United Kingdom to talk to people from all over the country about what values we think are important in the country, what values we want newcomers to sign up to, and what is the British deal that we want migrants to buy into if they want to make the United Kingdom their long-term home. Four values or standards were paramount across the United Kingdom: the ability to speak English to a certain level, the aptitude and attitude of hard work and paying tax, obeying the law, and making an effort to integrate with the wider community.

Some values, such as those of blood and history that my hon. Friend highlighted, would not necessarily have emerged from that survey of British citizens, but there is a good argument for putting them centre stage in immigration reform, which is the point at which I should declare my second interest: I am the great-great-grandson of someone who was born in Australia—they were born in Kulpara in South Australia. My other grandparents are Irish, so I would be able to apply for Irish citizenship in due course. There is a good case for saying that when we revise the values that we want to put centre stage in immigration and citizenship reform, those values, ties and historic bonds that my hon. Friend talked about should be part of the ideal. I listened carefully to what he said this afternoon.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) was absolutely right to say that the policy dates back to 1971. If one reads *Hansard* reports of the debates on the Immigration Act 1971, one will see that they were contentious and, in parts, coloured by the language of race. It is true that, overwhelmingly, people who take that route to settlement are from Australia, New Zealand, South Africa and Canada—something like 80 or 90 per cent. Our ambition is to listen to the debate on the Green Paper before bringing back a comprehensive Bill to consolidate all immigration reform back to 1971. That will involve a lengthy debate in the House and in Committee, and provide an opportunity to fix a number of historical wrongs in our immigration system. However, I hope that it will also provide a chance to reinforce and ensure that the values that my hon. Friend the Member for Great Grimsby talked about are part and parcel of the wider set of values that we have heard about from the British public, which we will seek to consolidate in the form of citizenship.

As I said, this is unfinished business, and it is down to this Government to finish the job. I hope that we will be able to do so in the next 18 months.

Bromley Hospitals NHS Trust

1.30 pm

Mr. John Horam (Orpington) (Con): I raised the issue of Bromley Hospitals NHS Trust in a debate last July, and I want, through the Minister, to thank the Secretary of State—it is the same Secretary of State—for his written response to the points that I made. I make no apology, however, for returning to the subject today, because the issue is of great importance to my constituents, as the Minister will appreciate. The situation remains extremely unsatisfactory, and important decisions will be taken soon, so it is vital that the Government make the right decisions and have the appropriate input. What I have to say, however, is no reflection on the trust's clinical staff, who do a heroic job of keeping the ship afloat. I continuously hear that much good medicine is being practised in the trust, but the situation in which staff have to work is very difficult.

The trust consists of two hospitals, both of which, as it happens, are in my constituency. The Princess Royal university hospital at Farnborough is a district general hospital with full accident and emergency facilities. It was built under the private finance initiative and is now seven years old. Orpington hospital is an older and smaller hospital, but it, too, received an infusion of capital five years ago, with £8.8 million being spent on new theatres and wards for elective surgery—hips, knees and that kind of thing. As hon. Members will understand, Bromley residents thought themselves lucky to have such excellent new facilities available to them, but serious problems have emerged.

The first problem is financial. The trust has operated at a loss every year. It now has debts totalling £100 million and it will lose more than £18 million in this financial year—2007-08—despite a cost-cutting regime. The interim chief executive forecasts that the trust will break even next year, but that is extremely unlikely given the present lack of progress, so the debt will continue to mount. Under the PFI scheme, payments of about £25 million a year are made to the owners of facilities, and that includes not only interest on private finance initiative borrowings, but payments for building maintenance and supply and support services. The trust's financial performance is among the worst in the whole of England and Wales. The other day, the local newspaper—the *News Shopper*—quoted the interim chief executive as saying that repaying the debt would take between 50 and 100 years, which is quite an astonishing admission.

There are also problems on the medical side. The Healthcare Commission served the Princess Royal university hospital with an improvement notice after an inspection found blood stains on the walls and dust on the surfaces. According to the commission, the hospital is now off the sick list, but these events were a warning. Infection rates for methicillin-resistant Staphylococcus aureus and clostridium difficile are also a problem. Recent figures show an improvement, but the fact is that we are talking about a new hospital where there are still problems with cleanliness and infection.

The performance with audiology is among the worst in the country. I have had a succession of agonised letters from constituents over many years complaining of their inability to get a digital hearing aid in less than two, three and often four years, which is quite astonishing. Many of these people are in their 70s. In addition, the hospital's maternity ward came out badly in a recent survey, and the hospital has had problems meeting its waiting time targets—both the four-hour accident and emergency target and the 18-week referral-to-treatment target.

The Minister might also be aware of the disgraceful treatment of local fundraisers, who, led by Mrs. Mary Spinks, have collected £500,000 for the Primrose centre for breast cancer care. I shall write to him shortly about that separate issue.

Another important point is that the management at the top level seems always to be interim, acting or short term. The present CEO is there for only six months and will leave in June. His predecessor was there for a year, while his predecessor's predecessor was there for only a few weeks, which is ridiculous. Needless to say, all these people are on vast salaries.

In addition, there has been a positive frenzy of reorganisations, reports and consultations. The previous chief executive, who was there for only a year, has been taken away to head an interim executive team for the four local hospitals in outer south-east London. The team has been set up to see whether co-operation between the four hospitals could achieve economies of scale. Many people suspect—indeed, this has been talked about officially and privately—that this is a precursor to a merger between all four hospitals or between two or three of them.

The trust's chief executive is heading a reorganisation exercise in south-east London called "A picture of health"—the Minister may be familiar with the consultation document. It is not easy to consult on such difficult issues, and anyone would have difficulty drawing up such a document. None the less, many of the options were pretty banally stated, with no real attempt to define the costs or alternatives. In the case of Bromley, it was almost pointless to answer the consultation, because all the options related to the hospital in Lewisham, not to the Princess Royal university hospital or the Orpington hospital in Bromley, where the options seemed to be taken as given. On top of that, of course, we have "Healthcare for London", the document produced by Lord Darzi, who is now a Minister at the Department of Health, which has had a big impact in London. The situation is therefore not only bad financially, but dizzyingly complex, which makes it far more difficult for the trust's management to make decisions. As a result, confusion is widespread and morale is low. The suspicion throughout is that decisions are financially, not medically driven.

What should be done? First, the primary and overall driving objective should be to put the medical staff in a position where they can deliver the quality of health care that I am sure they can. Secondly, a management team should be put in place that is committed to the trust and which can at least take a five-year view. I appreciate that it is difficult to attract people to management in the trust because of the uncertainties surrounding the positive plethora of consultations and rumours about mergers. However, the Government have helped to create the situation with their endless plans and should assist in resolving the issues so that committed, longer-term managers can be put in place. In that respect, we should also say no to mergers. In my experience as a former business man, mergers are often a distraction

for management. It would be much more sensible for managers to focus on putting right what is wrong in the trust.

Thirdly—this is the point that I particularly want to address to the Minister—not only should there be a management that is committed to the hospital and to making it work, but that management should be given a workable financial situation. Here the Government have a plain responsibility. They signed off a bad PFI deal, which has now clearly come unstuck. The Government acknowledged that when they gave the trust a £6 million a year subsidy. They have now withdrawn that, admittedly step by step and not all at once; but the fact that they ever gave it shows that they were concerned that the PFI deal was a poor one. Now that the subsidy has been withdrawn, the costs of the PFI are coming home to roost. The situation is still bad. The PFI charge for the hospital is 10.4 per cent. of its annual income, which is nearly double the average charge of 5.8 per cent. That is the handicap under which the hospital starts.

The Government also precipitated the crisis that is affecting the hospital. They changed the regime governing all hospital trusts, away from the old-fashioned borrow and broker, by which hospital trusts could at the end of the year broker an arrangement so that even if they made a loss it would be worked out with surpluses from other trusts and so on. Two years ago, when there was a deficit in NHS funds nationwide, that was scrapped, and we now have a transparent and accountable system. I welcome that, but it led to the exposure of the difficulties into which the trust had fallen, and the Government precipitated that.

The Government have in addition brought in a national payment-by-results scheme. The problem with it is that the tariffs are based on average costs throughout the country, whereas the trust, because of its difficult PFI agreement, has higher than average costs. It is reckoned that the gap between the high-cost trust and an average-cost trust is between £7 million and £12 million a year, and that is a further disadvantage for the operation of the hospitals trust in Bromley.

The Government have some money: as a result of the tightening of the regime for all NHS trusts throughout the country, compared with two years ago, when there was a £500 million deficit, they now boast of a £1.8 billion surplus. Therefore there is money to deal with such difficulties, which are fallout from the action taken by them. Whenever I talk to the people who run the London NHS, they always say money is not a problem. The Government should take that into account.

If the interim chief executive officer of a hospitals trust can say quite openly that it will take between 50 and 100 years to pay off its debt, that is a ludicrous situation. Clearly, something must be done before then, and quickly; otherwise there will be an overhang that will destroy the hospital's morale and ability to act. I therefore want a debt write-off in some form. That is necessary so that the hospital can be placed in a position where it can take decisions on medical grounds, not purely driven by financial requirements.

A fourth matter that I should like taken into account in the discussions that relate to the Bromley hospitals trust and all the reviews and consultations is the idea that we should use the facilities that we already have. There are proposals in the document "A picture of health" to move elective surgery from Orpington, and day surgery from the Princess Royal university hospital, somewhere else. However, both those facilities are new and work well. Why spend money to close them and move them elsewhere? That does not seem economically sensible. As the trust said in its evidence in relation to the document, with respect to the day surgery unit:

> "The DSU at the PRUH consists of 6 operating theatres that are supported by 40 patient spaces. This is therefore the largest stand-alone DSU in OSEL"—

outer south-east London. The evidence continued:

> "Indicative figures for a proposed ISTC at QMS quoted costs of £30 million...In addition...we consider that expanding the PRU DSU to 3 lists per day would mean that all the population could be treated without any added capital expenditure".

That is the view of the hospitals trust, and I support it. It seems stupid to spend money when facilities exist and work well.

On the waste front, let us not waste money on big ideas that do not work locally. Lord Darzi's health care for London strategy would mean, if applied to Bromley, that having spent £120 million on new hospital facilities, we would take income from them by diverting business to specialist hospitals and polyclinics. Of course, neither the specialist hospitals nor the polyclinics exist; it will cost money to build them. Therefore, we would be reducing the chances for the district general hospital to make money; it would make further losses and the Government would spend taxpayers' money on building new facilities. As Professor Harrison of the King's Fund said:

> "There has been a complete failure to bring the elements of policy together...When they started PFI 10 years ago they were just blithely modernising hospitals and the ideas which are now prominent about centralising specialisation and shifting care into the community weren't strong policy commitments. So the policies are now out of sync. It's a mess."

It is indeed a mess.

My conclusion is that modern facilities exist in the Bromley hospitals NHS Trust and there is an excellent medical staff. Therefore, the opportunities to provide good health care for the people of Bromley exist. The Government have a responsibility, for the reasons that I have given, to put the trust in a position to deliver that, but the Government can do so only if they take sensible decisions along the lines that I have described. Having taken them, they should let local people get on with it. There is no time to lose.

1.47 pm

The Minister of State, Department of Health (Mr. Ben Bradshaw): I congratulate the hon. Member for Orpington (Mr. Horam) on securing the debate on Bromley Hospitals NHS Trust. I congratulate, too, the health staff in his constituency on their hard work to improve services and performance. The hon. Gentleman will be pleased to know that the figures on the issues that he raised about accident and emergency and hospital-based infections are moving in the right direction, and millions of people—not just in his constituency but around the country—receive high-quality, safe services every day. However, he is aware, as I am, of the serious challenges that have confronted health care provision in south-east London for some time now. They go back several years.

In spite of record investment in the NHS—Bromley primary care trust received a 30 per cent. increase in funding for the three years between 2003 and 2006, and

[Mr. Ben Bradshaw]

a 17 per cent. increase for the two years between 2006 and 2008—Bromley Hospitals NHS Trust, along with the three other outer south-east London NHS trusts, continues to report a deficit, and the Bromley trust was designated as one of the financially challenged trusts at the end of 2006-07, reporting a forecast year-end deficit of £18.5 million for 2007-08. The financial problems of that trust resulted from poor financial management over several years, but the new executive team is tackling the issues, and, as the hon. Gentleman acknowledged, although he expressed some scepticism, their plan is to break even in the financial year 2008-09.

As a result of some of the challenges, what to do about health care in south-east London has been hotly debated now for a considerable time, but at long last the health service in the area has come together with proposals that have gone out to consultation. The hon. Gentleman, being very interested in the subject, will I am sure be aware of the details of the proposals, and I do not want to go through them in detail now, but I want to highlight the fact that the Princess Royal hospital in Farnborough, the main part of the Bromley Hospitals NHS Trust, has been proposed as a major admitting hospital under all three options subject to the consultation. Indeed, under all the options, his hospital's services would be enhanced.

Enhancements would include improvements to maternity, including more options for mothers, midwife-led and home births and 98-hour consultant cover; an enhanced critical care facility with improved quality for patients; and improved specialist rotas for medically ill patients, allowing them to be admitted under a doctor who specialises in their condition.

I am also aware of the representations that the hon. Gentleman mentioned about the future of elective services at Orpington hospital. They will be considered in the round as part of the consultation, but I assure him that whatever the outcome of the final consultation, Orpington hospital will continue to provide a valuable outpatient and diagnostic service to his community.

We all know that it is natural for concerns to be raised when changes are proposed to how health care is organised in a particular area, but changes are not made for change's sake or to save money, although waste and duplication in public services should be deprecated. The reason for the proposals affecting south-east London is that doctors there tell us that the current pattern of care delivers a substandard service to the public and even puts lives at risk. The four medical directors of the hospitals involved said:

"We have looked at the best way to provide hospital services for the whole population. We have not been talking about which site provides the service, but rather how we can best meet the hospital needs of the 1 million people in the area as a whole. There is a high level of consensus amongst colleagues about the recommendations we are making. It has taken a lot of work to get this far, and everyone is very excited about the opportunity for those who deliver the service to take advantage of this opportunity to provide better care for our patients."

Professor Sir George Alberti, the country's leading expert in service design and in emergency care in particular, said:

"It has been obvious for some time that safe, high quality services will not be possible in the future unless services in outer south-east London are redesigned."

Mr. Horam: The Minister may be aware of other papers produced by substantial numbers of consultants, such as those at Queen Mary's hospital in Sidcup, which state the contrary opinion that although some of the change is certainly necessary, some is not, and that to close down new facilities that work well in favour of facilities not yet built is complete madness.

Mr. Bradshaw: I am sure that the hon. Gentleman will acknowledge that it is also in the nature of consultations on service reorganisation for some consultants at hospitals that do not expect to come out as well as others to have a different view. It is the job of health care professionals and the management of primary care trusts in south-east London to sift through all the proposals and work out in consultation and in a transparent and open way what the best outcomes are for the public in the area, rather than bowing to special pleading on behalf of some professionals.

Mr. Horam: Obviously, some people are arguing for their own interest, but I would not like the Minister to go away with the idea that the consultants are united on the issue.

Mr. Bradshaw: I would never do that. They very rarely are on a process such as this.

To continue, George Alberti said:

"Many good ideas are included in the current proposals...we were impressed by the enthusiasm for making tangible improvements...None of the Emergency departments are adequately staffed with consultants. It is recommended by the College of Emergency Medicine that there should be eight to 12 consultants per Emergency department, with the aim of having a consultant presence in the department from 8.00 am to 12 midnight, 7 days per week. None come close to this."

Similarly, the outer south-east London surgery and critical care group said:

"Some patients require 'critical care' in the Intensive Care Units—either as the result of an accident or emergency...There is considerable evidence to show there is a better chance of survival in a larger unit".

The outer south-east London maternity group said that the Royal College of Obstetricians and Gynaecologists recommends that the consultant presence on labour wards be increased from 40 to 98 hours a week. The group agreed recently that

"the...standards for 98 hour consultant cover, which will provide safer maternity care, can be achieved if services are reconfigured across the four hospitals".

I admit that clinician support for one or another of the options on the table is not unanimous, but it is strong.

Formal consultation on the proposals ended on 13 April. I am informed that about 9,500 responses have been received. They are being collated and will be independently reviewed by Imperial College's Centre for Health Management. I understand that the team in charge of developing the proposals expects to make the consultation results publicly available in June this year, and that the primary care trusts aim to take a final decision at the meeting of their joint committee this summer.

To respond to the hon. Gentleman's points about finances, I referred earlier to the fact that Bromley is one of a small number of financially challenged trusts. Most of the financially challenged trusts with which we had to contend some years ago have reached solutions

to their problems. Indeed, most of the 17 announced last year have now agreed solutions with their strategic health authorities that will help resolve their problems. The four in south-east London are slightly behind the curve because of the seriousness and complexity of their problems and the connection with reorganisation. However, I understand that NHS London's provider agency continues to work with each trust to develop a range of options for solving indebtedness while maintaining standards of patient care and value for money.

I cannot promise the debt write-off requested by the hon. Gentleman, as that would not be fair to other trusts that have been through serious problems and taken difficult decisions to get themselves into financial balance. We have managed to find solutions for trusts in other parts of the country, enabling them to agree long-term recovery plans so that services are not negatively affected and they can get on with planning patient care without constant concern for a long-standing debt hanging over them. I assure the hon. Gentleman that my Department is working closely with the London strategic health authority to identify solutions for the trusts in his area similar to those that we have implemented in other parts of the country.

Mr. Horam: The Minister says that the four trusts are behind time in achieving some results. When does he expect results will be forthcoming—this year or next year, perhaps? When can we expect some results?

Mr. Bradshaw: Within the course of this year, I hope, as we proceed with the consultation and the outcome of the consultation as a package. I hope that the strategic health authority will be able to reach an arrangement with the trust similar to the arrangements reached by other SHAs with the small number of remaining financially challenged trusts around the country. I cannot give the hon. Gentleman a categorical assurance of that, but it is my hope.

The hon. Gentleman raised local issues about audiology waits, which I know have been a problem in his area. I am told by Bromley hospital that it currently reports no waits of more than six weeks for audiology assessments. In January 2008, Bromley Hospitals NHS Trust received an extra £250,000 from Bromley PCT to meet the increased demand for audiology services. The funding has allowed the trust to appoint an additional audiologist to work with the team and to send a significant number of patients to Guy's for treatment. On the Primrose centre, I am advised that the trust is willing to reach an agreement and confident of reaching one that will satisfy him and his constituent about the problem. If he writes to me about it, I will send him written clarification that he might find helpful.

I am sure that the hon. Gentleman recognises—I think that he acknowledged it in his speech—that the status quo is not an option for the NHS in south-east London. It has gone through a difficult period for historical reasons, but it is now coming through and has finally developed a vision of the area for the future. I hope that after the consultation is over, the PCTs can agree on a forward strategy behind which we can all unite. The health service in his area has made huge progress in the past few years despite the difficult backdrop, thanks to the hard work and dedication of its staff. With increased funding, that has enabled the provision of better care for patients.

When we talk about reorganisation, we are not talking about cost-cutting, although in a situation such as Bromley's where there are historical financial difficulties, it is always difficult to attempt any reorganisation without people claiming that it is about cutting costs. However, I hope that I have illustrated with views taken from leading doctors and other clinicians in the hon. Gentleman's area that we intend to reorganise to provide better, safer services for his constituents, better outcomes for patients and better safety and quality of care. That is what is driving change.

I hope that the hon. Gentleman is reassured that whatever happens—this is not necessarily the case for some of his fellow south-east London MPs—the hospitals in his constituency have a very positive future indeed. They will enjoy an enhanced future, whatever option is decided on. I appreciate his role and interest in expressing his constituents' concerns about the future of health services in his area, and I encourage him to continue to engage locally with the NHS to help it improve services.

Question put and agreed to.

Adjourned accordingly at one minute to Two o'clock.

Westminster Hall

Wednesday 30 April 2008

[MR. EDWARD O'HARA *in the Chair*]

Teenage Knife Crime

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Roy.]*

9.30 am

Mr. Andrew Love (Edmonton) (Lab/Co-op): I welcome you to the chair, Mr. O'Hara. This debate is critical for Parliament because knife crime is on the increase up and down the country. I am sure that many Members in the House can give us their direct experience of what is happening in their constituencies. However, there has been a double impact for me. Over the past three months, five teenagers have been murdered on the streets in my constituency, which is totally unprecedented. Not only were there no teenage murders last year, but when we compare our recent figures with the overall figures for London—11 murders this year—we have faced an almost indescribable situation. A combination of fear and incomprehension has traumatised the community—whether it be the family, neighbours, or people who never knew any of the victims. Although we have been making steady progress in reducing the fear of crime in my community, recent events have changed that markedly and we are beginning to see real concerns expressed locally.

Bob Spink (Castle Point) (UKIP): The hon. Gentleman is right to bring this important debate to the House. However, the debate is not new; the Government have been aware of the problem for some time. Although they have taken some excellent measures in law and order, this matter is one on which they have been found wanting. Did the hon. Gentleman see the 20,000-plus "knives or lives" petition that I took to No. 10 Downing street last year? Does he agree with the tougher penalties and honest sentencing policy of Gerard Batten, the London mayoral candidate for the UK Independence party?

Mr. Love: I thank the hon. Gentleman for that. I will outline some of the proposals that have been made by my constituents and the ones that I will be recommending to the Government. I know that there has been a constant debate in Parliament, and I hope that by continuing the dialogue we can get the Government to do more. The essential message that has to go out from today's debate is that we must do more to address the problems.

Mr. Lee Scott (Ilford, North) (Con): I thank the hon. Gentleman for introducing this debate. Does he share my concern that knife crime and its consequences are spreading to virtually every constituency in this country? One of my constituents was killed in a knife attack just before Christmas. There have been other such attacks in areas that have been described as "leafy suburbs". The problem is spreading across the whole country and the trend is very worrying.

Mr. Love: I agree that the trend is very worrying. It is important that Parliament takes note of that and that hon. Members bring their experiences to the Government so that they can be addressed. That is what I hope to do this morning.

It is important that we state that the vast majority of young people are good, law-abiding citizens. In most cases, young people are the victims of violent crime and not the perpetrators. It is important to put the issue in context before we go on.

The nightmare in my constituency began in the early hours of 1 January when Henry Bolombi, a young man aged 17, died in a knife attack. He was returning from seeing in the new year at Trafalgar square when a row broke out between two groups of youths at a bus stop. Currently, a 20-year-old and a 14-year-old have been bailed in connection with that murder.

On 21 January, Louis Boduka, again 18 years of age, was stabbed to death in my constituency following a daytime street brawl. A 17-year-old who vehemently denies the charges is likely to go on trial sometime later this year. On 15 February, Ofiyke Nmezu, who was only 16 years old, was struck on the head during a street attack in Ponders End in my constituency. A week later, he died in hospital from a fractured skull. A youth from Essex, aged 18, has been charged and will appear at the Old Bailey in June.

I continue. On 13 March, Michael Jones, aged 18, was found with fatal head injuries following an horrific attack in the flat that he shared with his mother. A 45-year-old local man has been arrested and charged. That crime was quite distinct from the others. Finally, Rastafarian Bakari Bernard-Davis was stabbed to death in the street on the evening of 31 March. Two black youths were seen running from the scene of the crime, but, as yet, no arrests have been made.

What we have here is four street attacks in my constituency. Three involved knives and the fourth involved a young man being hit on the head with a blunt weapon. Three of the attacks may be gang related, one possibly has a drug intention behind it, and one may have been racially motivated.

As a consequence of recent events, I undertook an impromptu postal petition, which managed to gain 750-plus returned signatures—unlike that of the 20,000 of the hon. Member for Castle Point (Bob Spink). The petition, which was put together as a matter of urgency because of the developing situation, said:

> "The residents of Edmonton demand action to reduce the guns/knives on our streets and stiffer penalties for those caught in possession of a lethal weapon."

I then followed that up with a crime survey, which elicited from my constituents a number of letters, expressing concerns about what had happened. Miss. M. from South Mall in my constituency said:

> "Five young lives taken away, it saddens all residents and there is so little that we can do."

That is a challenge to us all. Miss. B. from Osward place in my constituency said:

> "I'm a 16-year-old girl and I find it disturbing to hear about all the deaths recently. I have to travel to and from college and I get scared knowing it's not safe...Being a teenager, I don't think I need to feel this way. I hope no one else has to get killed."

[Mr. Love]

The events are doubly shocking and, as I mentioned earlier, unprecedented. According to all the figures, crime is falling both locally and across London. For example, Enfield is the 11th safest of 32 London boroughs. In 2006-07, in terms of crimes perpetrated by 1,000 residents, Enfield had a figure of 95.6 compared with 122 for London. Even the figure for England and Wales, at just over 100, was higher than that for my borough. There was a 10 per cent. fall in the number of offences committed in the London borough of Enfield between 2003 and 2007. Violence against the person in the year to October 2007 fell by 19 per cent. in Enfield, compared with just over 7 per cent. across London. The fall was 21 per cent in my constituency. Therefore, we had a higher fall in the number of crimes of violence against the person in the year immediately before these events.

Fear of crime, which is almost as important as crime itself, has also shown a downward trend. In my borough, 60 per cent. of people believed that it was not safe to go out at night in 2003. By 2007, that figure had dropped to 47 per cent. The percentage of people who are scared of going out during the day has fallen from 18 per cent. to 8 per cent. Again, those are positive figures. The position is similar across London. Murder reduced by 18 per cent. between 2002 and 2007 and knife crimes of all types, from the smallest use of a weapon through to the most serious crimes, went down by 30 per cent. in that period.

A number of London initiatives that I would like to see in place in my borough have had a dramatic impact. For example, Operation Blunt introduced a knife amnesty. I know that there are some concerns about knife amnesties, but they have made progress in reducing the number of weapons on the streets. A lot of the operation is intelligence-based enforcement—getting into the gangs, finding out what young people are doing and being there when there is likely to be a confrontation between young people. That is the essence of the operation, and it has been successful.

Operation Shield makes great use of portable metal detectors, the so-called arches and wands, and the initiative has been successful. It is used sometimes in schools, although I understand that there are concerns about the use of the detectors in schools, and certainly in train stations, bus termini and shopping centres. That is a helpful development. Of course, the Mayor's gangs, guns and weapons reduction board, which co-ordinates activity on youth crime, is important and does essential work in spreading best practice to address the problem.

I know that detection rates are always a matter of controversy, but the Metropolitan police has had considerable success. It increased the crime detection rate in general from 17 per cent. to 25 per cent. in the two years from 2005 to 2007, and the detection rate of street murders is more than 90 per cent. It looks likely that people will be brought to justice for most, if not all, of the relevant crimes that have been committed in my constituency.

It is important to examine some of the research that has been carried out on gang culture and the violent use of weapons. I have come across two recent studies that throw that into sharp relief. The first was by a charity called the City Bridge Trust, which carried out a comprehensive research project including a literature review, a survey of schools in its local area and a discussion with people involved in the issues of young people, gangs and the violent use of weapons. It found, first, what we would expect: that knife crime affects young people, mainly those from black and ethnic minority communities and deprived areas. I do not think that there was any surprise in that. I found it more surprising that knife crime is four times more prevalent than gun crime. The most shocking statistic that I came across was that one in four of the 16-year-olds surveyed carried a knife, and one in five claimed to have used it at some point.

Bob Spink: The hon. Gentleman has explained eloquently that knives can kill just as easily as guns. In fact, more young people are murdered with knives than with guns. Knife crime and the carrying of knives is often dealt with in magistrates courts, where the maximum sentence is only six months, which in reality means serving only three months because of dishonest sentencing. That is simply inadequate to provide the necessary deterrent. Will he encourage his Front-Bench colleagues to do something about that?

Mr. Love: The hon. Gentleman is in a great hurry. If he will allow me, I would much rather state my case. It is important that any judgments that we make are evidence-based, and I should like to set out some of the evidence before I draw conclusions. However, I have some sympathy with his points.

I mentioned the shocking number of young people who both carry and claim to use knives. Numerous studies have suggested that knives hold a great fascination for young people. Whether that is because it gives them status, because they think that they are a fashion accessory, as many people have claimed, or because it is simply a matter of street cred, that is clearly true. That places an onus on our education and youth services to address those issues.

The research also shows that the motivation for carrying knives is primarily fear. Many of the young people carrying knives do so because they have been threatened with a knife at some time. We must address that spiral. We must also examine the impact of gangs, drugs and alcohol as a motivator that fuels the aggression that is shown in some instances. That was one of the themes that emerged when NCH, the children's charity, surveyed young people. It interviewed roughly 100 young people up and down the country about their attitude to violent weapons. Its findings accorded with the other study that I have mentioned, because 63 per cent. said that image and peer pressure led to young people carrying weapons. Some 41 per cent. said that they knew someone who had been affected by knife or gun crime. NCH's position on its study is that it is important for young people themselves to be involved in the design of services aimed at them and in how we address the motivating factors that lead them to carry knives and guns. I shall return to that theme. What have the authorities done to respond? I shall start by addressing the point that the hon. Member for Castle Point raised.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): As this is a Chamber of the British Parliament, it is worth saying that Glasgow is the city

in this country that has the highest level of knife crime, and has had it for a very long time. Until quite recently, knives, rather than guns, were the weapon of choice for Glasgow's gangs. That shows that the demography of knife crime is more complex than one might think from reading the *Evening Standard*.

Mr. Love: I agree entirely. We can learn a great deal from the long experience in Glasgow, especially about the interaction between different gangs and geographical locations. We appear to be repeating some of the experiences there, so we need to examine Glasgow carefully, especially in relation to gangs and knives and in relation to drugs and alcohol as a fuel for the activities in question.

I return to what the authorities are doing. We have set up safer neighbourhood teams, which have been warmly welcomed across the House and contributed significantly to reassuring the public and reducing crime levels. In my area, there have been increased patrols by safer neighbourhood teams, and the police in general have been much more visible and on the streets. That is clearly an attempt to reassure the public that there is a response to the increase in violence that we have seen locally.

Since this Monday, local resources have been reinforced by the Metropolitan police in an operation that is intended to prevent, deter and disrupt gang, criminal and violent activity in the communities in my constituency and, I hope, lead to the arrest of some of those responsible. Again, these measures have the dual purpose of getting to where the violent crimes are perpetrated and reassuring the community about what is being done.

There has been a significant increase in the use of portable metal detectors. Last week, at one of the busiest stations in my constituency, such detectors were on show and my understanding is that they were very successful in detecting a number of weapons that were being carried and, it must be said, not just by young people. Those detectors are having some success.

We have safer schools teams in Enfield and one of the largest safer schools projects in London. Those teams have been going out to schools and redoubling their efforts to try to get some of these messages across to young people. I will return to that critical activity at a later stage.

My local authority has also set up a commission that is very much based on the one set up by Lambeth for very similar reasons: to look into the causes and effects of the significant increase in violent crime locally and also the policies that are necessary to try to address it. Furthermore, my local authority is co-ordinating a summit to discuss the relationship between crimes and drugs. We are acutely aware that drugs fuel criminal activity and there is some evidence to suggest that they also increase the level of aggression that is shown in some of these instances of knife crime.

I now to come to some of the areas that the Minister may be able to look at in addressing the crime issue. NCH, the children's charity, says that it is quite important that, in future, the under-16s should be included in the crime survey work that is carried out nationwide, so that we can have a better handle on the figures and also a better understanding of what is happening out there in the community. Is that idea something that the Minister has looked at?

Many people also believe that there should be a lower criminal age for the possession of violent weapons. I know that that issue has been discussed in the House and it is an issue that we need to address. If we look at the ages of the people affected and, indeed, the ages of the people carrying out these crimes, we see that some children under the age of 16 are involved, so we need to get a handle on what is happening to very young people in our community.

I refer again to my petition. I did not want to mention the mayoral election at the moment, but all the major candidates are suggesting that we need tougher sentences for the possession and use of knives; indeed, in the debates that we have had in the House recently similar recommendations have been made by individual Members. Could the Minister comment on the balance of judgment required, in relation to whether we need to send out a signal about the seriousness of the crimes that are being committed?

I want to see even more arches and wands used in our community. Shopping centres, railway stations and similar areas need to be targeted. If we are to believe the statistics, many people carry weapons. According to the statistics, 40 per cent. of young people carry weapons at some point during the day or in the evening and we need to take some action on that.

There is also a great need for more research on alcohol and drugs, and their role in violent crime. A phenomenon in my constituency would not be found everywhere, because it is located mainly in the Somalian community, and that is the use of a mild drug called khat. The police in my area report to me that the combination of khat and alcohol is leading to much greater levels of aggression among Somalian youth than they have seen in the past. That is a subject where more research could be carried out. The Minister may be able to comment on the fact that the Government have funded 15 local authorities to conduct research into gang culture in their communities.

Jeremy Corbyn (Islington, North) (Lab): I thank my hon. Friend for giving way on this point, and he is making a very significant speech on this issue. Does he agree that it is also important not to allow the media or anyone else to characterise the Somalian community and Somalian youths as intrinsically violent or drug-obsessed? Often, Somalian youths have suffered very bad discrimination and many of their families have suffered in war-torn Somalia. The Somalian community needs to be recognised and supported and, in particularly, we should recognise the role of the very strong Somalian community organisations that are doing their best to ensure that young Somalian people achieve something in their lives.

Mr. Love: I endorse what my hon. Friend says about the strengths of the Somalian community organisations and about their work; that has certainly been my experience in my constituency. Also, I certainly agree that many young Somalians have been traumatised by their experiences back in Somalia, where there is a vicious, ongoing civil war.

I know that khat is not yet an illegal substance and that it is relatively new in this community. By itself, khat really is relatively harmless, but in combination

[Mr. Love]

with alcohol there is cause for concern. I hope that the Minister will look at that issue.

Fifteen local authorities have been funded to conduct research into gang culture. The one plea that I make to the Minister today is that that research programme should be extended to include other local authorities. Certainly, I make a strong case for my local authority to be included, as it needs to look at the gang culture locally and it requires the research materials to address that problem in the future.

We also need to take stronger preventive measures. I will not go into those measures as time is moving on, but we need to do more in our schools, pupil referral units and in the criminal justice system itself to divert our young people away from gangs and the gang culture that lead to the levels of violence that we now see.

We also need more comprehensive youth services and I shall touch on this issue briefly. I am not sure that the Minister will be able to respond to this point, but it is important to put it on the record. This process is not just about banging down on young people; we have a responsibility to them, too. In my view, in the past, we have not exercised that responsibility effectively and we need to look at what we are doing in terms of providing youth services. Since 2000, local authorities have certainly been spending a lot more on dedicated youth services than they did before. However, the question still must be asked; are they doing anything like enough?

I could point to many examples of very good practice in my local area. The Edmonton Eagles boxing club is one example, but its work is repeated in karate, judo and other such clubs up and down the country. They do excellent work in diverting young people into sports activity. That activity gives them self-confidence and the ability to gain from the sport they undertake, and I hope that it will have a positive impact on their life.

Community theatre is another example of youth services. In my area, there is a local community theatre group called Ghetto Youth theatre. In fact, it has written, produced and performed a play about knife and gun culture in our community, and that play is taken out to schools and community centres across Enfield. It does a great job in getting the right messages across.

Of course, the Government have put a high priority on youth activities. I could go into detail about the £150 million that the Government have set aside related to their "Youth Matters" Green Paper. That money will be spent this year and next year, and much of it will go directly to young people to give them a voice in their local communities, which is all to the good.

In 2006, the Government laid a duty on local authorities to secure access for young people to "positive activities". We are yet to see that programme bed down, but I must say that "positive activities" is a rather nebulous form of words in relation to the responsibilities of local authorities. The term should be better defined.

The Government have also recently introduced their 10-year youth strategy. Again sums of money are attached to that strategy, and I think it will be some £180 million in the next three years.

One could go on and on. Various sums have been provided. Indeed, even the Secretary of State for Children, Schools and Families announced an initiative on children's play areas. I mention that because my local authority was fortunate enough to receive funding for that. We will get £2 million and some revenue support to provide play activities in the most deprived communities in my constituency. They will focus particularly on eight to 13-year-olds, but, of course, that is an important group. They will be coming up to the danger zone, if I can call it that, in which the attractions of gang and youth culture begin to take them away from the positive activities that we are trying to engender.

Many other funding schemes are available up and down the country. What we lack, and what I would like to lay on the table for discussion, is a comprehensive local youth service that reaches all the community, not one that involves our saying, as I often do when young people ask, "Where are the youth facilities?", that there is a community centre two, three or four miles down the road. That is not an adequate response. I recognise that there would be a cost in delivering such a service, but it should be a Government aspiration. I shall quickly suggest some ways in which it could be provided.

First, the local authority should have a duty to draw up a youth strategy. Some years ago, the Government suggested a duty to draw up a homeless strategy. It has been successful, and most local authorities could have similar success if they were to draw up a youth strategy and try to deliver it to local young people.

Local authorities should also have a duty to engage with representatives of young people. We have set up various youth parliaments and organisations. They all exist on a shoestring, and three or four interested young people usually get involved. We need to be much more serious about hearing young people's voices in all of this. We should be providing small grants for youth organisations. Rather than giving money to adults, professionals or the local authority, let us start giving some limited finance to young people themselves.

We need more community organisations, such as boxing clubs, judo clubs and community arts groups. They will engage young people on territory on which they can be engaged, and would deliver value for money for the Government. I hope that we would begin to see signs of reduced friction and tension in local communities and a reduction in violent crime as a consequence.

The appeal I make to the Minister is that we need the stick, but let us also have the carrot. In the long term, the carrot is much more important, although I understand the need to reassure communities that action is being taken. I hope that he will engage with the debate that is about to take place, and that Parliament and the Government working together can begin to address the real concerns up and down the country about violent crime in our communities.

Several hon. Members *rose—*

Mr. Edward O'Hara (in the Chair): Order. Before we continue, I wish to make two brief statements. I remind Members that the winding-up speeches must start no later than 10.30. Secondly, I compliment the hon. Member

for Edmonton (Mr. Love) on refraining from straying into issues that are sub judice. It is important to observe the sub judice rule and not discuss matters that are before the courts.

10.4 am

Jeremy Corbyn (Islington, North) (Lab): I congratulate my hon. Friend the Member for Edmonton (Mr. Love) on securing this debate, on the careful, thoughtful and intelligent way in which he introduced it, and on the positive messages in his contribution.

It is right that we should discuss knife crime and particularly its effect on young people. It is horrendous and awful, and disfigures communities. However, it is important to remember that young people are not all violent. They do not all carry knives or commit crimes. As my hon. Friend pointed out, they are actually more likely than older people or anyone else in society to be the victims of crime. Young people walking around often have a far greater sense of fear than adults do. I know young people in my constituency who are simply not prepared at night to walk down certain roads or even to cross certain roads because they feel that they would be in an area that is controlled by someone else. They feel that they are at risk. That is something within youth culture of which older people are almost oblivious—they simply do not notice that kind of thing. Many young people growing up in our big cities experience real fear, and we should have some consideration for that and concern about it.

We should also recognise that many young people, particularly teenagers, socialise on the streets. They hang around on the streets and chat to each other. Every teenager for ever has done that. There is nothing wrong with it; it is part of growing up, part of life. How many adults, when they see a group of teenagers standing around on a street corner, immediately have photo images running through their mind about knives, guns, drugs, violence and so on, and cross the road and walk away in fear? In reality, the danger to them is minimal. They ought to just walk by and say, "Hello, how are you doing?" The general approach should be to talk to people. It is a form of human interaction that goes a long way and has been around for a long time. It is possible for adults and teenagers to interact. I know that some people think that that is difficult, but it can actually be achieved. There needs to be a much more positive approach in society towards young people and their concerns, fears and hopes.

My hon. Friend described very well the tragedy of the five deaths from knife crimes in his constituency. Fortunately, I have not had as many in mine, but two young people have died from knife crime in the past year. I want to say a little about them. Their lives should be remembered, and the community response should be remembered and understood.

Last summer, a young boy, Martin Dinnegan, was walking home from a youth club. He came across a group of people and was stabbed to death on the street within five minutes' walk of his home and within three minutes' walk of the youth club that he had just left. An awful situation: a 14-year-old boy who was doing well at school, and who had a supportive family, great hopes for the future and a great life ahead of him.

Several things were interesting. First, because we now have safer neighbourhoods teams in London and the relationship between the local community and the police is much better than it used to be, a great deal of evidence was provided very quickly. That assisted the police in making arrests. I compare that case, which is before the courts and therefore sub judice, with the stabbing of a young Somali boy in my constituency five years ago. There was much less co-operation with the police because there was not the same relationship with them. That is an important thing to remember.

The response of the community was also interesting. There were two church services. One was a service of peace at St. Mellitus church, led by Father David Ardagh-Walter, which was about peace in the community. It was followed by a peace march attended by 2,000 people. They marched down the road, and, after a period of silence, messages were given by the local police commander, the Mayor and myself to the assembled crowd.

The response in the community was good, and we have had a series of meetings since then to talk about knife crime, punishment, understanding, and building and providing a much better youth service. The role of Martin Dinnegan's family and his parents, Jim and Lorraine Dinnegan, has been fantastic in trying to build good community relations, even though it is unbearable to think of losing a 14-year-old son in those or any other circumstances.

An even more recent tragic stabbing was that of a young man called Nassirudeen Osawe, who was walking through the Angel in the constituency of my hon. Friend the Member for Islington, South and Finsbury (Emily Thornberry), although he and his family lived in mine, when he was stabbed to death for no apparent reason or motive. The case is now before the courts and various people have been apprehended as a result. Nassirudeen, a young boy who lost his life, was, tragically and ironically, from the same school as Martin Dinnegan, St Aloysius college in my constituency. He was a very promising and artistic youngster. This was yet another death. Another family is totally bereft, bereaved and uncomprehending of what has happened around them.

I attended the funeral of Nassirudeen, which was held at the East London mosque, and a large number of young people were there. Something poignant happened when they filed past the open coffin of Nassirudeen Osawe: they saw the reality of what happens when young people carry knives and are incapable of communicating with somebody else other than by the use of violence. The result was the tragic loss of this brilliant young man. It is an appalling tragedy. My heart goes out to his family. However, again, they are making a great contribution to the community and are doing their best to bring people together to try to create some sense of understanding of the dangers of violence in our society.

The activities that have happened locally as a result of those two deaths have, in some ways, been positive. There is increased co-operation with the police through the safer neighbourhoods team. I thank Commander Bob Carr of Islington police and his colleagues in particular for the work that they have done supporting all the community organisations and initiatives. I want Islington council to understand the need to invest more

[Jeremy Corbyn]

money in youth services and to welcome the initiative by the Mayor of London to improve and increase youth provisions and services all across London.

Young people growing up in our society are subject to many pressures, including the pressure to conform, and to the glamour of violence, knives and guns. They feel that a knife gives them protection. If young people are asked, "Why do you carry a knife?"—and many of them do—they say, "It is for my protection." It should be pointed out to them that it is more likely that they will be killed by their own knife if they get involved in a fight: somebody will take it from them and they might well end up being the victim of their own knife. We have to get a message across to them that carrying a knife is dangerous and is going to result in somebody getting hurt and possibly dying as a result of that.

The debate is also about the degree of violence that young people in particular are subjected to through television and in the media all the time. Violence is glamourised; the idea is that someone is big, powerful and strong if they kill somebody in war, a fight or a gang brawl. We need to promote the idea of community, peace, understanding and reconciliation between people.

We must also look at the way in which people live in inner-city areas. My hon. Friend the Member for Edmonton mentioned the perceptions of gang culture around the place. In some ways, a gang can be quite benign: it can be a group of young people, who do not necessarily mean violence or harm, getting together and simply calling themselves a gang. There are plenty of hooray Henrys in Oxford and the public schools who form gangs of all sorts, but they are not seen as threatening. *[Interruption.]* I do not wish to name names on this occasion, because this is an important debate.

Ms Abbott: Some people might call the Bullingdon club a gang.

Jeremy Corbyn: They might, indeed. It is a small gang—

Mr. Love: An affluent gang.

Jeremy Corbyn: Yes.

We have to say to young people that there is no harm in socialisation. As youngsters, I am sure that all hon. Members hung around with a crowd of people that would, these days, be called a gang—it was just a crowd of people we hung around with and went out with or whatever else. We have to recognise that. However, we must also recognise that in the inner-city areas represented by those of us contributing to this debate—four of the hon. Members speaking today have adjoining constituencies in north London—housing is part of the problem. A teenager growing up in my constituency, or those of my neighbours and colleagues, who is sharing a small, crowded flat and has to share his bedroom with one or two siblings of a similar age or even much older does not have space to socialise. They cannot bring their friends home or have them stay over; they cannot do any of things that everyone wants young people to be able to do, because there is simply no space. So they are forced to socialise outside whether they want to or not. Obviously, I do not want to stop people socialising outside, but we need to recognise that housing is part of the problem.

Lynne Featherstone (Hornsey and Wood Green) (LD): I agree with the hon. Gentleman. I have raised that issue often in evidence to planning committees. Does he think that there is a need to look at the minimum requirement for space standards, which are impossible and build in problems for the future?

Jeremy Corbyn: I agree; they do build in space problems for the future. In a former life I was councillor in the hon. Lady's constituency and chaired various committees. I recall doing a study on Chettle Court—she will know the place well—which is a large block of flats built in the late 1960s, early '70s. We studied the costs of not providing community space and of providing small flats, and the additional costs over the next 30 years in relation to social work, special youth provision and special centres, and so on. We are building problems for the future by not building good quality homes today. It is so important that we improve the space standards and that, instead of every planning decision revolving around one and two-bedroomed flats, particularly in inner London, we consider the need for family sized accommodation and family homes.

My hon. Friend the Member for Edmonton and I were Haringey councillors in the 1970s and '80s. I recall with great pride that we finally achieved the point at which no families were being housed in tower blocks and every new property was a home with a garden. That did not last long because the Tory Government came along and took the money away. However, we achieved a huge amount there. We should work towards that aspiration.

I shall conclude because I want to ensure that my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) gets to speak. This is an important debate and an important subject. I say yes to youth provisions, yes to understanding young people and yes to punishment for those who knowingly carry knives with intent and who use them with intent, because I have no sympathy whatsoever for those people. But when we put young people into detention, whether it is Feltham or any other institution, I do not want them to come out in four, five or however many years later—having committed some horrendous crime—as brutal people ready to commit another crime. We must have a criminal justice system that arrests, apprehends, prosecutes and, if necessary, imprisons people, but we should encourage them to come out as better people than when they went in, rather than create the universities of crime that so many of our penal institutions have become. There is a huge debate and a huge issue here. Avoiding the debate will not solve the problem. Having the debate and meeting the needs of young people will do some good in that direction.

10.18 am

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am glad to have the opportunity to contribute to a debate on teenage knife crime, because it is such a huge issue for my constituents in Hackney.

Knife crime in England and Wales is, in some ways, young persons' crime. It is an issue in Hackney because Hackney is a young borough. Under-18s comprise a quarter of our population and we have all the indices of poverty and deprivation: 60 per cent. of my people live in social housing and we are consistently in the top 10 in the country in respect of the unemployment rate. Unemployment hits young people particularly.

One of the characteristics of inner London is that terrible poverty and often shockingly high levels of deprivation, as some colleagues from outside London would acknowledge, go cheek by jowl with great wealth. It is not unusual in Hackney for Victorian or Georgian squares with houses worth £1 million to be next to estates that are still sinks of grim poverty, despite the money that the Government have spent on refurbishing them. When I see some of the savagery of the crime on London's streets, there is a sense—this is not an excuse—of two nations living side by side in mutual incomprehension.

The other issue in Hackney relating to teenage knife and gun crime is the number of young people who fall through the education net. A former director general of the prison service, Martin Narey, said that on the day that a child is expelled from school, we might as well give them a date and time to turn up at prison. The route from educational failure and exclusion to life on the streets, gang culture, knives, crime and prison is direct. I do not expect the Minister to respond to the education and youth service issues that I want to raise, but provision for that must be interlinked with a long-term strategy to deal with the problem of knives and guns.

In Hackney in 2007-08, knife crime fell by 23 per cent., but my constituents do not believe that, particularly at election time. One issue with knife and gun crime is that the perception of crime is as much a problem as the level of crime. I could not walk through Stoke Newington and convince people that knife crime has fallen by 23 per cent., but it has. However, no matter how low the level of knife crime, it is still too high, particularly because it is a young person's crime. We have had two fatal stabbings in Hackney so far this year.

Although 10 to 17-year-olds make up only 11 per cent. of Hackney's population, they are responsible for 28 per cent. of reported crime. Why are young people carrying knives? I have been to schools and youth clubs and asked them why, and have tried to counsel individual young people who are brought to see me by their mothers, and they say that they carry knives to protect themselves. One simple thing that we could do is to go into schools and make them understand that carrying a knife does not protect them, but puts them more at risk, not least because it is a random weapon. A slip of the wrist or of the weapon and what was intended to frighten someone can end in murder.

Politicians have a tendency, and the media more so, to demonise young people involved in street culture, but we must remember that some—I am the parent of a 16-year-old— if not all of them, are quite frightened. They may look scary strutting along with their hoods and glaring menacingly, but they are frightened, and as much as we want to relieve the middle-aged, middle-class electorate from fear, we should consider how we can relieve young people from the fear that causes them to cling to their gangs. For many of them, the gang is their family because of family breakdown in inner cities. Young people who would once have found role models as apprentices in manufacturing industry now find their role models in street gangs. It is no coincidence that some of the centres of gang and gun crime—Brent, Hackney and parts of south London—were centres of manufacturing industry 20 years ago. As manufacturing industry and the possibility of employment for unskilled and semi-skilled males has declined, we have seen the rise of criminality almost filling that vacuum.

I want to stress that some young people, scary as they may look to us, are frightened. I had occasion to take issue with the Home Secretary, who is a wonderful Home Secretary in many ways, for saying that she would be frightened to walk the streets of London. I insisted that middle-aged ladies like me and the Home Secretary are perfectly safe on London's streets. The people who are genuinely at risk are people of my son's age.

I live on a street in Dalston in Hackney. At one end is the London Fields gang and at the other is the Holly street gang. I remember some young people at the Holly street end saying that there is nothing to do and when I said that there is a sports centre and a new lido at London Fields park, they replied that they did not dare to walk to that end of the street because it would take them into another gang's territory. Those areas are less than quarter of a mile apart, and those young people live in fear.

I congratulate the Government on their legislative programme covering gun and knife crime. The Violent Crime Reduction Act 2006 raised the legal age for buying a knife from 16 to 18. That was important. It made it illegal to use others to hide or carry a knife intended for unlawful use. It increased the maximum sentence for carrying a weapon in public from two to four years. It allowed teachers to search pupils if they thought that they might be carrying weapons. The Knives Act 1997 prohibited the marketing of knives in a way that suggests that they could be used for combat. It is illegal to carry a knife in public without good reason or lawful excuse, and the stop and search laws mean that the police can stop people if they believe that they are likely to be carrying knives.

I welcome the Government's legislative changes, and I am not against increased sentencing, which is what people called for, but ultimately it is not legislation, or even doubling or tripling sentences that will make a difference. One thing that will make a difference for both knife and gun crime is certainty of prosecution, so for some time I have tried to stress to Ministers not just the sentencing framework, but the protection that we give to witnesses and the extent to which we build confidence in the community. In many ways, knife crime is like gun crime. In those small networks of young people, it is no secret who has committed the offence, but they are often too terrified to come forward and to be witnesses.

Like my hon. Friend the Member for Edmonton (Mr. Love), I believe that although legislation and law enforcement must be the short-term answer, particularly because we want to build confidence in our communities, we must consider youth services. I have been an MP long enough to have seen during the 1990s

[Ms Diane Abbott]

the collapse of the youth service as local authorities such as mine came under financial pressure. It was a non-statutory service, so it was easy to cut. A project here and a project there, however lovely, with short-term funding that has to spend the first 12 months setting itself up and the final 12 months looking for other funding to replace its term-limited funding, is no substitute for a stable youth service that knows its community and whose youth workers are out on estates and streets engaging with young people and bringing them to the services and facilities.

Jeremy Corbyn: Does my hon. Friend agree that it would be helpful if there were a statutory requirement for a youth service which was clearly defined with ring-fenced funding accordingly?

Ms Abbott: If we are talking about joined-up government and are concerned about knife and gun crime, the Government should consider making a youth service a statutory provision. It is precisely because it was not statutory that it collapsed in Hackney. It was replaced with many different little projects, but a patchwork of projects with time-limited funding is not the same as a stable youth service that can offer continuity and personal relationships with young people and communities going forward.

As with so many things, education is at the heart of the matter. Young people who become involved in knife and gun crime have almost invariably fallen through the education net. We must focus on educational underachievement, especially of young black men and Asian men. The idea has always been that a colour-blind approach is helpful when talking about deprivation and so on, but what has happened is that despite the money that has been pumped into schools in London and so on, young black men and some recent young male asylum seekers remain at the bottom of the education pile. Starved of any opportunity for self-esteem and pride in themselves within formal education, they look for that self-esteem and pride in the negative culture of the world of gangs.

This is a serious problem. Sadly, people's fear and perception of the prevalence of the problem is greater than the figures, but that does not mean that we do not have to deal with people's fears and reassure them. The Government have done a lot through legislation and there may be more that they can do. We need to consider the long-term strategic issues on the provision of youth service and education.

10.30 am

Lynne Featherstone (Hornsey and Wood Green) (LD): I congratulate the hon. Member for Edmonton (Mr. Love) on securing such an important debate. So far, I have not disagreed with anything that has been said—there is a lot of sense in this room.

Like all MPs, I dread getting a phone call from the police; one knows that it will be bad news and that there will have been an incident. In December 2006, I received a call—not one of the worst that I have received—about 60 to 80 youths rampaging up Lordship lane, which resulted in a number of stabbings. Mercifully, none of the stabbings was serious in the sense that none was fatal, but the fact that that is happening must be of concern to hon. Members from all parties. Such violence has spread way beyond the areas where one would traditionally expect there to be trouble; the problem goes right across my constituency of Hornsey and Wood Green, from the wealthy, leafy side to wards with some of the highest levels of deprivation in the country. The fear is the same across all of those areas and some of the incidents are the same, too.

As a Liberal Democrat, I believe that our approach should be the three Ps: prevent, protect and punish. I agree with the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) that education should be at the highest end of the spectrum of issues. Some good initiatives are taking place. For example, during anti-crime week, I visited Woodside high school, which is a big secondary that faces many challenges. Everyone worked together: the police, the young people, and a theatre group—the Comedy Store, which did a role model play. Once young people talk openly, it becomes clear that they are petrified. The event at Woodside was a bit difficult at first and the first half hour went a bit slowly because having police in the room is not necessarily the natural environment for people to express openly who is carrying and who is not. Nevertheless, as the morning progressed, the fears came out and, above all, young people said, "Well, I carry because I'm scared not to. If I knew that there were not knives on the streets, I would not need to carry a knife." I think that that set the task that we faced.

Other hon. Members have also mentioned that it is helpful to communicate about the issue through drama, and in the case I mentioned that was done through the Comedy Store. Police and politicians talking to people is good and engaging, but the role model play made it clear—I watched the performance and thought it was fantastic—that if someone carries a knife, there are two outcomes. The first outcome is that the person carrying a knife may end up injured or dead, and as the hon. Member for Islington, North (Jeremy Corbyn) said, that could be a result of their own knife. The second outcome is that they will end up with a custodial sentence, which will ruin their life just as surely as anything else. The role model play was a good way of getting that message across.

Having a police officer in each school can be a good measure—we certainly have experience of that in Haringey—but it can depend on the police officer and how far they engage with the young people. At Woodside, the police did a lot of good work. I am concerned, and perhaps the Minister will address this, that the Government are not doing enough in terms of funding. The Connected fund supports community-based work to tackle gun, gang and knife crime and has been providing grants. In the Home Office's most recent report the fund is feted as a flagship of Government effort to educate, engage, and dissuade young people from carrying knives. However, the last round of grant application finished in May 2007 and I do not know what further work is being done or what is happening in relation to that. Will the Minister elaborate on the current state of the fund and say when and if the next round of grants will come forward?

As hon. Members have said, prevention is definitely about investing in youth services. In Haringey, our youth service has been decimated, and those involved have almost an impossible task. Yet it is crucial to get into the communities and work with the young people who need that kind of attention. In autumn 2007, a MORI survey on youth crime commissioned by the Youth Justice Board showed that 43 per cent. of young people think that their peers commit crime because of boredom. We should listen to young people and to do that we need to invest in them. The issue is not just about banning violent computer games or censorship; it is about giving people pathways, aspiration, hope, and care and attention. Banning things often makes them more glamorous.

We need modern heroes who are both cool and positive for young people to aspire to—the role models who go around the schools have not always been that. Sports facilities and somewhere for young people to hang out are also important, as hon. Members have said. However, that does mean the yesteryear thing of a church hall with a table tennis table, which has limited attraction.

Jeremy Corbyn: Probably zero attraction.

Lynne Featherstone: Or, as the hon. Gentleman said, zero attraction. Young people need somewhere to hang out; in fact, a commercial enterprise has opened a non-alcoholic pub that is incredibly successful. I do not know where that is, so if anyone knows, I would appreciate it if they could tell me. When I visit schools, the sixth formers all say that they want somewhere to hang out so they can be warm. They do not particularly like being out on the street when it is freezing, and there are ideas to deal with that that could be utilised, such as having non-alcoholic pubs.

Sports facilities are important, but unfortunately even in Haringey, £32,000 to develop youth sport will not go a very long way. We need to devote the funding to the need. In terms of prevention, most of all, young people need someone who cares about them when they come home, and when they are at school. Young people also need someone who cares about their achievements and what they are doing and someone who knows when they are getting into trouble. Ideally, of course, that should be a parent, but it can be any adult. Quite often the sports coaches at New River sports centre take on youngsters and encourage them to become coaches. They take an interest in an individual young person and that makes the young person want to do well and to achieve. Such schemes turn lives around and many of the volunteer coaches from that sports centre go on to have careers. Such things are really important.

As has been said, protection relates to the issue of fear. When I met Haringey youth council and youth parliament, young people said that fear of crime is their number one issue and that they are afraid because they are vulnerable to others carrying knives. Young people also think that carrying a knife gives them status. As the hon. Member for Islington, North said, if someone comes from a deprived area they might not have much, but with a knife they feel like a big guy and can say to themselves, "If I can show that I'm a man, who's going to diss me now?" We have to show that that is not the case. Some kids do not even realise that plunging a knife into someone's leg can be fatal; they do not necessarily know that there is an artery there that can kill someone because they think the leg area is not the same as the chest.

On action to get knives off the street, yes, random arches are good at stations, but I worry that they are of limited use in schools where there is a real problem because the knives would not be taken into school. But, random use outside nightclubs is good. Intelligent stop and search should be used because at the moment it does not target carrying and barely picks up on knives. As the hon. Member for Hackney, North and Stoke Newington said, we need information from the community. The community knows who carries a knife and if it trusts, it will share that information. The police can then stop the relevant person. If we can remove knives from the streets, kids will not feel the need to carry them, and if that confidence is there, the intelligence will be forthcoming. The knife amnesties that bring in 90,000 knives are great, but there is not a corresponding drop in knife crime. We need to think about how those things are working.

Will the Minister give the prosecution rate for young people carrying knives? In the Violent Crime Reduction Act 2006 I argued for longer sentences—the third of the three-piece punishments—and we have to send out a message on that. However, I have been unable to obtain the figures on how many young people who carry knives are prosecuted and what sentences they receive. More to the point, just arresting people, particularly young people, and putting them in prison will not help to change behaviour, and changing behaviour must be the goal of any punishment, penal system or messages that we send. We are here to help young people on to good pathways and into good lives, not to harm them permanently. We owe it to our young people to ensure that we keep the focus on all those strategies.

10.40 am

James Brokenshire (Hornchurch) (Con): I congratulate the hon. Member for Edmonton (Mr. Love) on securing the debate, as it is very timely. His contribution was serious, sober and touched on a number of extremely important points that lie behind not only knife crime, but the crimes of violence that affect too many of our communities.

It is telling that the hon. Gentleman highlighted the five victims in his constituency, the hon. Member for Islington, North (Jeremy Corbyn) highlighted the two victims that there have been in his area in the past year and the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) highlighted the two fatal stabbings in her community. These crimes touch many different people. Let us not forget that all the people involved were brothers, sisters, sons, daughters and friends. They have all left loved ones behind, and that loss has a continuing impact on the close relations and friends who are touched by these appalling incidents. The hon. Member for Edmonton summarised very clearly the sense of trauma that the incidents have engendered in his area. When we read the record of the debate, we will read the testimony that he offered from two of his constituents on their experiences, feelings and real sense of fear. That was extremely moving and highlighted extremely well the personal impact that these crimes have on so many people.

[James Brokenshire]

It is important to stress that although all the contributions thus far in the debate have centred on London—apart from the Minister, all those present are London Members—the issue does not only touch London. Many other cities, communities and areas are touched by the impact of knife crime and crimes of violence.

The hon. Member for Islington, North highlighted some of the intergenerational aspects of the issue, which I believe are very important. Young and old do not necessarily mix as well as they should do. Research bears that out: young people in this country spend more time with their peers as opposed to their families than young people in any other country in Europe. That is a fundamental issue. The fragmentation that we see in our communities and societies lies behind some of the factors and features that are, sadly, displayed on our streets in the violence that takes place.

Another issue is housing and people having a sense of space. We need to ensure that people have decent homes. High-rise living has an impact, in that it does not engender a sense of belonging, of community, of ownership. I fear that the mistakes of the 1960s are likely to be made all over again as a result of some of the applications that have been continuing to come through in recent months.

The hon. Member for Hackney, North and Stoke Newington highlighted education. Education provides hope, aspiration, self-worth, confidence and a deliberate career plan. One of the problems with the gang culture is that some organised criminal gangs target the most vulnerable members of society. They use lack of opportunity as a means to take young people down an alternative career path involving drugs and violence. They actively try to undermine the social pressures and social norms of family that usually take people down a very different path to a very different life outcome. We need to focus on education in trying to combat some of the themes underlying the debate.

The hon. Member for Hornsey and Wood Green (Lynne Featherstone) talked about listening to the voices of young people. I could not agree more. It is extremely important to restate that young people are most likely to be the victims of crime, rather than the perpetrators. We must ensure that we listen to their voices and their fears, hopes and aspirations because, sadly, too many of them are falling victim to these pernicious offences and live in fear of going out into their communities. We have heard many such stories this morning.

The number of homicides in which sharp instruments such as a knife are used has increased by 40 per cent. since 1997, with 185 killings in 2006-07. More than 230 violent crimes involving a knife are committed every day. One of the most disturbing aspects of that rise, and the reason why today's debate is so prescient, is that both the victims and the perpetrators of these appalling crimes are becoming younger and younger. In a study conducted for Hampshire police, one in five 15-year-olds said that they had carried a knife at some point.

According to research on the views of young people conducted recently by the children's charity NCH, which was referred to, 63 per cent. of respondents said that a main reason why they thought that young people got involved in gun and knife crime was to protect themselves. The NCH report notes that

"becoming a victim of crime, particularly violent crime, is a real fear for children and young people growing up in the UK today."

Should that be surprising when infants, toddlers and children are exposed to violence at an extremely young age? I am very disturbed by research coming out about the number of very young children—children under the age of 10—who are exposed to violence. A study by Cardiff university showed that the number of under-10s attending accident and emergency departments as a result of crimes involving a violent attack had almost doubled in the past year. What path are we setting young people on if, at the very start of their lives, rather than receiving support, nurturing and protection, they are becoming victims of violent offending?

The risk is that, for some young people, that desensitisation to violence can lead to the use of extreme violence becoming an accepted social behaviour. That risk is heightened by social and economic deprivation, family breakdown, lack of values and structures, under-achievement in schools and poor job prospects, leading to involvement in the drugs trade, with territorial rivalries between gangs seeking to exercise control over their areas through the use of violence.

In evidence to the Select Committee on Home Affairs, Superintendent Leroy Logan, deputy borough commander of Hackney police, warned of an increase in "postcode violence" driven by the "paranoid misguided loyalties" of young people who feel threatened by the presence of strangers in their area.

Prevention through education, which has been advocated, will work only if young people's experience of being in their communities is not one of risk and danger. That is why policing and enforcement are an essential element in combating this serious problem, and that is where the Government have failed by not providing any deterrent, with just two people out of 6,000 convicted of carrying a blade in a public place receiving the maximum sentence. Detection is not leading to meaningful detention and sanction. Also important is the continued failure by the Government even to recognise that crimes against young people exist, with under-16s excluded from the British crime survey. Just thinking about change in that respect is not good enough—the Government need to make the change.

However, even when the Government do implement measures, they are not monitored properly. For example, new powers were introduced to screen pupils randomly using metal detectors in October 2006, with a right for schools to carry out searches of pupils suspected of carrying a weapon since May 2007. A parliamentary answer that I received on 17 March shows that there is no monitoring and no collection of information on screening, searches or the number of weapons recovered. That is despite the fact that having a bladed article on school premises is an offence under the Criminal Justice Act 1988 and despite the fact that the Government are supposed to be collecting information to inform policy making in this important area.

Knife crime among teenagers is a complex issue, and time does not allow me to deal with a number of the causes or solutions. The key, however, is its impact on

our communities. The Government are often quick to legislate but slow to enforce. We do not have that luxury on this most serious of issues. Too many young lives are being blighted by knife crime. Too many young people continue to carry weapons—and too many people continue to get away with it.

Taking action is different from talking about action. Cutting crime means curbing the causes of crime, and delivering change involves more than delivering plans. The question is whether the Government recognise that, and whether they really will bear down on this appalling crime, which affects too many people every year.

10.50 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. Vernon Coaker): It is a pleasure, Mr. O'Hara, to serve under your chairmanship. I congratulate my hon. Friend the Member for Edmonton (Mr. Love) on securing this debate, and on setting the tone of our discussions. He has obviously done a lot of work on the subject. I know that knife crime greatly affects his constituency. Indeed, it has affected him not only as a constituency Member but as an individual. Knife crime affects us all.

The important thing to have come out of this debate is the realisation that too often debates on crime are a caricature; one is either a hanger and flogger, or one is a wishy-washy liberal. I thought that most contributions to the debate showed the futility of that argument and its ridiculous nature. Clearly, if someone is running around stabbing people, we need others to stop it. We need the police to respond in an appropriate way, as they do, and to bring it to an end.

Tough enforcement of the law in our communities is essential; it is part of what is going on. I have not heard anyone suggest otherwise today, but the debate is often caricatured by whether or not one is a tough enforcer. Frankly, no one with a half-decent sense of the issue would say that enforcement does not play an important role. However, enforcement alone will not solve the problem. Alongside it, we need other things to happen—diverting young people, preventing crime, tackling poverty and inequality, and the other issues mentioned today.

Let us lay the matter to rest. We should try, once and for all, to lay aside that sterile debate. As far as I can see, we have a sense of unity today; it is about putting all those things together. One without the other will fail. The important thing is how to bring those factors together. That is the first important point of principle.

The second is this. We all meet large numbers of young people. Last week I met a lot of young people from NCH—the charity recently published a report on tackling violent crime—and I discussed the problem with them and dealt with a series of questions. They and all the other young people that I meet in my constituency and across the country do not believe us when we say this, so I say it again and hope that it will be picked up: the vast majority of our young people are decent and law-abiding, growing up in difficult times. They do not break the law, they do not go around stabbing people, they do not commit violence, and they do not threaten elderly people. In fact, huge numbers of them help others in caring roles and in many other voluntary ways.

We should say so and be proud of the fact. There should be as much publicity and comment about them as there is about the small number who cause such immense problems in our communities—and not to those who are most scared, namely the elderly, but to young people. It is they who demand that we do more to tackle the problem because, by and large, it is they who are the victims of such crime. I say that with some passion because although it has been said here this morning and it is repeated in many other forums in Parliament, it is rarely commented upon. That almost creates a sense of despair among our young people.

I turn to some of the specific points raised by my hon. Friend the Member for Edmonton. He and the hon. Member for Hornchurch (James Brokenshire) spoke about including under-16s in the British crime survey. We are considering whether to take that forward. I understand that under-16s can be charged with possession offences, an issue raised by my hon. Friend, the hon. Member for Hornchurch and others.

I met Assistant Commissioner Alf Hitchcock, the spokesman on knife crime for the Association of Chief Police Officers, and discussed the need to ensure that the courts have the right guidelines. Guidelines on possession offences may not be necessary for first offences if there are no aggravating factors, but they need to be sufficiently clear for the courts to know that we regard possession as a serious offence and that they should deal with it appropriately. As my hon. Friend knows, we have increased the maximum sentence available to the courts, which they can use if they wish.

On the question of arches and wands, we made a statement a few weeks ago in which we outlined a starting point of 350 wands, 8 arches, but we hope to extend and expand the number. On CAT scanners, my hon. Friend will know from the drugs strategy that we are considering that question. We want to do some research on the matter because there are differing views about the way forward. We want to know whether there is a particular problem that needs to be addressed through CAT. If it appears that we need to take matters forward, we will, but a comment in the drugs strategy document says that we recently considered the subject.

My hon. Friend the Member for Islington, North (Jeremy Corbyn) spoke not only about neighbourhood policing but about broader social issues. I agree with him. As I said earlier, tackling the problem is not only about enforcement. There are housing issues, and we need to ensure that every young person has opportunity. We should not concentrate only on the bright academic young people in our communities; we need to ensure that all young people have opportunity. I am encouraged by some of the statements that the Government are now making on the importance of vocational education, and ensuring that those who can do with their hands are regarded as being equally important as those who do with their brains. That would be an important step forward.

I also agree with what my hon. Friend said about rehabilitation in prison. People sometimes have to be locked up, but the idea that we should throw away the key is not appropriate in a civilised society. We need to ensure that, as far as possible, people do not re-offend after leaving prison.

[Mr. Vernon Coaker]

I agree with my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) about the importance of schools.

Mr. Love: I thank my hon. Friend for dealing with specific issues. One of the common themes that has come out in the debate is the need for a comprehensive youth service. I know that that is not my hon. Friend's responsibility, but I ask him for two things. First, the subject goes across all Departments, so we need joined-up government for youth provision at a local level. Secondly, will my hon. Friend take what has been said here to those Ministers responsible for youth provision, and ensure that they understand what we mean?

Mr. Coaker: My notes say that I should next respond generally to the fact that the hon. Members for Hornchurch and for Hornsey and Wood Green (Lynne Featherstone) and my hon. Friends all spoke about the importance of schools and of youth services.

I shall do what my hon. Friend the Member for Edmonton asks. I know that the Department for Children, Schools and Families is investing significant sums in youth services. We need to work in a joined-up way. I will talk to ministerial colleagues and write to my hon. Friend about our discussions, and I shall copy that response to the other Members here today.

We are going to take tough enforcement action. We are taking action on prevention and diversion. We are also considering communication. In a few weeks's time, there will be a new advertising campaign. The hon. Members for Hornsey and Wood Green and for Hornchurch and others spoke of listening to young people. We developed our advertising campaign with young people; it is about getting across the message that carrying a knife can increase the chance of being a victim of knife crime. It will be launched in a few weeks' time.

The weekend before last, a group of young people came together to develop the work needed in that respect. We hope that it continues make a difference, alongside the other things that are being done.

Local Tuberculosis Services

11 am

Julie Morgan (Cardiff, North) (Lab): I am pleased to have the opportunity to discuss tuberculosis today and delighted that my right hon. Friend the Minister will reply to the debate. I am sure that she is aware that it has come about as a result of the report, "Putting Tuberculosis on the Local Agenda", which was published by the all-party group on global tuberculosis, which I co-chair with the hon. Members for Arundel and South Downs (Nick Herbert) and for St. Ives (Andrew George). The group is supported, and was inspired, by RESULTS UK. The report was produced in conjunction with the British Thoracic Society, with which the group works closely on the issues.

TB is a common and deadly infectious disease. It most commonly attacks the lungs as pulmonary TB, but it can affect any part of the body, including the brain, lymph glands, intestines, kidneys, spine, bones, joints and even the skin. During the Victorian era, it was so much part of life, so inevitable and so little understood that its existence was completely accepted as a fact of life. In the early 19th century, it may have accounted for one third of all deaths. Indeed, some argue that the UK gave TB to the rest of the world, emerging as it did from the cramped living conditions of the industrial revolution. They say that we exported it with our engines and armies and rolled it around the world.

Many people today can still remember friends and family who were struck by TB in this country up until the 1950s, and people live with the consequences of having TB. When antibiotics came, everybody thought that TB would be consigned to the history books and that it would be a disease of the past—that was a strong belief in this country.

One of my first jobs was as a social worker—I worked in a TB hospital in Sully in south Wales. At the time, my colleagues and I thought that the people we saw would be the last to have TB. The hospital is now closed, and we thought that there would be no need in future for the treatment that we gave to people but, sadly, today more than one third of the world's population has been infected by TB and new infections occur at a rate of one per second. The emergence of drug-resistant strains has contributed to the new global epidemic and, in March, the first UK case of extensively drug resistant tuberculosis was reported in Glasgow; it was noted with a lot of publicity and is of great concern.

The all-party group began to work with the British Thoracic Society in early 2007. The society expressed concern that the chief medical officer's action plan, "Stopping Tuberculosis in England", and the National Institute for Health and Clinical Excellence guidelines, "Clinical diagnosis and management of tuberculosis, and measures for its prevention and control", which were published in 2006, were not being implemented. At the same time, rates of TB were rising. Since the Health Protection Agency's new surveillance system was put in place in 1998, the incidence of TB has increased by a remarkable 42 per cent., from 5,658 new cases in 1998 to 8,051 in 2006. The group is pleased that the trend appeared to stabilise in 2007, but we do

not know whether that was a one-off or whether the trend continues. However, we now consistently see, year-on-year, more new reported cases of TB than hepatitis C and new diagnoses of HIV. Actually, in some parts of the country, particularly London, the rates of TB are equivalent to those found in Asia and sub-Saharan Africa. The situation is serious.

The report is made up of two surveys, both of which were carried out in 2007. The first was an online survey and the second a paper survey that was sent to all primary care trust chief executives. It followed the publication of the Department of Health TB toolkit in June 2007, "Tuberculosis prevention and treatment: a toolkit for planning, commissioning and delivering high-quality services in England", which was a guide to help PCT commissioners to implement the NICE guidelines. The group was pleased with the response to its survey. More than 70 per cent. of PCTs responded, which was excellent, and we intended the survey to be sent out in both England and Wales.

Mrs. Ann Cryer (Keighley) (Lab) *rose—*

Julie Morgan: I am pleased to give way to a fellow member of the all-party group.

Mrs. Cryer: On the role of PCTs, do my hon. Friend and the Minister agree that it would be useful if they or other bodies encouraged ethnic communities to desist from stigmatising those with TB and their families? I have some experience of that: one or two of my constituents have put off seeking treatment for TB because they did not want the extended family or community to know about it. It would be useful if PCTs could persuade communities to desist from such behaviour.

Julie Morgan: Stigma is an important issue in relation to TB. It prevents people from seeking treatment and makes them hide their condition from their family and friends. PCTs need to take that important issue on board.

As I was saying, we intended the survey to cover England and Wales, but because of the different health structures in Wales, we need to have a specially worded survey. We hope to include it in our next survey, but I have had a number of discussions with key professionals in Wales. As a Welsh MP, I am pleased that we will be able to include Wales in our next survey.

The report gives us a pretty good picture of the state of TB services throughout England. I do not intend to go into the details of the results of the survey. I have written to request a meeting with my right hon. Friend the Minister, and I hope that she will agree to it. Also, the British Thoracic Society has asked for a meeting with the chief medical officer. It is important, however, to draw attention to some of the report's key findings, and to the chief medical officer's foreword to the TB toolkit, in which he says that

"we strongly recommend that all PCTs plan for TB service provision. This applies just as much in low TB prevalence areas, since population shifts can rapidly change the prevalence of the disease in areas where it has historically remained low".

It is therefore important that the recommendations are followed even in areas where there are low TB rates.

This Victorian disease is on the march again. Not a single PCT thought that there would be a fall in TB in its area, yet the overwhelming majority—68 per cent.—said that they had no plans to deal with the expected increase in cases. That analysis was supported by hospital-based TB clinicians, 88 per cent. of whom believed that TB cases were set to increase in the next five years. For TB to be controlled, the Government must take real leadership and co-ordinate a response at all levels of our health service. PCTs must implement national guidance to allocate TB resources appropriately, strategic health authorities must ensure that TB is given the priority that it requires, and the Government must put systems in place at national level.

Step 1 of the toolkit is to identify an appropriate person as the TB lead, regardless of the incidence of TB within the PCT area. That individual will be in a position to take strategic decisions and influence commissioning at board level. The all-party group's survey found, however, that 50 per cent. of primary care trusts had not taken even that first step and had not identified a lead. In those that had, the position was often filled by people who did not have a strategic role and who could not influence decisions, such as nurses, health visitors and even a hospital-based clinical lead not employed by the PCT. Will my right hon. Friend therefore look at the local uptake of national guidelines on TB and ensure that the Department drives forward implementation? The key point about TB patients is that if they are not looked after well, their family and local community will have a higher chance of catching TB, given its infectious nature. That is why it is so important to treat the disease early.

The next important thing to do, after identifying a TB lead, is to ensure that there are properly funded TB services. Delays in diagnosis can lead to drug resistance and increased expense. Our report found that PCTs were not identifying appropriate funding, and three quarters of hospital-based TB clinicians have seen no increase in resources since the action plan was published four years ago. Similarly, the jobs of many TB nurses are under threat or review, and many nurses complained of being under-resourced.

Why are PCTs failing to allocate the appropriate resources to TB? We suspect that it is because of the clear lack of priority afforded to the disease. Areas with high incidence rates are usually poor, with many competing priorities, while those with low incidence rates are not putting plans in place, despite the chief medical officer's warning. TB rates have recently stabilised to some extent, and we welcome that very much, but there is no room for complacency. I therefore ask my right hon. Friend to ensure that regional directors of public health make PCTs give TB the priority that it should have.

I want now to raise a number of issues relating to leadership. First, I congratulate my right hon. Friend on making TB prescriptions free on the national health service from September 2007, which will certainly remove some of the barriers to seeking treatment.

Secondly, it is right that local decisions should be made by local health authorities, but some problems must be addressed centrally. For example, a fifth of patients with suspected TB are not seen by the TB team within two weeks of presenting themselves, as directed

[Julie Morgan]

by the chief medical officer. We have had a big drive on waiting lists, and the issue clearly needs to be addressed.

There is also an issue about whether screening policy is any use. There needs to be a debate about that to decide whether it is. If it is any use, it needs to be improved.

Another big issue is that the majority of PCTs are not proactive in raising awareness of TB, which can lead to delays in diagnosis and unnecessary deaths. For example, a little girl from London was diagnosed with TB only two days before she died at a hospital in the south of England, and the same happened to two health workers in Nottingham. We want to see the same investment in awareness-raising for TB as for other comparable communicable diseases, such as sexually transmitted infections and hepatitis C.

To conclude, the all-party group plans to produce a report annually. I would be grateful if the Minister could give me a personal assurance when she responds that more will be done to ensure that PCTs prioritise TB and that national guidelines are implemented through the director of public health and the other means available. Guidelines on what should be done have been set out nationally, and we are now looking for implementation and for PCTs to take this deadly disease seriously.

I urge the Minister to make a commitment that the Government will use awareness campaigns, in particular, to prevent this disease from getting out of control. I should emphasise—this is what makes the global situation so sad—that TB is easily cured, but it is important that we have early intervention. I remind her that the incidence of TB in New York in the late 1980s and early 1990s was similar to that in many of our cities now, but the administration there sat on their hands, not realising that they were on the brink of an epidemic that ultimately cost them billions of dollars in public money to resolve. I therefore urge my right hon. Friend to continue leading on this issue.

I end, however, by saying what a great job the British Thoracic Society is doing in highlighting these issues with the all-party group and RESULTS UK.

11.15 am

The Minister of State, Department of Health (Dawn Primarolo): I congratulate my hon. Friend the Member for Cardiff, North (Julie Morgan) on securing the debate. I know of her passionate work as one of the chairs of the all-party group on global tuberculosis and I am aware of her concern, which she reiterated today, that the fight against tuberculosis should remain a priority in this country.

My hon. Friend reflected on the history of the disease. When I was a child, TB was present in my extended family before immunisation was introduced, and I remember subsequently having vaccinations. As she rightly said, all of us, but particularly those of us of a certain age, remember the challenge posed by this disease.

My hon. Friend is right that TB is a massive international health problem. The World Health Organisation estimated that 1.6 million deaths resulted from TB across the world in 2005. In England, the development of drugs to treat TB, together with improvements in housing and health throughout the 20th century, led to a steady decline in the number of cases. That was reflected in an all-time low of 5,000 cases in 1987. However, she is right that there has been an upward trend since the 1990s. In 2006, more than 7,500 cases were reported in England, with the London region accounting for 40 per cent. of all cases. Although the overall rate in the UK is low, at around 14 cases per 100,000 of population, TB remains a concern because the incidence is increasing and rates are high in certain inner-city areas, as well as among people born abroad.

As my hon. Friend said, the chief medical officer published his action plan in October 2004, which included key recommendations for action. He acknowledged that TB is so common in certain parts of the world that we must expect a continuing influx into this country of people who were infected, or who developed the disease, abroad. She touched on that when she urged us not be complacent about the challenges that we face. Although measures are in place to detect active disease in migrants entering the country for six months or more, who are subject to immigration control, such measures are unlikely to solve the problem of TB in this country. That is because about 80 per cent. of cases of active disease among such people occur only after they have been resident in this country for two years or longer.

My hon. Friend the Member for Keighley (Mrs. Cryer) touched on an important point when she stressed the need to encourage those who fear that they have the symptoms to seek diagnosis, advice and treatment. As she said, they should not be put under unjustifiable pressure to feel that their symptoms are somehow shameful and that they must conceal them.

In considering all those points, it is right to focus on strengthening services to improve early detection. That includes raising awareness among the population and health care professionals, especially in the primary care setting, of the need for the highest awareness of TB, on a continuing basis. The Government strategy needs to drive early detection and diagnosis, and to ensure that patients complete their courses of treatment.

Our strategy is to help to strengthen NHS provision across the board. To help to implement the TB action plan the NHS, the Department of Health and the Health Protection Agency have been working closely together, to make sure that we bring our resources to bear on the issue. My hon. Friend the Member for Cardiff, North mentioned the TB toolkit that we published in June 2007 for the NHS, to help commissioners take local demographics into account when planning TB services, respond quickly to changes in demography that may have an impact on risk in the future, and be very aware of the risk. The toolkit's commissioning section is a practical guide for PCTs to use, so that they can ensure that an appropriate range of services is being commissioned and provided within that rational framework. The delivery section discusses a number of best-practice issues, including the use of specialist centres providing a multi-disciplinary team approach, with TB nurses co-ordinating a package of care. It also recommends that TB services should follow the National Institute for

Health and Clinical Excellence guidance on diagnosis and treatment of TB, which was published in March 2006.

Against that background, I want to discuss the recommendations in the excellent report by the all-party group on global tuberculosis and the British Thoracic Society. I welcome the recommendation regarding a national TB awareness campaign tailored to local circumstances and aimed at health care professionals and the general public. When my hon. Friend was talking about the report and the results of her survey, and despite the need for considerable improvement, to which I shall return, I felt, like her, very encouraged that there was a quite high response rate within a short time, and awareness in many PCTs of the issues and what needs to be done. I am pleased to say that the Department is providing funding this financial year to take exactly such action as she mentioned with respect to local circumstances and work with health care professionals and the general public. We have also commissioned market research to help us to shape such campaigns nationally, to complement what is happening locally. That research will be translated into carefully targeted messages for health care professionals, and we have funded the UK charity TB Alert to work with PCTs to develop awareness campaigns targeted according to local demographic needs.

The report recommended that PCTs must ensure, as my hon. Friend mentioned, that there is a clearly identified individual within their organisation with responsibility for service provision for TB. I agree wholeheartedly with that recommendation of my hon. Friend and the report; it is one of the key recommendations of the TB toolkit and we intend to take it forward. *[Interruption.]* It is unusual to be heckled by the intercom system.

Julie Morgan: I thank my right hon. Friend for what she is saying. What can we do about the fact that 50 per cent. of primary care trusts have not identified a lead?

Dawn Primarolo: The Department is focusing on that work now, and will continue by engaging with PCTs to arrange workshops and discussions with health care professionals, to make sure they know the existing prevalence of the disease and the indications of future risk; the fact that it is a public health priority requiring them to carry out a proper assessment of the risk in their areas; how they should respond to it; and what the public awareness campaigns are. A key factor is the Department's active role in connection with the basis of the recommendations in the toolkit and the report. *[Interruption.]*

Mr. Edward O'Hara (in the Chair): Order. I think we should soldier on, despite the noise from the intercom.

Dawn Primarolo: Yes, of course, Mr. O'Hara. I want to reinforce our recommendations to the NHS to follow the toolkit, and to welcome the important points in the all-party group's report, endorsing the advice, and my hon. Friend's comments. Although, of course, the management and organisation of local NHS services is a matter for NHS managers, we shall expect and encourage the local management and organisations to focus on the implementation of the recommendations, and to put sensible plans in place.

I can assure my hon. Friends the Members for Cardiff, North and for Keighley that the Government take the matter of TB very seriously and that, despite our recognition of the devolving of responsibility for many decisions to PCTs, it is still important for the Department as a whole to stay focused on the matter and to encourage PCTs to do likewise. As I have said, our key strategy is to support the NHS and encourage the strengthening of TB services. To promote the use of the toolkit we supported a series of interactive workshops through the strategic health authorities in England and with PCTs. At those events commissioners, TB service providers and other stakeholders are encouraged, using the toolkit, to review and reconsider their local response, not just to current TB issues but to potential future challenges.

Finally, I note that the report proposes, as my hon. Friend the Member for Cardiff, North mentioned, repeating the survey on an annual basis. The timing of the survey was soon after the launch of the TB toolkit last year, and so perhaps we should not be surprised about how far we have to go, and how encouraging the results are; some PCTs have not implemented the recommendations. I shall certainly be interested to see from future surveys how well we have progressed in the work with PCTs, to ensure that the right services are being commissioned; I shall be interested in an assessment of that, and in the chance to consider how effective the changes in the local health service have been, alongside the work identified by the Department. My hon. Friend has clearly identified a major public health issue, which needs to be reinforced through the regional directors of public health; I intend to do that.

11.30 am

Sitting suspended.

Ukraine

2.30 pm

Mr. Richard Spring (West Suffolk) (Con): May I say what a pleasure it is to see you chairing our proceedings, Mrs. Anderson? I am most grateful to the Minister for being here to respond. I shall examine the bilateral relationship between the UK and Ukraine before considering developments in Ukraine itself. Some 100,000 Ukrainians live here, and a number of organisations exist to link our two countries. I should like to highlight one in particular, the Ukrainian-British City Club, which provides a lively forum for the increasing number of Ukrainians working in the City of London. There are also student groups at the universities of Oxford and Cambridge and the London School of Economics.

Last year, the British Ukrainian Society was established to act as a bridge between our two countries and as an umbrella for the many bilateral groups here and in Ukraine. It encompasses contact at political and economic, as well as social, cultural and educational levels, and it already enjoys a considerable range of activities. I should declare an interest as the chairman of the society. I am also delighted that a course in Ukrainian language and culture has been established at the department of Slavonic studies at Cambridge.

Many links bind Ukraine and the United Kingdom. Whether in trade, defence, development and business or in our work through the European Union and other international bodies, the ties between the two nations are getting stronger. In recent months, London has hosted a significant number of Ukrainian events. Last month the Foreign Minister, Mr. Ogryzko, was in town. He had successful meetings with the Foreign Secretary and the shadow Foreign Secretary. To coincide with his visit, an early-day motion was tabled welcoming the important progress made by Ukraine in its democratic development and hoping that the relationship between Ukraine, the UK, NATO and the EU can be strengthened even further. It encapsulates the views of MPs across the party political divide.

In September, Lady Thatcher held meetings with Yuliya Tymoshenko. More recently, President Yushchenko met my right hon. Friend the Leader of the Opposition at the World Economic Forum in Davos. It was a very successful meeting. Next month, President Yushchenko will visit Britain. One aspect of his visit will be his desire, which is felt deeply and widely in Ukraine, to publicise the famine that killed millions of Ukrainians in the 1930s: the Holodomor, which was deliberately caused by Stalin. There is a remarkable archive on the Holodomor, and an exhibition about it is being planned with the help of the embassy and the British Ukrainian Society. On Saturday, a concert is being held in London to commemorate the 75th anniversary of the famine.

I pay tribute to the hon. Member for Selby (Mr. Grogan), who has ably and imaginatively chaired the all-party group on Ukraine. He has done an outstanding job of bringing Ukraine alive for Members of Parliament, and I pay unreserved tribute to him for it. I am delighted that an Inter-Parliamentary Union visit to Kiev will take place in early June to build links between parliamentarians. I also welcome the formation of a new group in the Rada to forge contact and friendship between our two Parliaments.

The relationship between our two countries has never been better. Ukraine vividly caught the UK's attention during the Orange revolution, when Ukrainians bravely poured on to the streets to fight for democracy. Ever since those remarkable events, Britain has supported Ukraine in its reform process. It is fair to say that no country in western Europe is keener to promote the success of Ukraine than ours. Ukraine's geopolitical situation is fully recognised. Britain supported Ukraine's accession to the World Trade Organisation and fully supports its aspirations to EU membership.

I am a governor of the Westminster Foundation for Democracy, which was established in 1992 to assist in building and strengthening democratic institutions overseas, particularly after the end of the cold war. We are sponsored by the Foreign and Commonwealth Office and work with political parties, Parliaments and non-governmental organisations to foster democracy through training, experience sharing and mentoring in countries around the world. Since its establishment, the WFD has worked in Ukraine to support civil society organisations, political parties through direct UK political party contact, independent media and free and fair elections.

Despite the hope and optimism that the Orange revolution brought to Ukraine, democracy did not immediately consolidate as many first hoped. I believe that Europe did not seize quickly enough the opportunities to build on the outcome of the Orange revolution so as to entrench it, and we did not sufficiently understand its significance. Ukraine has faced teething problems, learned valuable lessons and managed to overcome many challenges thrown in its way. Through sheer determination, it has transformed itself into a new, functioning democracy. It now boasts a strong record of democratic elections, respect for human rights and free media. Of course there are sharply defined differences of view in the internal politics of Ukraine. The constitutional balance between the roles of the President and the Prime Minister is now under review.

The importance of Ukraine's development goes way beyond its own national interests. Ukraine's success provides a positive political and economic incentive to its neighbours. It could be a shining example and model for others in the region. If Ukraine succeeds, it could encourage neighbouring countries such as Belarus and Moldova to choose a similar path to success. It is therefore critical that the democratic underpinnings in place in Ukraine are firmly consolidated. Last week, I received some excellent news about an event that could go some way towards making that happen.

The Foreign Office plans to give the Westminster Foundation for Democracy a substantial amount of matched funding towards a parliamentary strengthening programme in Ukraine—£600,000 in total. It is a clear recognition of Ukraine's importance that it has been singled out for the programme, and it is a hugely welcome development. As Ukraine is a new democracy, its Parliament has a limited number of people available

who are experienced and knowledgeable in parliamentary practice. The pace of development in that field has been inhibited by the lack of programmes to institutionalise the experience and knowledge of Ukrainian MPs and parliamentary staff and transfer relevant knowledge and experience from more developed Parliaments. The WFD has taken the lead to form a consortium of leading UK experts in parliamentary strengthening to address more effectively the issues faced by Parliaments such as Ukraine's.

Despite the political problems, the country has been enjoying strong economic growth, and the signs of prosperity are apparent. I recently attended a Ukrainian investment seminar here in London. It was evident that despite growing inflation in Ukraine, its economy as a whole continues to go from strength to strength. From January to March this year, Ukraine's gross domestic product grew by 6 per cent. annualised.

The drive for reform is led in many respects by the Ukrainian business community. Ferrexpo, the UK holding company that owns Ukraine's largest iron ore exporter, began trading last year on the London stock exchange. Many other companies have been or will be listed here in London. Despite high inflation, the Ukrainian economy demonstrated robust economic growth in 2007, higher than that of most other countries in the region and central and south-eastern Europe—an impressive performance, despite huge increases in the price of imported natural gas and high world crude oil prices.

Investment opportunities continue to look good for exporters and investors. Britain is the fourth largest investor in Ukraine, and there are now more than 85 companies in Ukraine with British connections, representing a cross-section of sectors. Property and real estate, trade, finance, transport and communications and machine building currently attract most of the British investment.

Ukraine is an attractive investment destination for a number of important reasons. Ukraine has a highly educated work force with almost 60 per cent. university enrolment, a large domestic market with increasing purchasing power, an improving business climate, relatively low wages and excellent agricultural, industrial and high-tech potential, in addition to the prolonged period of economic growth that the country has enjoyed. Because all of us as parliamentarians are so acutely aware of it, it is worth pointing out that at a time of pressure on world agricultural production, Ukraine, with its huge agricultural potential, is in an increasingly important position to take advantage of it. It is not for nothing regarded as one of the world's bread baskets. At a time of world food shortages and ever higher prices, Ukraine has lifted grain export restrictions, which is most welcome.

After 14 years of negotiations, Ukraine has been accepted as a member of the World Trade Organisation. Hailed, by President Yushchenko, as a truly historic moment and a decisive milestone in the country's development, accession has been a joint accomplishment of the past four Governments, which I greatly welcome. Analysts predict that membership of the WTO will lead to an even greater acceleration of economic growth, resulting from an increase in exports and investment as European businesses are given greater access to the Ukrainian market.

As a result of WTO membership, Ukraine has already started official negotiations with the European Union on creating a free trade zone, which should include not only a free trade area, but energy sphere co-operation and strengthened reform efforts and civil society in Ukraine. President Yushchenko forecasts that the new enhanced agreement will be signed in September. We know that, despite the very considerable burden imposed by the European Commission through the Copenhagen accession criteria, the road to EU membership does encourage the political, judicial and economic reform process.

The EU appears to be suffering from something approaching enlargement fatigue, and the signals to Ukraine have been mixed at best. The Minister will know that enlargement commends itself to all hon. Members in the House, in contrast to attitudes prevailing in some European countries. I hope, therefore, that he will take this opportunity to reiterate our clear support for Ukraine's EU membership objectives and our intention to work constructively to speed up the process, in the interests of Ukraine and the whole continent of Europe. If flexibility is required, rather than a one-size-fits-all approach, it should be supported.

Ukraine's application to join NATO is another recent development. Despite no specific date for the membership action plan, NATO's declaration that Ukraine would eventually gain membership has been welcomed. It is the only partner country to support actively all NATO-led operations and missions, as well as practically every international peacekeeping mission under the auspices of the United Nations and the Organisation for Security and Co-operation in Europe. The aim of NATO enlargement is a broader and more secure Europe—a goal to which Ukraine would certainly contribute.

All in all, in its major contribution to the peace and stability in the Euro-Atlantic area and beyond, Ukraine has proved to be a very valuable NATO partner. However, NATO membership would require broad support in Ukraine. The close historic ties between Russia and Ukraine, and the former's very specific view of the latter, is a source of tension between the two countries. However, after the past delivery and payment problems with energy supplies, it is good that Ukraine has paid off its gas import debts to Russia, which I hope will result in a generally more comfortable relationship between them.

Undoubtedly, Ukraine has some tough choices ahead, but with its increasing economic prosperity, the chance to showcase itself to the world as host of the 2012 European football championships, and the continuing consolidation of democracy, I am optimistic that Ukraine faces a very hopeful future.

2.44 pm

Mr. Bruce George (Walsall, South) (Lab): I know that members often say this perfunctorily, but I am genuinely grateful to the hon. Member for West Suffolk (Mr. Spring) for raising this issue. The President of Ukraine will be visiting this country soon, and we are honoured by a small delegation from the Supreme Rada here this afternoon. I am very pleased to welcome them.

[Mr. Bruce George]

I first visited Ukraine in faraway 1960, and subsequently I have returned in different guises and auspices—with the OSCE Parliamentary Assembly, the NATO Parliamentary Assembly and the House of Commons Select Committee on Defence. I have observed four elections through the OSCE and the Office for Democratic Institutions and Human Rights, and I have been on visits sponsored by non-governmental organisations. I genuinely regard the country very highly. Since independence, I have noted and observed, with varying emotions, its vicissitudes—particularly its political changes. However, it has a very exciting future, which should be determined by what Ukrainians themselves wish and do, with the help of any individuals, organisations—international or otherwise—and Governments from whom they seek support. The pace and the nature of the co-operation must be at their behest and not forced on them—they should not be arm twisted—by groups or countries. Ukrainians may wish to follow a number of models: first, to move further westwards, politically and in every other sense; secondly, to remain neutral; or thirdly, to move closer to Russia. We all have our own aspirations and preferences, but that is not a choice for us to make.

The history and geography of Ukraine have had an enormous effect on its evolution and, in particular, on its relationship with Russia. Allegedly, Ukraine began in Kiev and Rus at the end of the 10th century. Periods of independence followed, but for most of its history it has been closely linked—willingly, less willingly or unwillingly—with its more powerful neighbour to the east. The collapse of the Soviet Union gave it the opportunity to become independent—but not too independent, as far as Russia is concerned. The Kremlin does not deeply cherish the idea of an independent Ukraine. Any attempt to extricate itself from the Kremlin's influence will not be greeted with high enthusiasm in Russia. Other countries fall into the same category—notably, Moldova and Georgia, on which the pressure has been ratcheted up at an alarming rate by Russia over the past couple of weeks.

Even Ukraine has suffered excessive interference. The hon. Gentleman talked about the enforced famine in the 1930s. I know full well about the excessive pressure put on Ukraine during the 2004 elections, the persistent threats to cut off energy supplies and, worst of all, the statement made by President Putin threatening to target Ukraine with nuclear weapons if it had the temerity to join NATO. The country faces many political, economic, security and geopolitical problems, but I am very optimistic about how it will evolve over the next decade or so.

Ukraine's geopolitical problems can be understood simply by looking at a map—it is sandwiched between Russia and Europe. I spoke about the relationship with Russia and the menacing statements that have been made. I recall watching the Central Election Commission's enormous screen as the results came in of each of the 2004 elections and observing the colours of those who supported Yushchenko or Yanukovych. The results demonstrated a clear dividing line between each of the candidate's supporters. That is no one's fault—it is quite natural—but it is the essence of the problem.

Despite the problems, a consolidating democracy is emerging swiftly in Ukraine. I hope that it will not be long before we can designate Ukraine a consolidated democracy. Will the country shift its alliances and join NATO? In 2002, Ukraine announced that it was seeking membership of NATO. We are all well aware that that was not universally endorsed, which is putting it politely. Many hoped that Ukraine, along with Georgia and others, would be offered a place on NATO's membership action plan. However, such an offer was not made. Will Ukraine be offered a place later this year or early next year, or will the process be further elongated? I will be interested to hear the views of Her Majesty's Government as we are pretty familiar with the French, German and American positions. The earlier decision was clearly a glass half empty and a glass half full: Georgia and Ukraine would become members of NATO, but not yet. The question, therefore, is how long do they have to wait?

Once again, it is absolutely imperative that the people of Georgia and Ukraine express their aspirations. The people in Georgia have expressed their views very strongly and positively. In Ukraine, however, there is no majority in favour of joining NATO. One of the many conditions for achieving membership is substantial public support. Even though there may not be membership on offer at this moment in time, or even in the months or years ahead, there are many areas of common interest. Further consolidation can be made on those areas between NATO and Ukraine if Ukraine so desires.

The prospects for closer collaboration with the European Union are much greater. Integration has been a priority for Ukraine for some time. There is a partnership co-operation agreement, and we are aware that Ukraine performs an important role in the neighbourhood action plan. I have been looking at a number of documents produced by the European neighbourhood policy and at a progress report on Ukraine, and the response by the European Union has been pretty positive. Many people can express some satisfaction with that.

We heard about other developments in the World Trade Organisation. Again, the pace at which the relationship with both the EU and NATO evolves will be set by the Ukrainian people.

I want to comment on a few further problems—we all have problems—including problems of governance. Progress is being made, but we need to see more reforms in society as a whole. Mrs. Tymoshenko's party has a very small majority in Parliament and her relationship with the President is not as close as it could be. Hopefully, though, governance and stability will evolve and normalise.

One must not patronise the Supreme Rada of Ukraine; it is a very powerful institution, which has determined its own pace of development. It has far more powers—some of them negative—than we have in this country. There has been a partial easing of the fractured relationships. Earlier this year, the Economist Intelligence Unit wrote about Ukraine's membership of the World Trade Organisation, and said that it was

"a useful reminder of the common ground between the so-called orange and blue parties."

I would like to compliment Ukraine on how it has conducted its elections. I headed election observation

missions in the 1990s and the country fell far short of international standards. I have just been looking at the various reports of ODIHR and the OSCE Parliamentary Assembly. I headed the three election observation missions in 2004. When presenting the ODIHR and Parliamentary Assembly's report after the first election on 31 October, I said:

"With heavy heart we have to conclude that the 2004 Presidential elections in Ukraine did not meet a considerable number of OSCE, Council of Europe and other international standards for democratic elections."

The committee felt that the election process constituted a step backwards from the 2002 elections. We urged Ukraine to use the period between the first and second rounds to improve election organisation and conduct Regrettably, it ignored our advice. Therefore, in the second round, I commented on behalf of the international organisations. I said:

"The second round of the Ukrainian Presidential elections did not meet a considerable number of OSCE commitments",

and concluded:

"I announce that it is with an even heavier heart that we have to conclude that the authorities did not respond positively to our appeal."

The incredible thing was that a few weeks later, when the results of that election were invalidated by the Supreme Court, the next set of elections were incredibly different. The media became neutral, which is more that we have experienced in the UK over the years and in the forthcoming London election. There was a totally different philosophy in those second elections. With my long experience of looking at elections, I could not believe that one could go from an election with epic proportions of corruption to—within a few short weeks—an election that got very close to meeting international standards. The subsequent elections have had a very good response from the international community.

In conclusion, there are problems within the society that need to be overcome, but there is a strong and vibrant civil society. There are problems with the economy, with modernisation and with the health service. However, there are echoes of those concerns in any country, not least our own. I desperately hope that a population that is becoming more sophisticated, more involved and more supportive of the process of democratisation will make Ukraine a model of governance and society, not just in the region but far more broadly.

Non-governmental organisations can help—we heard about one NGO that is helping and there are others—and Governments must assist economically and politically. We must pass over, where it is required, the expertise that we have acquired—albeit painfully over the years. However, we must ensure that it is not perceived as a master/servant relationship. In the driving seat is the Rada, the Government, the President, the political parties and the people of Ukraine. If they seek assistance, then we will, I am sure, continue to give it. We must recognise that we must not interfere in a way in which that assistance is perceived negatively by those who will seek to damn that assistance.

I hope that the next time that the hon. Member for West Suffolk chooses to raise the subject of Ukraine, we can be delighted to say that progress has been made. More is being made, and very soon Ukraine will be a country that will be seen to be the equal of others in the quality of its people's lives, of its institutions and of its commitment to democratisation.

2.59 pm

Simon Hughes (North Southwark and Bermondsey) (LD): I welcome you to the Chair, Mrs. Anderson, and I am grateful to the hon. Member for West Suffolk (Mr. Spring) for taking the initiative to seek this debate. What he said at the beginning is evidenced by the fact that I and my hon. Friend the Member for East Dunbartonshire (Jo Swinson), who will hopefully catch your eye later, Mrs. Anderson, represent clear evidence of the cross-party support for Ukraine. I am sure that the Minister will endorse that when he speaks later.

Like the hon. Member for West Suffolk, the hon. Member for Selby (Mr. Grogan), to whom I pay my tribute for his work chairing our all-party group, and the hon. Member for Ribble Valley (Mr. Evans), I am one of the signatories of the motion that welcomes the huge progress that Ukraine has made in recent years and commends the continuing potential for progress that we all know exists. That potential was marked by the bid in Bucharest the other day at the NATO conference and is always subject to discussion among friendly countries in the European Union.

Stephen Pound (Ealing, North) (Lab): While the hon. Gentleman is paying tribute to people, will he join me in paying tribute to His Excellency the ambassador, Ihor Kharchenko? During his short time in London, he has worked massively to improve and consolidate the bilateral relationship between Ukraine and the UK, particularly in the field of trade.

Simon Hughes: I unreservedly join in that tribute. We all have contacts with missions, high commissions and embassies from all over the world. The team at the Ukrainian embassy, both at present and under the previous ambassador, have been absolutely excellent at ensuring that they sustain good relations. They are here to support and brief us. There are not many occasions when one appears at an event without suddenly discovering that at one's shoulder is somebody from the Ukrainian embassy, wanting to ensure that we have not forgotten that they are around and that they deserve to be taken seriously. That is exactly how missions should work.

Other than at school, from maps and so on, I guess that I was first aware of Ukraine's importance when I became a Member of Parliament and there was a discussion about whether we should have a memorial in Southwark to the people of the Soviet Union who were killed in the last world war. A memorial was erected, and it stands today in Geraldine Mary Harmsworth park, just by the Imperial War museum. It reminds anybody who goes there that 20 million people died in the countries of the former Soviet Union. We remember that every year in May and on other occasions. When there are remembrance services at that memorial, among those laying wreaths are people doing so on behalf of Ukraine. The people of Ukraine played a hugely important part in the liberation army, and they have played a major part in peacekeeping roles throughout the world since. Tens of thousands of

[Simon Hughes]

people from Ukraine's forces have contributed, and we need to remember that. They do their bit for world peace, and have done so for the past 50 years.

A second topical allusion is that we stand about halfway between one satisfactory semi-final of the European champions cup—when Manchester United fantastically and mercifully got the goal that took them through to the final—and another semi-final that guarantees an English team going through, with Chelsea and Liverpool playing for a place in the final in Moscow next month. Although no UK team will play in the European championship finals this year, for reasons that I shall not go into, there will be another opportunity in four years' time, when the championships will be in Ukraine and Poland. I sincerely hope that at least one UK team, if not two, three or four, will be there.

Stephen Pound *rose—*

Simon Hughes: And possibly Ireland as well, before the hon. Gentleman intervenes. We certainly need to make up for this year's deficit. I remember from when I was in Kiev that one thing that links us, apart from politics, faith and culture, is the love of and commitment to sport. Such things matter to ordinary people and are much less complicated than elections, parties and democracy.

Stephen Pound: The hon. Gentleman need not wait so long to see a Ukrainian connection in European football. Andriy Shevchenko, a great footballer from Kiev, sadly plays for Chelsea, but I think that he plays with Ukraine in his heart at all times.

Simon Hughes: Many Ukrainians in Britain, and Chelsea supporters, are aware of who he plays for, and he is indeed a great player. Like the hon. Gentleman, I am not a Chelsea supporter, but my team did get to the FA cup final four years ago.

Stephen Pound: And lost.

Simon Hughes: And lost; I am a Millwall supporter. I am not suggesting that we make our winning British club teams even less British by importing more people from abroad, but players from Dynamo Kiev and elsewhere are very welcome, if they can be afforded to come and join us.

My third topical point is that as we all know, we have elections tomorrow, not just here in London but in the whole of Wales and England. One thing that has brought Ukraine to the attention of the British public has been the democratic process, which has been very exciting and dramatic. I want to give a little quiet encouragement. Of course things have been difficult, such as the constitutional arrangement, which has changed and developed since 1991. In a new and evolving independent democracy, that is what one would expect. We are not without our difficulties in our country when it comes to elections, as you well know from your part of the world and elsewhere, Mrs. Anderson. We do not do everything perfectly and we do not get it all right.

The good news, in a way, is that Ukraine, just like us, does not have a straight two-party system. There are blocs, and no party gets an overall majority, so there have to be negotiations. Sometimes they take a bit of time, but the United States does not solve such things immediately, as I recollect from a recent presidential election. I hope that people in Ukraine are not discouraged by that. Politics is sometimes difficult, but persistence pays off. I pay tribute to the persistence of the President, the Prime Minister, present and past Foreign Ministers and others who are determined to make a go of democracy and make Ukraine as credible as any other democracy in Europe. The right hon. Member for Walsall, South (Mr. George) paid tribute to the fact that the system has evolved quickly and become one that commands respect, having not originally met standards. We need to flag that up. None of us does democracy perfectly, and Ukraine has shown very well how to make progress.

I wish to make three substantive points. First, sometimes we in Britain—I am sure that this does not apply to the Foreign and Commonwealth Office—forget how important a European country Ukraine is. Not only is it the second largest European country, it has a population of getting on for 50 million. It is almost in the big league with Germany, France, Italy, the United Kingdom and obviously Russia, which is both European and Asian. Although we sit off the western edge of the European land mass and Ukraine sits in the heart of the land mass at the other edge of Europe, we would do Ukraine and Europe no service if we neglected its potential and importance.

The hon. Member for West Suffolk mentioned Ukraine's huge agricultural importance. That is important not just for Ukraine but because of its ability to serve a continent in a day and age when we are all seeking to have food shipped from one end of the world to the other less frequently. It would be far better to ensure that we fed ourselves within each continent as far as possible, and grew our own food for our own people.

Secondly, Ukraine is strategically important to energy supplies not just for its own part of Europe but for Europe as a whole. We all understand that there are private sector interests, but public-led interests are also very much at play. We always want to say to Russia and Ukraine that there must be a negotiated agreement. That may be difficult—of course such things are difficult—but everybody's interests are served by the security of supply at a time when there are threats and risks to the energy industry and we are all trying to reduce our consumption.

Thirdly, Ukraine is hugely important because of its entrepreneurial spirit. The hon. Gentleman commended the fact that one driver of the ever-closer links between the UK and Ukraine is business interests. I have been hugely impressed whenever I have spoken to business people about their willingness to go and do business in Ukraine, and by Ukrainians' willingness to come and do business here, including in the brewing, sugar and construction industries. I hope that the building of football stadiums does not mean that the people in the construction industry, whom we need here to do things such as complete the Olympic site, will instead go off to build stadiums in Poland and Ukraine. I hope that we can have a division of labour.

I have two final things to say. First, I pay tribute to the Westminster Foundation for Democracy, which is an excellent organisation. In particular, it has recognised how important support for the deep development of institutional structures in Ukraine is. Members of the Rada are willing to work with Members of the UK Parliament to exchange experience and political learning. I hope that we can go further, and there have been conversations about the issue. There should be co-operation and dialogue between staff in our Parliaments, as well as between our civil servants and researchers. There should be dialogue between the UK's devolved Administrations and the autonomous region of Crimea, because they have a lot to learn from each other. There should be dialogue between our political parties, and I pledge on behalf of the Liberal Democrat party that we will be happy to continue pursuing such developments, not only around Kiev, but in the east, the north, the south and the west. We must also ensure that more women are involved in politics so that the country becomes a vibrant democracy.

I also pay tribute to the others who are building bridges. The British Council is really valuable in Ukraine, and the BBC now has a significant listenership for its Ukrainian language service. The bridges are becoming ever stronger, and the developments in Ukraine are extremely welcome and positive.

Of course, it is for the Ukraine Government to decide when and how they become more fully integrated into the European Union. However, my colleagues and I hope that it will not be long before Ukraine takes its full place as an independent country in a European Union of independent countries so that people recognise the phenomenal contribution that it has made, is making and will make not only to its part of Europe, but to Europe and the world as a whole.

3.11 pm

Mr. John Grogan (Selby) (Lab): It gives me great pleasure to follow contributions from three such distinguished and experienced parliamentarians. I calculate that they have no less than seven decades of parliamentary experience between them, which almost—I stress, almost—makes me feel young again. I pay tribute to all three of them. The hon. Member for West Suffolk (Mr. Spring) gave a measured and comprehensive overview of the issues facing Ukraine. We then had a clarion call for democracy from my right hon. Friend the Member for Walsall, South (Mr. George), who, if anything, underplayed his role as the OSCE's chief observer in the elections some years ago. His role in Ukraine was crucial, and his keen observation and willingness to speak the truth will be credited there for many decades to come.

I am also grateful to be following the hon. Member for North Southwark and Bermondsey (Simon Hughes), because I want to start where he did by stressing some of the human links between our two countries. He mentioned football, and I first became aware of Ukraine as a result of playing football. I am the grandson of an Irish Catholic migrant to Yorkshire and I remember playing with, and occasionally against, the grandsons of Ukrainian migrants to Yorkshire—as I recall, they did not take any prisoners on the football field. That was my first link to Ukraine and the first time that I became aware of the country.

As the years went by, and the iron curtain fell, I made friends and acquaintances among younger members of the Ukrainian community, some of whom had perhaps come to the west for the first time. When the Orange revolution happened, some of them contacted me in Parliament and asked what Parliament was doing about it. At that stage, the all-party group was not very active, but it was one of those moments in history when there was only one side to be on—the side of counting votes properly and having a proper democratic election. Now, the all-party group has links with politicians of all shades of opinion in Ukraine, and we are delighted to have members of the Tymoshenko bloc and the Party of the Regions with us today.

The Orange revolution was a pivotal moment in Ukrainian democracy. What a joy it was to be alive in Ukraine after that—everything seemed to go right. Not only was there an Orange revolution, but Ukraine qualified for the football World cup for the first time, economic growth took off and the country had not just one, but two world heavyweight boxing champions. It even won the Eurovision song contest, and we in Britain know how hard that is. Obviously, there was bound to be a bit of a reaction after such a honeymoon period.

As other hon. Members and acting members of the all-party group have said, we in Parliament try to do our bit. We are looking forward to hosting President Yushchenko and the Holodomor exhibition in Parliament in a couple of weeks, and there will also be the Inter-Parliamentary Union visit. The hon. Member for North Southwark and Bermondsey was right to stress the rich variety of organisations in Britain promoting links between Ukraine and Britain. The British Ukrainian Society, which he leads so ably, has taken such activities to a new level in the past year. Similarly, the Ukrainian-British City Club in London brings together young professionals. That highlights what a great asset young Ukrainian professionals in London will be to Ukraine in the years ahead.

I could discuss many of the current issues that have been touched on and which are being fiercely debated in the Rada. As has been said, there is a debate about whether Ukraine should stick with and strengthen its presidential system of government or move to a more parliamentary system. There are debates about the economy, with the Rada ratifying one of the 60 elements that are needed for full World Trade Organisation ratification to take place—the debate on the WTO will probably last as long as our recent debates about the EU. There is also a debate about inflation, which is now touching 30 per cent, and measures have had to be taken in recent weeks to bring it down. Finally, there is the very important debate about NATO, which has been touched on.

I thought, however, that I would make four more general, but crucial points about the future of Ukraine. My right hon. Friend the Member for Walsall, South concentrated on the development of democracy and referred to the OSCE's judgement that the most recent elections had pretty much met almost the highest standards that one could expect of such elections. Friends of Ukraine in Britain are pleased that those democratic standards are being met, although we would rather that Ukraine reached the point where it

[Mr. John Grogan]

did not have to prove its democratic standards by having a general election every six months. It is good that a Government have been formed, and I hope that there will now be a period of stability. The fundamental point, which more than one hon. Member has touched on, is that if democracy and much-needed progress in the judicial system—the country needs to go much further in establishing the rule of law—can take hold, Ukraine will have a competitive edge, particularly in attracting investment. As the hon. Member for West Suffolk said, the rule of law, democracy and a free media are not nearly as developed in many of Ukraine's neighbours.

One of the advantages of having frequent elections as part of the democratic process in a young democracy is that the different parties have observed those elections in different regions of the country. This has been the first time that many young people who have supported a political party avidly enough to want to observe the elections have been able to do so. This is the first time, for example, that people from Donetsk have been to the west of Ukraine and vice versa and have taken part in electoral activity as part of civil society. Such things are binding the country together again and giving people a different view. It is also encouraging that although the east of the country generally votes one way and the west votes another, that is by no means monolithic now, and people in both the east and the west are voting against that trend. That can only strengthen democracy in Ukraine.

Finally on democracy, it is significant that the Rada is considering a law on the role of the Opposition. That was highlighted at the Foreign Office conference at Wilton Park, which many Ukrainian parliamentarians took part in, and which I was privileged to go along to for a little while. It took our Parliament centuries to appreciate such things. Hard though it is for me as a Labour politician to admit this, there will be a Conservative Government one day, and Conservative Ministers will have the cars and give the statements—I confidently predict that. It is part of the practice of a mature democracy that we treat others as we would want to be treated if we were in the same circumstances. Things such as the development of Short money and respect for the role of the Opposition are very important, and Ukraine is rapidly developing that culture.

Just a few weeks ago there was a conference in London to promote investment in Euro 2012. It was extremely moving that the shadow Foreign Minister, a member of the party of the Regions, gave a speech, supported by all his colleagues from the different parties in Ukraine, in which he said that the issue was so important that everyone needed to unite behind it, and make 2012 a success. That is my second point. Many hon. Members have mentioned 2012, but it is well worth mentioning that just as we must absolutely get the Olympics right, for the sake of the United Kingdom's reputation, equally Ukraine, together with Poland, must make sure that 2012 works well. There are reasons for concern at the moment. Michel Platini of UEFA has expressed some concern, and Rada members of all parties, and, indeed, the mayors of the host cities, are all keen to get the infrastructure in place. There may be—I know there will be—points of co-operation between London and Kiev when we are both at the centre of the sporting world in 2012; and reputation, so my friends in investment banks tell me, is the thing above all that determines investment. Ukraine's reputation is on the line in 2012 and I am sure the nation will rise to the challenge, but it cannot be complacent.

Thirdly, there is the question of relations with Russia. In recent weeks there have been encouraging signs that, despite strong rhetoric from both sides, both nations are capable of doing deals, when necessary. Earlier this week the Russian and Ukrainian Prime Ministers had important talks. *Kommersant* reported:

> "The decision was made to recommend that Gazprom and Naftogaz Ukrainy 'conclude a long-term agreement on the delivery of gas to Ukraine and its transit through it'."

In the European Union, where a quarter of gas supplies come by such a route, that will be welcome. The Ukrainian Prime Minister was reported on Ukrainian news as saying that the two countries have prepared a plan for developing co-operation in ten priority areas, and the Russian Prime Minister described the work of the Ukrainian-Russian intergovernmental commission as sufficiently efficient—quite a phrase in itself. Those reports show that business can be done by the two nations.

As other hon. Members have done, I want to say a word about Ukraine's European Union ambitions. It is perhaps one of the prime purposes of the all-party group to do a bit to advance those ambitions. There are two ways of thinking about the matter. Such ambitions can present a tremendous opportunity for Ukraine, and particularly its young people, in travel and business. However, what Ukraine can do for Europe is also important, as other hon. Members have said. Increasingly, Ukraine is an important actor in the region, in all sorts of discussions on issues including Moldova. Ukraine is a country, as has been said, with a rich history, and there is debate there about how much it should look to the future and how much it needs to come to terms with its history, including such events as the famine. That debate is for Ukrainians to have. However, with its rich history, and given the indisputable claim that Ukraine is a European nation with a place in the history of the continent and which can draw on that history and on the vitality of its young people, it will, before too long, take its place as part of the European Union.

3.24 pm

Stephen Pound (Ealing, North) (Lab): It could be said that it is a tribute to the British Parliament that so many people with such expertise on Ukraine have made their voices heard, and have such an interest. I should prefer to say that it is a tribute to the great nation of Ukraine that so many people in Parliament take such a great interest in that extraordinary and unique country.

It is unfortunate, but it is not untypical of many hon. Members to use football metaphors to describe bilateral relationships. I think that it was Albert Camus who said:

> "Everything I ever learned about morality and obligations I learned from football."

He was a distinguished goalkeeper, though not quite in the same class as my right hon. Friend the Member for

Walsall, South (Mr. George), who represented his country at football—not mine, but his. It was Wales, I think.

Mr. Bruce George: Not quite.

Stephen Pound: But many of us are acutely aware of the contribution that that skill has made. Also, I stress that constant references to Dynamo Kiev are in no way meant to denigrate Shakhtar Donetsk, a team for which those of us who support Celtic have great affection.

When one first visits Ukraine—and there has been much talk of a mature civic society and the civic responsibility of that community—one is immediately struck by the energy of a people who I suggest are almost unique in their determination and pride. My last football reference in this speech will be my appeal to anyone who seeks to understand a little of the Ukrainian psyche to read one of the most extraordinary books ever written: "Dynamo: Defending the Honour of Kiev". That describes the famous death match when the last remnants of the Dynamo Kiev team were working in a bakery in Kiev and they ended up playing the German air force in a match refereed by a member of the Waffen SS. They were told that if they won the match it might cost them their lives. They went on and won it, and it did cost some of them their lives. We should all recognise that supreme pride and confidence in the nation, and the ability to bring something completely different that is so much a part of modern Ukraine.

When we talk about our country or Government supporting Ukraine's application to join the European Union, we do not do that out of any feeling of charity. It is not entirely from self-interest; we do it out of recognition of European economic realities. Modern Ukraine is a country of immense potential in agriculture, industry and nuclear technology and there are areas where we have much to learn from it, and much work of value to do with it. The fact that this country is a strong and consistent supporter of Ukrainian accession to the EU is something of which we should not only be extremely proud; we should make the point to our Ukrainian brothers and sisters that it is done from the principle of mutual benefit and gain.

I cannot say how impressed I was when I visited—admittedly only one or two—cities in Ukraine, to see a nation that, although it sounds presumptuous to say so, is emerging, and finding its feet. There is an entrepreneurial community there, and an emerging mercantile community. The politics is transparent and fair, and as we have heard from my right hon. Friend the Member for Walsall, South, it is operated completely honestly. We have in Ukraine a great partner for the future. It is important for Members of this House to put on record our respect for those who brought Ukraine to where it is today, our appreciation for the work that they have done, and our hope for the future that our bilateral relations, supported so ably by many people such as the hon. Member for West Suffolk (Mr. Spring), and many organisations, come to fruition, and that we can stand side by side, brother and brother, in an emerging, stronger, deeper and wider Europe. Ukraine has seen great days in a long and extraordinary history. I suggest that its greatest days are yet to come. Let this country stand with that proud nation when that great day comes.

3.28 pm

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Member for West Suffolk (Mr. Spring) on securing the debate, and I pay tribute to his hard work as the chairman of the British Ukrainian Society. In his speech he set out very clearly the bilateral relations between our country and Ukraine and an overview of that intriguing country's history and current situation. Positively, he also pointed out the very good work being done to strengthen links between our countries, and in particular by the hon. Member for Selby (Mr. Grogan) and the all-party group on Ukraine that he chairs. It is particularly good to hear that a delegation of MPs will visit Ukraine later in the year.

As with so many Westminster Hall debates about various countries, we should recognise that while the relationship with the country itself is important, we benefit from the presence of many people—in this case tens of thousands of Ukrainians—who live and work and contribute to society in Britain. It is important to be aware of that community and the positive impact that it can have on our economy and society.

So far, we have had an excellent debate, with contributions from the right hon. Member for Walsall, South (Mr. George), my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) and the hon. Members for Selby (Mr. Grogan) and for Ealing, North (Stephen Pound). I confess that I have been somewhat lost along the way with some of the football metaphors, but that aside I have certainly found the debate to be particularly interesting.

In my brief remarks, I would like to touch on the relationship between Ukraine and the various international organisations, on the issue of energy and on a couple of other issues before winding up. First, I would like to share with the Members present today my own experience of Ukraine, which thankfully is slightly wider than just reading a rather excellent novel, "A Short History of Tractors in Ukrainian", by Marina Lewycka.

Stephen Pound: It should be pronounced 'Lew-i-za'.

Jo Swinson: I bow to the hon. Gentleman's superior pronunciation; no doubt my version will look alright in *Hansard*, as long as I ensure that I give them my notes. One of the things that brought that book to mind was hearing the hon. Member for West Suffolk talk about the famine in the 1930s, the horrors of which are described in the book. It is clearly quite right that awareness is raised of that tragic period in Ukrainian history. As with so many events of that nature, it is important that, even once living memory fades, the rest of us do not forget because that is the best defence that we have against such an event happening again.

The hon. Member for West Suffolk also paid great tribute to WFD, the Westminster Foundation for Democracy, of which he is a governor and director. It is certainly excellent news that extra money has been allocated to help WFD programmes in Ukraine.

My only visit to Ukraine was in 2006 and it was not with WFD but with a programme that was being run by the European Parliament and the National Democratic Institute, which is a sort of American

[Jo Swinson]

version of WFD. That visit was to assist with running a workshop called "Win With Women", aimed at women politicians, both current and aspiring, within Ukraine. It had training delivered by women parliamentarians from across Europe and particularly by people involved in politics here in the UK. It is interesting that, in a country that obviously has a very strong woman role model in Prime Minister Yuliya Tymoshenko, there are sadly still very few women Members of Parliament; indeed, I think that the situation there is even worse than here in the UK, which itself is obviously not one of the best in the world in that regard.

My impressions of that training workshop were incredibly positive. There was a real feeling of excitement among the women politicians and I may say that there were quite a few very strong voices that clearly will definitely be heard within the Rada. Although it was a very short visit, my impression was that Ukraine is a country that is quite full of character and one that is also increasingly confident.

That was only a short visit, so one of the advantages that I always find of debates such as this one in Westminster Hall is the opportunity to listen to the contributions from many other Members, benefiting from their experiences and expertise on issues. My view is that one always learns something in Westminster Hall and today has been no different.

Moving on to the relationships between Ukraine and various international organisations, obviously the recent NATO summit brought the very welcome news that the negotiations can continue with regard to Ukraine joining NATO. The only slight note of disappointment was that that exciting news was not brought to the House in the form of an oral statement but was released in a written statement. None the less, it is certainly news that is very welcome. Indeed, the future path looks very positive. To quote from the post-summit declaration, there will be:

"a period of intensive engagement...at a high political level",

with a progress report due by the end of this year.

However, as has already been mentioned by various Members during this debate, it is important that we manage to calm Russian fears about NATO expansion. To do that, we need to demonstrate that NATO is no longer about an extension of the cold war but has moved on to deal with the current challenges facing us, such as the situation in Afghanistan, which is also a worry for countries such as Russia.

That aside, however, it is very important that the post-summit declaration was very clear that it is not up to Russia to exercise any kind of veto over whether or not Ukraine joins NATO. The declaration said:

"We reiterate that decisions on enlargement are for NATO itself to make."

I wholeheartedly endorse that point.

The recent developments regarding Ukraine signing up to membership of the World Trade Organisation are also very positive, particularly as membership might lead to a free trade agreement with the EU, as we hope will be the case, and in due course towards EU membership, if that is what the Ukrainian people want. It is by no means definite what path they will choose; public opinion is somewhat divided and no doubt they will have very heated and engaged debates about Ukraine's future, within or outside the EU, as we often have in our own country, especially over the past few months.

I would like to turn now to the issue of energy. From just looking at a map, it is obvious that Ukraine occupies a key position strategically regarding energy supplies. Of course, we all remember very well the dispute between Ukraine and Russia that occurred between 2005 and 2006, when gas supplies were heavily disrupted, not necessarily to the UK but certainly to many of our EU neighbours. Such disputes are obviously a great cause for concern going forward, as competition for energy supplies increases.

Regarding the specific problems that caused that dispute, we would all agree that Ukraine, in time, should pay a market rate for its gas supplies, but a sudden quadrupling of the price was always going to be impossible for the country to bear. A smoother transition and phasing-in of a market rate must be the way forward.

If Russia decides to use its energy supplies as a political tool, that would be a cause for concern. However, before getting overly worried about this issue, we should remember that there is a mutually dependent relationship between the EU and Russia. Yes, the EU needs Russian gas but equally Russia needs the EU market for its gas. That said, if we increase the number of pipeline routes between the sources of gas and the markets for gas, that can only aid our energy security. In the event of future disputes occurring—we obviously would not want to see them happen, but if they did—we obviously have a responsibility to ensure that the rest of Europe is able to receive their energy.

When the Minister sums up, it will be interesting to see if he is able to say whether or not the recent meeting between the Ukrainian delegation and his colleague, the Foreign Secretary, and other members of his Department, brought forward any interesting points about how energy security could be ensured in the future.

I would like to touch briefly on a couple of other issues. The hon. Member for Selby characterised well the internal power struggles in Ukraine since 2004. In preparation for this debate, I printed out a sort of time line of Ukraine and just following that time line since December 2004 is an incredibly complicated thing to do, with various people being Prime Minister or President and elections here and there; the recent political situation looked somewhat like a game of musical chairs. Since the outcome of last autumn's elections, I think that we can hope now for a period of greater stability, which hopefully will enable the country to focus on the business of governing rather than on internal politicking. Let us just remain optimistic on that front for now.

Finally, the issue of the Schengen agreement is worth raising. Since December 2007, that agreement has been extended and now includes 24 countries, including the eastern European states. So there is a huge border of the Schengen area with Ukraine; the border with Poland alone is 526 km long. It is potentially a huge task to police that border and I would be interested if the Minister had any early assessments—obviously, it has only been a few months since the extension of the agreement—as to how policing that border is working and whether there have been any problems.

In conclusion, the relationship between the UK and Ukraine is hugely important and currently it looks very positive. It is obviously important that the Government should continue to build on that solid foundation, but it is also important for Members of Parliament to play our role and to ensure that, within the communities that we represent, we forge and build links between the two countries.

3.39 pm

Mr. Mark Francois (Rayleigh) (Con): It is a pleasure to serve under your chairmanship this afternoon, Mrs. Anderson. I will begin, if I may, by echoing the welcome that has already been expressed by several of my parliamentary colleagues for our guests who are here this afternoon from Ukraine, not least to our sister parliamentarians from the Rada itself. We are genuinely delighted that they are all with us today.

I congratulate my hon. Friend the Member for West Suffolk (Mr. Spring) on securing this important debate and on his typically eloquent and wide-ranging introductory speech, which gave us a good summary of the state of British-Ukrainian relations. I would also like to commend him for all that he is doing to strengthen the relations between our two countries, not least in his role as the chairman of the British Ukrainian Society.

My hon. Friend's remarks were echoed by several hon. Members. We heard from the hon. Member for Selby (Mr. Grogan), who also spoke briefly about the prospects of an incoming Conservative Government. I particularly enjoyed that part of his speech. I thank him for all the work that he has done in chairing the all-party group on Ukraine, and I hope that its members will enjoy a successful visit to Ukraine later this year. We also heard from the right hon. Member for Walsall, South (Mr. George), who, as the whole House knows, has considerable experience in the realms of foreign affairs and defence. That was clearly reflected in his contribution this afternoon.

We heard from the hon. Member for North Southwark and Bermondsey (Simon Hughes), who touched on the importance of sport in building relations between our two countries. I did not know that he was a Millwall supporter. I hope that he will take it the right way if I say that he does not fit the classic profile of the Millwall supporter, as far as I am concerned. I thank him for raising the importance of sport in relations between our two nations.

We also heard from the hon. Member for Ealing, North (Stephen Pound), who gave a thoughtful and measured contribution. It was more thoughtful and measured than what he said during Prime Minister's questions at lunch time. He added to our discourse this afternoon, and we were pleased to hear from him.

On a sombre note, I understand that today is a national day of mourning in Ukraine, following a terrible accident with an Mi-8 helicopter in which I believe some 20 Ukrainians lost their lives. We offer our condolences to the people of Ukraine, particularly the families who have suffered such a tragic loss. Our thoughts are with them on this day.

I am delighted that there is cross-party consensus on so many issues concerning Britain's relationship with Ukraine. As the Minister will know, cross-party consensus always strengthens a Government's dealings with third parties, and I am sure that after our seeing each other so often at the Dispatch Box over the past couple of months during debates on the treaty of Lisbon, he will agree that it is good to be on the same side for once, as we discuss our relations with Ukraine.

On a personal note, I hope that the Minister's leg gets better. Also, I hope that he will be standing close by the phone this weekend, because I have a funny feeling that it might ring.

As my hon. Friend the Member for West Suffolk said, the Conservative party has been lucky enough to have enjoyed a good number of conversations recently with members of the Ukrainian Government. My right hon. Friend the Member for Witney (Mr. Cameron), the Leader of the Opposition, met President Yushchenko at Davos, and my right hon. Friend the Member for Richmond, Yorks (Mr. Hague), the shadow Foreign Secretary, last month had a friendly and constructive meeting with the Foreign Minister, Mr. Ogryzko. We very much look forward to President Yushchenko's visit to Britain next month.

My hon. Friend the Member for West Suffolk and others mentioned the Holodomor. It was a terrible crime, perhaps the worst in the long list of those committed by communist regimes in Europe, and comparable in the scale of loss of life to the grotesque series of massacres and famines inflicted on their peoples by Mao and Pol Pot. Both the communists and the Nazis ensured that much of the 20th century was a period of appalling suffering for Ukrainians. It is a tribute to the Ukrainian people's resilience that they fought through that and have now come on to happier times.

Others Members dealt ably with many of the issues of great importance to Ukraine, but I shall touch on a few as well. High inflation is a cause for concern and, worryingly, most economic factors point to it remaining a problem, at least in the short to medium term. It is said that a better harvest this year would help, and we hope for that outcome.

Gas supply and transit from Russia remains tricky. The good news is that the latest agreement, which was made in March, has lasted longer than the last one, which was made in February. However, gas is still a source of friction, and I hope that the Minister will touch on it when he responds.

Ukraine's imminent membership of the World Trade Organisation is a great success for that country, and we congratulate its Government, political parties and Parliament on the smoothness of the ratification process.

Most important of all, Ukraine's democracy is in good health, although there have been a few bumps on the road since the Orange revolution. Debate is free, open and robust, and politics is competitive. Not every hope arising from the marvellous mass defence of democracy—an event at which my colleague in the European Parliament, Charles Tannock, was lucky enough to be present—has or probably ever could have been fulfilled, but, overall, the pessimists were wrong. Ukraine is now an example to many of its near neighbours of what could be.

Britain is one of Ukraine's best friends in the European Union. We are firmly on the side of those

[Mr. Mark Francois]

who say that Ukrainians are Europeans and not just Europe's neighbours. Ukraine has every right to aspire to join institutions that are common to most European countries—the European Union and NATO—and it is to those institutions that I shall chiefly confine my remaining remarks.

EU membership offers advantages to Ukraine. The enlargement process, which is one of the EU's greatest policy successes, has shown time and again that EU membership offers young democracies a path to strong democratic institutions, greater economic prosperity through more open markets, the rule of law, and the security of belonging to an important club. The process helps to tackle deep-rooted problems of corruption and misrule, although one or two of the newest EU members show that the rigours of the process must be maintained in full. Therefore, it is no wonder that there is wide political consensus in Ukraine in favour of moving towards EU membership. That is strongly welcomed, and I am sorry that that approach is not matched across the whole of the EU itself.

New countries offer existing members real benefits. They not only widen the sphere of stability and democracy in Europe but expand the single market, increase our environmental reach and offer new perspectives and influence, as Poland has done in Ukraine itself and in Belarus. Ukrainian membership of the EU would make dictatorship in Belarus harder to sustain and might act as a catalyst in finding a solution to the frozen conflict in Trans-Dniester.

Ukraine's membership of the WTO is an important first step on that road. A free trade agreement with the EU could be the next. I am sure that the Minister will want to answer some questions about prospects for Ukraine's EU membership, so I shall put some to him briefly. What prospects does he foresee for a free trade agreement, and how does he think it might roll out in practice? What timetable would he favour for Ukrainian EU membership? What discussions has he had with EU partners on the matter and what are their views? In particular, what are the views of the French and German Governments?

Turning briefly to NATO, the Bucharest summit saw a major development. We recognise that NATO membership is a contentious issue in Ukraine, although it should be noted that Mr. Yanukovych voted for it in 2004. We very much hope that the debate will eventually be settled in favour of membership. We warmly welcome the Ukrainian Government's desire to join NATO and welcome the agreement in the summit communiqué that Ukraine will join NATO. However, we are concerned that giving that firm commitment while failing to agree on Ukraine's participation in NATO's membership action plan was, to some degree, putting the cart before the horse. Like the EU accession process, the MAP is a tool of democratisation. It ensures that NATO entrants not only modernise their capabilities but that their armed forces slot properly into the workings of liberal democracy. When does the Minister think the next discussions will be held on Ukraine's membership of the MAP? What are the principal remaining points of discussion with NATO allies, and can he lay out the timetable for further progress?

The elephant in the room—or perhaps the bear, in this instance—is, of course, Russia. It is our view that Russia is profoundly mistaken in seeing NATO expansion as some kind of threat or encirclement. I look forward to hearing what the Minister has to say on the prospective basing of troops in that respect. It is surprising that Russia does not welcome the prospect of more stable and secure neighbours. Some Russian statesmen might profitably ask themselves why so many of their neighbours have joined or wish to do so.

A good working relationship with Russia is, of course, of enormous importance to Ukraine and of great potential benefit to Russia herself. I hope that the next few years will demonstrate to Russia that a secure, stable and prosperous Ukraine on the road to EU membership would be a win-win situation for everyone.

Finally, my hon. Friend the Member for West Suffolk said in his very good speech that UK-Ukraine relations are the best that they have ever been. I agree, and I hope that they will continue to strengthen in the months and years ahead.

3.50 pm

The Minister for Europe (Mr. Jim Murphy): Thank you, Mrs. Anderson, for presiding over our proceedings in this fascinating and informed discussion. Although I am tempted to call it a debate, in the traditional sense, it has been more of a conversation than a debate, but it has been the better for it. There is a wealth of experience in Westminster Hall today, including personal experience of visits to Ukraine and contact with Ukranian politicians and diplomats. I am at a slight disadvantage, being one of the few right hon. and hon. Members speaking today who has not yet had the opportunity to visit Ukraine, but I seek to remedy that in the near future.

I congratulate the hon. Member for West Suffolk (Mr. Spring) on securing the debate and for the way in which he set its parameters, in the context of the impending visit by the President of Ukraine on 15 May, to which we in Her Majesty's Government and so many others are looking forward with a great sense of anticipation and expectation.

I put on the record Her Majesty's Government's great sadness about the dreadful civilian helicopter crash in the Black sea earlier this week. We offer our condolences to the families of those who lost their lives. There were a number of tragic fatalities. It is important that Her Majesty's Government and Opposition parties put that on the record today.

At the start of the debate, the hon. Gentleman mentioned the recognition of the remarkable improvement and evolution in the relationship between the United Kingdom and Ukraine, as did my hon. Friend the Member for Selby (Mr. Grogan) and other hon. Members, including my right hon. Friend the Member for Walsall, South (Mr. George), my hon. Friend the Member for Ealing, North (Stephen Pound) and the hon. Members for North Southwark and Bermondsey (Simon Hughes), for East Dunbartonshire (Jo Swinson) and for Rayleigh (Mr. Francois). It is a great cause for celebration in the UK and, I am sure, in Ukraine that these relationships continue to strengthen.

The hon. Member for West Suffolk mentioned that process, and his part in it, and spoke with great modesty about his role in improving the relationship

between parliamentarians. We should all like to put on the record the remarkable work that he has done in strengthening bilateral relationships between the UK and Ukraine. He was kind enough to mention—as did a number of hon. Members on a cross-party basis—the excellent work done by that young man, my hon. Friend the Member for Selby.

There is an increasing understanding in the UK of the importance of, and the complexity of, Ukrainian society. The opportunity to increase understanding will be amplified with the excellent decision to co-host the European 2012 football championships. It is a remarkably opportune moment for Ukraine to highlight itself as a nation, a culture, an ally and a friend, and an excellent opportunity for inward investment and so much more. I do not want to pursue the footballing analogy much more than that, Mrs. Anderson. However, I had cause for celebration earlier in this season in respect of the underperformance and failure in Europe of a Ukrainan team, Shakhtar Donetsk, which was defeated by my team, Celtic. Hon. Members have paid tribute to the great skill of the current Chelsea player, Shevchenko, although my hon. Friend the Member for Ealing, North cannot really expect him to be a Fulham player next season.

I want to talk about the specific points raised. Remarkable practical assistance is being afforded by the UK Government to help Ukraine in its efforts to develop and integrate more closely with both the EU and NATO. Successive British Governments have supported Ukraine's development as it has faced many challenges, and it has, by any objective analysis, overcome remarkable obstacles since gaining independence in 1991. Our total assistance during this period has exceeded £100 million. Assistance has rightly evolved, as the country has changed, from supporting transition from the post-Soviet system to assisting its move towards EU standards. In January 2006 the Organisation for Economic Co-operation and Development rightly re-classified Ukraine as a middle income country.

It is a cause for some delight that, as a result of the progress that has been made, the Department for International Development closed its bilateral programme a few weeks ago, in March 2008. It is never a cause for celebration when programmes end, but the fact that we are moving away from DFID involvement to a more sustained economic relationship is emblematic of the way in which Ukraine continues to change. However, that does not mean—it should never be misconstrued as meaning—that the UK will no longer take a close interest in Ukraine's socio-economic development. The Foreign and Commonwealth Office will continue to support political and economic reform to Ukraine through its "Reuniting Europe" programme and bilateral funds worth more than £900,000 in 2008-09. We will also provide support through funding for multilateral organisations, including the European Union, the World Bank and European Bank for Reconstruction and Development.

Ukraine is a priority country for European Commission support. More than 17 per cent. of the Commission's aid to Ukraine is provided by the UK as part of our overall share of the EU budget. Again, that is a reminder of just how engaged the UK continues to be in supporting Ukraine.

I will not be able to answer every point in the time I have left, but if colleagues wish—the tenor of the debate suggests that they would—I will circulate a more detailed response on the issues that I cannot capture now.

There is an element of EU enlargement fatigue in other European capitals, but we in London do not share that fatigue, the Government do not share it and it is fair to say that it does not appear to be shared by any Opposition parties. I would argue, and the Government would, too, that it is in our strategic self-interest for Ukraine to be a full, equal member of the EU in time. We have not set a timetable—it would be wrong for us to do so, because this is a condition-based accession process—but we are clear that if, in time, Ukraine fulfils its criteria, it should be admitted into full membership of the EU. The European neighbourhood policy, which is important, should not be regarded as an alternative to eventual EU membership.

My right hon. Friend the Member for Walsall, South and the hon. Members for East Dunbartonshire and for Rayleigh asked about the Ukraine and the NATO perspective. Let us be clear about what was declared at the NATO summit. No third country has or will have a veto over Ukraine's aspirations to be a member of NATO. NATO allies agree that Ukraine will become a member of NATO and that we must help it move towards that objective as soon as possible. NATO also reaffirmed the importance of the NATO-Ukraine relationship and will now begin a period of intensive engagement with Ukraine, at a political level, to address the outstanding questions on the membership action plan.

There is an important point to be made about public perception and opinion in Ukraine in respect of NATO. There is strong Government support for Ukraine's membership of NATO, but more has to be done to encourage wider public support among the population of Ukraine towards that ambition. The UK Government will play an important part, wherever we are invited to do so, in advising the Ukrainian Government on how to ensure that there is an educated, informed conversation in Ukraine about NATO membership.

The UK looks forward to President Yushchenko's visit and will continue to work closely with Ukraine to pursue our common goals and interests. Our two nations have a strong, enduring friendship that we believe can only be strengthened by continued dialogue. Ukraine is a strategic partner for the UK in the world and we are determined to see, and are committed to, an ever-closer working relationship and Ukraine's eventual membership of the EU and NATO.

I congratulate the hon. Member for West Suffolk once again on securing today's debate and for the way in which it has been conducted.

A14/A45 (North Northamptonshire)

4 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to serve under your chairmanship, Mrs. Anderson, and I thank Mr. Speaker for granting me this debate. He has been generous in providing a series of debates on the expansion of north Northamptonshire to both me and my hon. Friend the Member for Kettering (Mr. Hollobone). I thank the Minister for his attendance, and I hope that this debate will be constructive and that he will be able to provide answers to my questions and concerns. I look forward to his response. I also thank my hon. Friend for attending. He will try to catch your eye, Mrs. Anderson, later in the debate. He works tirelessly on behalf of his constituents and, like me, he has grave concerns about the road infrastructure in north Northamptonshire.

The A45 and A14 are east-to-west trunk roads passing through or near Wellingborough. My constituents must use one or both roads to get about in their daily lives, and they are both extremely busy. The A45 and A14 trunk roads feed into the M1 and are the main links through the constituency to the east of England. They are extremely well used, extremely busy and extremely underfunded.

It seems that things are set to become much worse for my constituents who use those roads. The Government are forcing 52,000 new homes on north Northamptonshire in the next few years as part of the south midlands and Milton Keynes spatial core strategy. That equates with about a 50 per cent. rise in the number of existing homes. Moreover, plans for two large developments in my constituency—Wellingborough East and Wellingborough North—have already been submitted to the planning authority. They will not happen in the future; that huge increase in development is happening now, but where are the plans for the infrastructure to support it? Who knows? That is what I am trying to find out.

The fact is that there are no plans to improve capacity or to carry out major and necessary improvements to the A45 and the A14 in time for the increased development, increase in population and increase in the number of vehicles. What is even more worrying is that it is not just our roads that will fall behind; it is our local public services, which are already stretched to the limit with the current population. In Welllingborough we have no hospital, a demolished secondary school and no available NHS dentist.

Let us consider one issue—the hospital. One might ask what that has to do with the road infrastructure. As there is no hospital in Wellingborough, my constituents must travel by car or, in an emergency, by ambulance to Kettering or Northampton general hospitals. If they go to Kettering, they must use the A14; if they go to Northampton, they must use the A45. When those roads are congested or blocked my constituents' journey time to hospital could be severely delayed, which in turn could be life threatening. I have argued strongly that there is a moral and financial case for a hospital in the Wellingborough and Rushden area. If we had such a hospital, at a stroke thousands and thousands of car journeys along the A14 and A45 every year would not be necessary. If there were any joined-up government thinking, there would be a plan for a hospital in the Wellingborough and Rushden area—but of course, there is not.

Today, the Institute for Public Policy Research report confirms that outside London, Northamptonshire has seen the largest influx of workers from eastern Europe. Even more worrying is that we have been told that a third of the new development will be used by migrant families from eastern Europe.

I run a rolling survey in my constituency as part of the "Listening to Wellingborough and Rushden" campaign, which lets me know regularly what is of most concern to my constituents. For the first time ever, the latest survey shows that immigration is local residents' No. 1 concern. A year ago, that was not an issue, and did not even register. It is now a concern because of the huge impact on public services, including our major roads, which cannot cope with the amount of new development and increase in population.

There was a recent borough council by-election in the Redwell ward, which adjoins the proposed Wellingborough North development. It is a safe Conservative ward and the Conservatives easily retained it. However, for the first time, a British National party candidate stood, and he stood on the issue of overdevelopment and lack of infrastructure, including the state of our roads. He received more than 15 per cent. of the vote and beat Labour into third place. That should be a wake-up call for all mainstream politicians in north Northamptonshire.

Before I talk about specific housing developments in the very near future, I want to relate how overcrowding on the A14 and A45 creates not only long delays and frustrations for those who must use them, but the more serious effects of underfunding our roads: casualties and accidents. In 2004, there were five fatal casualties on the A14 and one on the A45. By 2006, the numbers had risen to eight fatal casualties on each road. Since 2004, the number of fatal, serious and slight casualties on the A45 has risen dramatically. In 2004 the total number of casualties was 96. In 2006, it was 194. The casualty reduction target set by the Highways Agency for the number of casualties on the A45 in 2006 was 149. The actual number of casualties was 194. That is about a third more than expected. Something must be seriously wrong if targets are being missed by such a large proportion. That was the situation in 2006, before the extra development took place.

The A14 and A45 trunk roads are part of the Highways Agency's area 8. Within that area it also manages the A1, A421, A428, A5 and A43. The total number of casualties on all those roads in 2006 was 907, of which 447—almost half of all casualties in that year—happened on the A14 and the A45. Again, it does not take a rocket scientist to realise that accidents and casualties on those two trunk roads are too frequent and too many. The reason is lack of planned infrastructure and lack of funding to improve those roads.

One issue on which I have campaigned at Westminster and in my constituency is the lack of improvements to the Chowns Mill roundabout at the A45/A6 junction at Higham Ferrers. The "Listening to Wellingborough and Rushden" campaign demonstrates what is wrong with the system. Chowns Mill interchange is a roundabout designed for 4 roads. It now has five roads going into it.

A grade-separated junction is desperately needed at Chowns Mill to alleviate the enormous congestion caused by the short-sighted and inappropriate layout. There have also been a number of accidents and casualties at Chowns Mill because, although small improvements have been made, they have been so minor and confusing that drivers are still unsure about which lanes to use. I used that roundabout recently and was in the right lane to head forward when a car shot straight across me. I do not believe that that was a bad driver; I just think he was confused by the road layout.

The campaign for improvements to Chowns Mill roundabout has been led by my constituent Mrs. Julie Nacca, who had an accident on the site. She was so incensed by not being able to get anything done to improve the roundabout that she started her own petition. I presented that petition to Parliament in March 2007. I would like to praise Mrs. Nacca's hard work and dedication in raising the matter with the relevant organisations and in trying to get improvements from which everyone can benefit.

The campaign has resulted in a meeting between the parish, district and county councils, the Highways Agency and me. It was universally agreed that improvements should be made, but then things went horribly wrong. The decision was made by an unelected, undemocratic, unaccountable quango; the East Midlands regional assembly. The assembly is a regional organisation based in Leicestershire. It might vaguely know where Wellingborough is, but certainly would not know where Higham Ferrers is and would have no idea of the problems at Chowns Mill. The assembly refuses to make the improvements at Chowns Mill a priority and does not put it in its forward plan, which covers the next 15 years.

Mrs. Nacca, Councillor Derek Lawson, who has also been campaigning on the issue, and myself met the chief executive of the East Midlands regional assembly at the end of last year. We were told that these desperately needed improvements to our road system would not be carried out, regardless of the amount of new development, the numbers of new businesses and the increase in new vehicles that would soon be on the A45. We were told that there was no chance of the grade-separated junction being put into the programme.

Two new major developments planned for Wellingborough in the immediate future are Wellingborough East and Wellingborough North, which includes Upper Redhill and Pulse Park. Some 3,200 houses have already been approved for Wellingborough East—or WEAST as it is more commonly known—and more than 3,000 homes are planned for Wellingborough North. Moreover, plans will shortly be submitted for a new development east of WEAST, which will include thousands of new homes and will create a new urban conurbation. Where does that development lie? Right on the A45. It is my understanding that the Highways Agency does not have any proposals for major improvements to the A45 between the M1 and the A14 in the next 15 years. I would be interested to learn whether the Minister has any updated, more encouraging information on that. The Wellingborough North development, for which there are two planning applications at the moment, will cover more than 3,000 new homes that will be linked by the A509 directly to the A14. That will mean more houses, more people and more traffic for the A14.

It is clear that the Government have a blinkered approach; they have tunnel vision and can only see houses. They are determined to build thousands and thousands of new homes in north Northamptonshire. Those homes are already being built, yet the Government have no serious, structured or firm plans for improving the road infrastructure. If they were to take their blinkers off, they would realise that the A14 and the A45 are heading for complete gridlock.

4.14 pm

Mr. Philip Hollobone (Kettering) (Con): I am delighted to be here to support my parliamentary neighbour, my hon. Friend the Member for Wellingborough (Mr. Bone). He works tirelessly day in and day out for his constituents, and I congratulate him on securing this special and important debate.

It is obvious to anyone who lives in and around Kettering that the A14 needs urgent attention. There are far too many accidents on the road and it is getting increasingly congested. Kettering simply will not be able to cope with the thousands of extra houses unless the A14 is improved fast. The Government and the Highways Agency have dithered for far too long over this issue, yet it is the most important infrastructure improvement that Kettering needs. Local roads are becoming more and more congested, and the Kettering rail service is to be cut back. The strain on existing public services is increasing as each month passes. Unless the Government agree to guarantee the additional infrastructure that Kettering needs, the plans for housing expansion in the area need to be radically scaled back or stopped altogether.

The Government's overall plans for Kettering envisage 13,100 new dwellings by 2021, which would increase the population of the borough by one third. There are to be 145,000 new houses across the county as a whole, increasing Northamptonshire's population from 660,000 to 1 million. Yet the current situation with the A14 is that there are no official plans to improve the road around Kettering until 2017 at the earliest. However, more than 70,000 vehicles a day already use the A14 around Kettering and the road is at capacity. Specific detailed plans to improve the A14 have been awaited for at least two years. Growth in local traffic is such that the Highways Agency is now considering restricting local vehicular access on to the road through so-called demand management measures. Planning approval for large-scale housing expansion to the east of Kettering, possibly involving up to 5,000 homes, simply cannot proceed until improvements to the A14 are announced.

BB Developments and Buccleuch Estates have submitted to Kettering borough council, of which I am proud to be a member, a planning application for 5,500 houses to be built to the east of Kettering. Without guidance from the Highways Agency that plans are to be put in place to improve the A14, Kettering borough council is unlikely to be able to make a decision either way on the application within the requisite timetable. That is likely to lead to an appeal by the applicants to the planning inspectorate, which would involve the council in a costly and lengthy planning inquiry. Likewise, plans to develop the old scrap yard site at the junction of the A43 and the A14 near Broughton are blighted until firm proposals for an improvement to the A14 are announced by the Department for Transport.

[Mr. Philip Hollobone]

Since being elected in May 2005, I have asked a series of parliamentary questions about the A14, and the timetable for an announcement about the road continues to slip. In July 2005, the answer given was:

"The HA has commissioned an options study, and is currently gathering information and constructing a transport model for the area. The study is expected to report in February 2005".—[*Official Report*, 20 July 2005; Vol. 436, c. 1793W.]

In May 2007, the answer from the Minister's predecessor, the hon. Member for South Thanet (Dr. Ladyman), was:

"I have asked the Highways Agency to submit recommendations on potential improvements this autumn."—[*Official Report*, 15 May 2007; Vol. 460, c. 459.]

In September 2007, the answer was:

"The Highways Agency is finalising an options appraisal on how to improve the capacity of the A14 around Kettering, which I expect shortly."—[*Official Report*, 10 September 2007; Vol. 463, c. 1945W.]

In November 2007, the Minister said:

"The Highways Agency is investigating possible low-cost improvements to the A14 around Kettering with a view to assisting the delivery of growth...This study is due to report early next year".—[*Official Report*, 14 November 2007; Vol. 467, c. 246W.]

At the other end of the A14, Government plans for the Catthorpe interchange with the M1 and the M6, which is used by 100,000 drivers every day, continue to be delayed. A £200 million improvement scheme was announced in December 2006, with works to start in 2009. However, plans are still being prepared and have yet to be presented to a public inquiry. Only £500,000 has been spent on interim improvements since the announcement of the scheme, and the interchange approach continues to be subject to frequent accidents.

The A14 is one of the most congested roads in the country. It is a killer road and it will block all the Government's plans for developing the local area. The Department for Transport needs to make an urgent announcement about how it intends to improve the road, and the improvements need to be delivered extremely quickly.

4.19 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Tom Harris): I congratulate the hon. Member for Wellingborough (Mr. Bone) on securing the debate. Normally, I regard the debates in this Chamber as being slightly less partisan and political. On that note, I will try not to rise to the bait thrown by the hon. Gentleman—although I might not try particularly hard. He cleverly managed to get into a debate on the A14 and A45 a reference to the absence of a hospital in his area. I will not go down that path because I am sure that you would call me out of order, Mrs. Anderson, and rightly so. However, I hope that when he makes a press release of his comments in today's debate, he will make it clear that no party in the House of Commons has pledged to provide enough money to the health service to build a new hospital in his area. I will return to that theme, but you will be relieved to hear, Mrs. Anderson, that I will do so only in relation to the general roads issue.

Many hon. Members on both sides of the House have reservations and are disappointed that the regional transport boards in their areas have not prioritised schemes local to their constituencies. It is totally understandable that hon. Members in that situation feel disappointed. However, I return to the theme: no party in the House of Commons has suggested a change—well, perhaps the Liberals, but their economic policies are based largely on rainbows and pixie dust. No serious party has suggested any change at all in the level of funding that is allocated through the regional funding allocation.

That presents the hon. Members for Wellingborough and for Kettering (Mr. Hollobone) with a challenge. They talk about schemes that would undoubtedly improve the A45 and the A14, and it is perfectly acceptable and totally understandable that they wish to see improvements in that area. However, if they are disappointed that the regional transport board in their area has not given priority to those schemes and they believe that the schemes should indeed be prioritised before 2016, I think it was—of course, I would never think that they would be anything other than honest—I hope that, given that the pot is limited and will not be added to, they will suggest which other schemes that have been prioritised by the regional transport board in that region should be dropped to allow the schemes relating to the A14 and A45 to proceed.

Mr. Bone: I understand the argument that the Minister is making, and it would be perfectly reasonable and fair if it was not for the huge expansion imposed on the area by the Government. The Government said that we would have the infrastructure improvement necessary for those new homes, but we have not seen it. That is the difference between our area and other areas.

Mr. Harris: That is a perfectly valid concern and I will come on to it. Nevertheless, even allowing for the very significant housing growth planned for the area, we are still left with an accounting sheet with a balance of money that will not be added to by the present Government or any hypothetical future Conservative Government. Therefore, priorities have to be decided on and if one scheme goes into a different column, another scheme has to come out of that column. I understand the campaign that the hon. Gentleman is pursuing and it is perfectly understandable that he should do so. I am simply reminding him that money is not limitless and that no party is suggesting that that money will be added to. Therefore, serious decisions have to be taken, if not by him, certainly by the regional transport board, which is responsible for drawing up the priorities.

I hope that I can get most of my comments out of the way before the end of the debate, but of course I am happy to write to the hon. Gentlemen if I do not deal with some issues. I am aware that the hon. Member for Wellingborough participated in the recent Adjournment debate secured by the hon. Member for Kettering about consultation on housing developments and that he emphasised the link between developments and infrastructure. He will not be surprised this afternoon to hear me echo the points made by the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Hartlepool (Mr. Wright), in closing that debate.

Housing growth is one of the Government's top three priorities, alongside education and health. We are building homes to meet the aspirations of this and future generations. We are proud of that; it is the right thing to do; and we make no apology for it. Housing supply has not kept pace with demand over decades, and affordability has worsened as a consequence.

Since 2001, housing growth numbers nationally have increased for new build by about 40 per cent. to about 185,000 homes every year. However, we need to do more, which is why my right hon. Friend the Prime Minister set a new target of delivering 240,000 homes a year by 2016. Of course, I recognise the provision of infrastructure as critical to the delivery of the Government targets for housing growth, not just to help to unlock the growth that we need, but to develop the sustainable communities that we all want. The importance of transport in accommodating growth is beyond doubt. I certainly do not dispute that.

Between 2001 and 2021, 101,000 new homes are planned to be built in Northamptonshire, with about 52,000 of those in north Northamptonshire; a rate of 2,600 completions a year on average. In addition to housing growth, the East Midlands regional spatial strategy sets a goal of 43,800 new jobs in north Northamptonshire by 2021. Clearly, those growth projections present significant challenges for transport, particularly the road network focused on the A14 and A45 trunk roads.

The two-lane dual carriageway A14 runs immediately south of Kettering and north of Wellingborough. It forms part of the trans-European network, linking the west midlands, M6, M1 and A1 with the container port of Felixstowe, and consequently it carries a large proportion of heavy goods vehicles. It also acts as a bypass for Kettering, which is one of its most congested sections, carrying 70,000 vehicles every day. The Kettering section has closely spaced junctions with other major road corridors, some of which share parts of the A14. Consequently, much of the congestion on the A14 round Kettering is caused by local traffic "junction hopping". That section also has an above average number of accidents, as the hon. Member for Wellingborough said. The A45 trunk road is an important and busy south-west to north-east link between the M1 at Northampton and the A14 at Thrapston. Between the M1 and Stanwick, the A45 is a two-lane dual carriageway. Between Stanwick and the A14, it reverts to a single carriageway.

Let me make it clear that the Government are committed to ensuring that housing growth is accompanied by the infrastructure needed to deliver sustainable development at local level. However, I must stress that it is not necessary to provide this infrastructure in advance of the growth. It is necessary to ensure that the infrastructure goes with the growth, which is what we are doing. As the hon. Gentleman will know, north Northamptonshire has been the focus of considerable ministerial activity to that end. My hon. Friend the Member for South Thanet (Dr. Ladyman), when he was a Transport Minister, had a number of meetings with local partners to discuss the growth and infrastructure, and more recently my right hon. Friend the Minister of State, Department for Transport, visited the area to discuss the position. Those meetings have proved extremely valuable in progressing matters.

Since 2003, the Government have invested substantially in growth areas and growth points. Northamptonshire has been allocated more than £150 million in growth area funding. The hon. Gentleman's portrayal of his constituency suggests that it is one of the poorest areas of the country and that it has been very hard done by when it comes to central Government spending. I suggest to him that that is not entirely accurate. My Department has provided £8 million of funding for the "Getting Northampton to Work" programme and is supporting the reinstatement of passenger rail services at Corby. We have invested £84 million in Northamptonshire through the local transport plan process over the past five years. In addition, we have approved schemes worth more than £21 million under round 1 of the community infrastructure fund. Those include the Corby northern orbital road and the Wilby Way roundabout improvement.

The A509 Isham bypass and the Corby link road are already included in our approved programme of major schemes, and the A509 Isham to Wellingborough improvement scheme is being considered for programme entry by the Department. There are also a number of schemes in the county that are the subject of expressions of interest for funding under round 2 of the community infrastructure fund.

Of course, investment alone will not provide sustainable communities. The emphasis must be on working with local and regional partners to ensure that policies and delivery plans are properly joined. To that end, we are working closely with the North Northants Development Company and its stakeholders to agree a package of interventions to deliver the planned growth in north Northamptonshire without compromising the trunk road and local road network.

However, I would not like to give the impression that we have only recently turned our attention to addressing the problems on the A14. Following the report of the London to south midlands multi-modal study in 2003, the then Secretary of State instructed the Highways Agency to work up a scheme to widen the Kettering bypass. A number of different options were assessed, but that work did not result in a viable solution being identified on either affordability or value for money grounds.

When that became apparent, the Department for Transport, the Department for Communities and Local Government, the Highways Agency, the Government office for the east midlands, Northamptonshire county council and other stakeholders formed a joint working steering group led by the North Northants Development Company. The group's brief was to develop and agree a package of interventions to deliver the planned growth in north Northants without compromising that growth or the A14 and the local road network.

Sports and Leisure Trusts (VAT)

4.30 pm

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): I thank Mr. Speaker for selecting this debate. I also thank the Financial Secretary to the Treasury for her attendance this afternoon; I am sure that we will be given the answer to the problem that I am about to raise.

I am delighted to have secured a debate about VAT on the membership of sports and leisure trusts. It is an important issue, not only in my constituency but in the neighbouring constituency of my hon. Friend the Member for North Ayrshire and Arran (Ms Clark). It is also a problem across the entire country, both north and south of the border. There has been correspondence on the subject between my hon. Friends the Members for Pendle (Mr. Prentice) and for Eltham (Clive Efford) as well as my right hon. Friend the Member for East Kilbride, Strathaven and Lesmahagow (Mr. Ingram). The topic is important also as a consequence of a recent report undertaken by Audit Scotland, which states that youngsters' participation in sport is not likely to meet Government targets.

By way of background, the policy of Her Majesty's Revenue and Customs is that unlimited access to all leisure facilities in a leisure centre, typically in return for a monthly or annual payment, is liable to VAT at the standard rate. North Ayrshire Leisure Ltd. is losing not only money, which is important, but membership over the issue. I am told that back payments—the policy is being applied retrospectively over the last three years—are £120, 000, and it has lost just under 100 members due to that imposition.

South Lanarkshire is in an even worse state. It could lose something in the order of £1 million. I understand from representations made to me that that is the average for the whole of the United Kingdom—tens of millions of pounds are being lost as a result of this application by HMRC.

Mr. James Gray (North Wiltshire) (Con): I warned the hon. Gentleman in advance that I intended to intervene, and I am grateful to him for giving way. He will, of course, be concerned about his local leisure trusts and the others that he has mentioned. However, private sector companies that run leisure centres have always paid VAT. Although one sympathises with North Ayrshire Leisure, it could be argued that it should pay VAT so that the private and the public sectors can compete equally.

Mr. Donohoe: I shall not get into a dialogue with the hon. Gentleman, but he is right to put sport at the very top of the agenda, as I do. I believe that incentives should be given to any organisation involved in trying to change the habits of a lifetime—of youngsters as well as adults—by moving towards any form of exercise.

Ms Katy Clark (North Ayrshire and Arran) (Lab): I congratulate my hon. Friend on securing this debate. He rightly said that the issue is of great consequence to both our constituencies. He has referred to North Ayrshire Leisure, which is in difficulties as a result of the change in policy. Does he agree that the public sector has been at the forefront in trying to expand participation in sport, particularly for those from deprived backgrounds? It is vital that we do everything we can to ensure that such public sector sporting facilities are as cheap as possible.

Mr. Donohoe: I accept that point. I hope that the Financial Secretary is listening. I hope now to make progress.

One of the main problems is that some services provided by leisure centres, such as sauna facilities, are subject to VAT. However, people who go for a swim and then a sauna should have some part of the charge exempted from VAT. I am told that that is not how the tax is applied. That is the nub of what I perceive to be the problem.

The taxman's long-held view is that if an all-inclusive fee is charged that covers all the services provides by such a centre, it indicates a single supply for VAT purposes. For instance, a membership fee that entitles the member to use all the facilities within such a centre—I have one in my constituency; it is called the Magnum Leisure Centre—will attract VAT.

I started studying the system when I was requested to apply for this debate. It has become very bureaucratic. It is a labyrinth; it is almost impossible to establish the simple facts. Visitors to a leisure centre are charged for the services that they use; the exact VAT position of the service can then be taken into account. Customers who do not pay a membership fee are instead charged for the services used. If they swim, there will be no VAT to pay as it is exempt. However, if they want to use the sauna, VAT will be applied.

We need to take a common-sense approach, and I have known the Minister long enough to realise that she applies common sense. I therefore expect to get a sensible answer, so that we can bring the matter to a conclusion in the near future.

We are hosting the Olympic games in 2012, and north of the border we have the Commonwealth games in Glasgow in 2014. Those are two of the greatest sporting events in the world—except for the World cup, of course; we are not hosting it this time, but we hope to do so one day. It seems bizarre, in these circumstances, that we should be hampered in the sports field and are not able to promote sport because of the charging of VAT. It is having a severely detrimental effect.

I dispute the idea that any of the leisure services provided by leisure facilities should be deemed liable for VAT; I argue that they all have demonstrable sporting and educational benefits. The fact is that not-for-profit organisations such as North Ayrshire Leisure have the principal aim of increasing participation in leisure activities across all sectors of the local community, as my hon. Friend the Member for North Ayrshire and Arran mentioned. However, many people in the area are poor. I argue that a leisure trust should not have the burden of VAT placed upon it, as it will ultimately be passed on to the users of the facilities by way of extra charges or reduced investment. That will be to the detriment of the service.

The tax burden will have a profoundly negative impact on the future of hundreds of sports and leisure trusts across the country, which face significant financial

uncertainty. In turn, that will harm affordable, accessible sports facilities for the community. While I have been a Member, the Government have been trying to promote healthier lifestyles. Given the wider health benefits of sport and leisure, HMRC's current stance does not make too much sense.

I said earlier that a number of representations had been made to me. One of them was made by the Sports and Recreation Trust Association, a national organisation usually known as SpoRTA. It has been advised by PricewaterhouseCoopers and tax counsel that the way in which HMRC is seeking to charge VAT is wrong in law. HMRC's decision to charge VAT retrospectively for some trusts may result in their liquidation. Indeed, in my constituency that is a severe threat. My fear, and that of my colleagues, is that that is a possible conclusion if the situation is allowed to develop. Higher membership fees at leisure centres would be necessary to cover the VAT liability, which could lead to a significant drop in participation, especially among those from poorer communities. That contradicts the Government's aim of increasing participation in physical activity, and HMRC's decision contradicts the Government's efforts to promote healthier lifestyles.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): I congratulate the hon. Gentleman on securing the debate and agree with everything that he has said. Would he go further and say that HMRC's position—it is not only to seek to apply VAT but to backdate payments, as a result of the test case against the Highland Council in my constituency—makes matters a great deal worse for the leisure trusts? They would have to meet that call and pay HMRC back as well as their ongoing tax liability.

Mr. Donohoe: That issue has been raised. I have a letter to suggest that HMRC is willing to extend the period over which the charge can be spread. However, I do not think that that is the answer by any stretch of the imagination. I believe that the back charge must be waived, given that there was a sincerely held view that leisure facilities would not be subjected to VAT in the first place. There was no guidance from anybody within the Treasury or HMRC. The hon. Gentleman made an important point, and the Minister should look seriously at waiving that back payment wherever possible.

The matter needs urgently to be addressed. It requires the Minister to go and bang a few heads together in the Treasury. I know that she is good at that, having made representations to her in the past on other issues. She has gone in and solved the problems to everybody's advantage. The matter must be addressed and resolved—it cannot be left in limbo as it has been. I plead with her to take the simple route and apply a bit of common sense to the problem.

Mr. Gray *rose—*

Janet Anderson (in the Chair): Order. The hon. Gentleman did not indicate to me prior to the debate that he would like to make a speech, but with the permission of the hon. Member for Central Ayrshire (Mr. Donohoe) and the Minister, I would be happy to allow him to make a brief contribution.

Mr. Donohoe: I will happy if the hon. Gentleman wants to intervene on the Minister, but not if he wants to make a speech. I want to hear from the Minister.

Janet Anderson (in the Chair): I accept what the hon. Gentleman says and I call Jane Kennedy.

4.42 pm

The Financial Secretary to the Treasury (Jane Kennedy): It is a pleasure to be here this afternoon under your chairmanship, Mrs. Anderson. I should say to the hon. Member for North Wiltshire (Mr. Gray) that I would normally have agreed a way forward, but I am a servant of the House on this occasion.

I congratulate my hon. Friend the Member for Central Ayrshire (Mr. Donohoe) on securing this debate on an important issue relating to local sports provision. I am aware of the importance that he and many other hon. Members attach to the issue. A debate such as this enables me to take a step back from what is a complex, technical issue, on which HMRC has clear rules that it must apply—they are not subject to ministerial influence because they relate directly to tax and case law.

I am alive to my hon. Friend's concerns. Indeed, my hon. Friend the Member for North Ayrshire and Arran (Ms Clark) has written to the Chancellor of the Exchequer on the matter and a reply is being considered. I want to think about, and take into account, the points that have been raised in the debate before advising on how to reply to the letter.

It is worth putting on record that, clearly, access to good quality sporting provision is an essential part of enabling people to lead healthier lives and to participate in sport. My hon. Friend the Member for Central Ayrshire was right: the 2012 Olympics can, as I believe they will, provide a major catalyst for increased sporting participation in the UK and overseas. In the run-up to the games, the Government will work to support more people to lead a more active lifestyle. On matters over which we have responsibility, we will continue to promote sport, including at school, community and elite levels.

A number of reliefs already apply and the Government have an excellent record of promoting community sports through the tax system. For example, we have allowed community amateur sports clubs that meet certain eligibility criteria to benefit from a range of tax reliefs. Charitable sport and leisure trusts are exempt from tax on most forms of income and gains, including capital gains tax and stamp duty. Charities also receive a mandatory 80 per cent. relief from business rates and benefit from a range of tax incentives for individual and corporate donors, such as gift aid and payroll giving.

Mr. Gray: I wanted to address precisely that point. Why should leisure trusts, which are not necessarily well run, have tax advantages over those places in large parts of England where the local authority has privatised the provision of leisure services? Private companies do not get the tax advantages that the Minister described, but they provide precisely the same facilities for local people.

Jane Kennedy: The hon. Gentleman makes a—

Mr. Donohoe *indicated dissent.*

Jane Kennedy: I can see my hon. Friend shaking his head, but the hon. Member for North Wiltshire makes a correct point. It is for precisely that reason that the scope for discretion within which HMRC can move is limited by European Union law, which makes clear how VAT should be applied.

My remarks on VAT are quite technical: I will state the position as it is. I should like to read the *Hansard* report of this debate slowly and consider the points that my hon. Friend made, and I hope that he does not think that I am simply dismissing what he said with technical detail!

The fundamental principles of VAT, including the application of reliefs and exemptions, are governed by the European VAT agreements that have been signed by successive Governments, as I said. Those agreements and the UK legislation that implements them are interpreted and applied through case law. That assists in determining the correct tax treatment of certain transactions that could be seen to comprise a number of components because more than one benefit is received in return for a single payment. In some circumstances, when a number of components to a transaction are found, the payment made can be apportioned to reflect the different VAT treatments that are applicable to the different components.

However, as I am sure my hon. Friend knows, the Court of Session confirmed in the case of the Highland Council that unlimited access to facilities in a leisure centre, typically in return for a monthly or annual payment, is a single supply with one component—the right to unlimited use of leisure facilities. As has been said, sports and leisure facilities often have cosmetic, sauna and steam facilities, as well as sporting facilities.

I accept that the debate is linked to the campaign that was to some degree initiated by SpoRTA—my hon. Friends in Scotland will be aware of the impact of the case. The supply of sporting services is exempt from VAT when it is supplied by a non-profit making organisation such as a charitable leisure trust. That is provided for by our European VAT agreements. However, the Court of Session confirmed HMRC's long-standing policy that fees that grant unlimited access to both sporting and non-sporting facilities in a leisure centre are a single supply of the right to use the facilities. That means, for example, a season ticket or other fee that entitles customers to use sports facilities, which are exempt, and non-sports facilities such as saunas and spas, which are standard rated for VAT, is a single, standard rated supply of the right to use general facilities. Unfortunately for the institutions concerned, VAT is due on the whole of the fee that they charge. That remains the case even though some of the facilities in the overall package would be VAT exempt if charged for separately.

Historically, many leisure trusts—incorrectly, and contrary to HMRC's position; the argument has been going on for some time—have treated such supplies as wholly exempt or apportioned income between sporting and tuition, which are exempt, and non-sporting facilities, which are standard rated. HMRC is required to collect VAT due on those supplies. Not to do so would bring it into breach of European agreements. HMRC would fall foul of the law, and it would be perfectly within the rights of an organisation that was not a leisure trust but provided the same facilities to go to court to seek justice for unfair treatment. I appreciate that my hon. Friends understand that, but my hon. Friend the hon. Member for Central Ayrshire seeks more discretion in how that interpretation is applied.

Danny Alexander: The Minister is right to describe the position laid out by the Court of Session in relation to Inverness leisure trust and the Highland council in my constituency. However, a bit of discretion might be applied. Many leisure facilities have chosen to change the bundle of goods available in their weekly or monthly passes to include only VAT-exempt services. The issue therefore relates to VAT that may be due on tickets sold in the preceding three years. Can she consider whether discretion could be exercised over whether HMRC claims the backdated VAT? That is what will have the most damaging effect on leisure trusts such as Inverness leisure trust, which would be faced with a bill for many hundreds of thousands of pounds, which would make it effectively unable to carry on providing its services at the present cost.

Jane Kennedy: If the same range of disputes occurred in a sector of British business after a court case had determined how the VAT law should be applied, there would be a period of negotiation between the private companies involved and HMRC about how the tax liability should be paid. HMRC does not have the discretion simply to waive the tax. What is happening is a precisely similar set of negotiations, or at least a similar application of the rules, to what would be found anywhere else in the business world.

It is not possible for HMRC to respond to the case being made on those grounds. It is possible that the case could be made elsewhere in Government. I shall consider that in responding. It is possible that such institutions could make a case for help somewhere else, given the circumstances that now apply as a result of the work that HMRC is required to do in response to the court case. As I said, I would like to be helpful to my hon. Friends and other Members. I understand the difficulties faced by some of the institutions involved, but they have known about it for some time. The organisations to which the hon. Member for North Wiltshire rightly drew our attention have a case, and HMRC can respond to the situation only as the law permits. It must apply the law as passed by Parliament and applied by the courts. It has no statutory authority not to collect tax that is properly due.

The commissioners of HMRC may make concessions in certain limited circumstances, but those circumstances are extraordinarily limited. There is little that I can do as Minister. I have no powers whatever to invite HMRC to take any action other than the one that it is taking, but I have been in discussion with HMRC for some months now, since representations were made and SpoRTA drew to the public's attention its members' concerns about the court case. My hon. Friend the Member for Central Ayrshire is right that there is cause for concern. We must consider what is best to do in the circumstances. I am not necessarily the Minister who can offer that, and I certainly cannot commit other Ministers to do it, but the point being made is genuine and valid.

It is a serious matter. I am grateful to my hon. Friend for bringing it to my attention and allowing me the opportunity to consider the issues in detail. Representations about VAT have been made to me and to my ministerial colleagues by hon. Members and leisure trusts and their representatives. The brief issued last July by HMRC as a result of the court case—it is called, surprisingly, a Revenue and Customs brief—reflects HMRC's long-held position on the issue, and therefore has not changed the application of VAT rules in those circumstances.

Mr. Donohoe: If it is the case that guidelines were issued just last year, why is HMRC going back three years and not six or nine years? The issue involved a lot of confusion, as has been conceded. Why has the VAT been backdated at all? I do not get why it needed to be, given the confusion around the subject.

Jane Kennedy: I have tried to explain that it is a long-standing position of HMRC. The trusts clearly disagreed and continued to apply their own interpretation, which was a somewhat risky venture, as it then fell to a court to determine the outcome, and the court upheld HMRC's position. The brief was a response to the court case. It is not the case that HMRC's view of the tax liable was unknown, or that the organisations were not aware of it.

Mr. Donohoe: I have a simple question: where did the three years' backdating come from? How was it determined—by Ministers, or within HMRC?

Jane Kennedy: I think that I am right in saying that normally, such an approach would relate either to the point at which the dispute began or the point at which the court case was undertaken. Often, such things are negotiated with the organisations. *[Interruption.]* I am inspired. It is a general assessment of a time limit when such an application will be made. Three years is not unusual. HMRC cannot simply write off the foregoing period during which tax liability was being disputed. Three years is normal in the circumstances, but as I said, negotiation often takes place between the businesses affected and HMRC about how to make the repayments. I am sure that such negotiations are taking place.

Danny Alexander: The Minister helpfully said that the commissioners of HMRC have very limited discretion in such matters. I encourage her to encourage the commissioners to consider whether they can exercise their limited discretion in this matter.

Jane Kennedy: I have had a number of conversations with HMRC about the matter. Because of today's debate, we will consider the issues again, but I do not believe that HMRC is in a position to do what the hon. Gentleman asks. I do not believe that it has the discretion being sought. Its hands are therefore tied in how it applies the tax, but that does not mean that I do not acknowledge that there is a problem for some organisations that have in some cases grown out of community sports clubs in exactly the way that we want to encourage, as my hon. Friend the Member for Central Ayrshire pointed out in his opening comments.

There are HMRC concessions under which VAT due will not be collected—

It being Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Thursday 1 May 2008

[HUGH BAYLEY *in the Chair*]

International Development (Sanitation and Water)

[Relevant documents: Sixth Report from the International Development Committee, Session 2006-07, HC126-I, and the Government's response, HC854.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Roy.]*

2.30 pm

Malcolm Bruce (Gordon) (LD): I am glad to have the opportunity to debate this report, but the Minister and others may recognise that is quite some time ago that we took the evidence for it. I have some questions to ask the Minister. We have had the report and the Government response, and it would be an appropriate outcome of the debate to get information from him on how the Department for International Development is moving forward on the issues of sanitation and water.

Mr. William Cash (Stone) (Con): I do not want to interrupt the right hon. Gentleman too early—*[Laughter.]* I have done so for a purpose. I feel strongly that a debate of such importance ought to be taken on the Floor of the House. The report is brilliant and the Government have put a lot of time and effort into the issue, but does he agree that a debate on the Floor of the House would have been more appropriate?

Malcolm Bruce: I always believe that the Committee's debates should be taken on the Floor of the House, but I take the hon. Gentleman's serious point. This is a vital topic, and I shall certainly stress that I give credit to him for his interest in the matter and for successfully initiating a debate on it here in Westminster Hall in the past few months.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): In a similar spirit of helpfulness, is the right hon. Gentleman aware that the Government, through my Department, are working on revising our policy on water and sanitation? We are seeking to take into account at least some of the Committee's recommendations, so I hope that the Committee feels, as a result of the debate and the further paper, that its concerns have been given sufficient recognition.

Malcolm Bruce: I am grateful to the Minister—indeed, he has answered one of my questions. The Department had indicated that it would publish a paper, and perhaps he will give us a timetable for that. I am aware that a paper will be published and I look forward with eager anticipation to it, even if, from reading and re-reading the Committee's recommendations and the Department's reply, it was clear that there was some irritation in the Department about some of the suggestions. Nevertheless, there was recognition of the fact that there was an awful lot of common ground on what the Committee wanted to do and its approval of what the Department was doing, and I am speaking in that spirit. The Committee's recommendations or criticisms were underpinned by the fact that we recognised that sanitation and water were high priorities for DFID, and that they were being substantially resourced.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): In the spirit of other interventions, and in general recognition of the importance of the subject, I want to point out that the Government say in their response that they will produce a policy update by the end of 2007. Four months on, that policy update has not been produced, as far as I am aware. Too often in the House, Select Committees produce reports on issues that they never revisit. Will the Chairman of the Committee give an undertaking that he will at least consider revisiting the subject at the end of this year or next year to see what action the Government have taken as a result of the report?

Malcolm Bruce: In some form or another I can assure the hon. Gentleman that we will do so, not least because we review the Department's annual report. Clearly, we do that partly in relation to our recommendations. At the very least, we will be asking Ministers for an update. Perhaps the Minister can give us a slightly firmer response on that issue.

Mr. Thomas: I reassure the right hon. Gentleman that there is never irritation with the Committee—that would be a recipe for suicide. Sometimes there is disagreement, but never irritation. On the remarks made by the hon. Member for Cotswold (Mr. Clifton-Brown), the right hon. Gentleman may not be aware that a water policy update has been published in the past month—I cannot give an accurate date, but one has been published. I can send copies to those hon. Members who have not received one. When I spoke earlier, I was referring to the fact that we are revising our forward-looking policy.

Malcolm Bruce: I have obviously seen that document, which I believe is titled, "Water: meeting our promises", but it specifically says at the beginning that a policy report will be published. The honest truth, which the Department would acknowledge, is that the timetable has clearly slipped. However, I am not as concerned about the timetable as I am about the outcome. Getting the right policy a little late is preferable to publishing a report simply to meet a timetable. Perhaps the Minister will give us more insight on that.

Mr. Bayley, being a member of the Committee and having participated in our visits and inquiries, you will be directly interested to know that, right at the outset, from the first informal teach-in that we had, we realised that the initial short title of the report, "Water and Sanitation", should be reversed, and that the title "Sanitation and Water" would make the point that sanitation is underrated and underplayed, even if it is incredibly important. I notice that the Secretary-General of the United Nations highlighted that recently—to be honest, all he really said was, "We need the political will and we should do something about it."

Members of the Committee will recall that a piece of poo—I am glad to say that it was actually plastic—was passed around the Committee to make the point, "This

[Malcolm Bruce]

is what we are talking about and the fundamental of what we are about. Too much of that stuff in the wrong place is causing children to die and many other people to suffer severe illnesses." Nobody wants to talk about it because it is embarrassing, which is part of the problem.

It was interesting to see that the issue was as basic as that when we visited a village in the highlands of Ethiopia which had benefited from improved sanitation and water supply. The women and girls were collecting firewood from the forests and woods around the village, which is also where people had been to defecate. Of course, they were picking up sticks and twigs and finding that they were covered in excrement. The women were coming in and saying, "This is disgusting and horrible and we should not have to do this every day." At the time there was a Government programme saying that something needed to be done. That reinforced the message and—I shall come back to this—contributed to a substantial improvement in sanitation in that village, with correspondingly positive benefits.

We highlight in the report a list of obstacles to why people will not talk about sanitation. Funnily enough, we also stress that although in reality the best outcome from good sanitation is much better public health, it is not the first reason why most people buy into the idea. In fact, it is to do with privacy, dignity and such things. That is fine, because I argue that it does not matter how we get people engaged, but that we do so. However, they must talk about the problem and want to do something about it, and receive the kind of support that makes that possible.

I want to stress that the Committee felt that it had a contribution to make by placing the emphasis on sanitation. Water is always talked about, but sanitation is often an add-on; it is the second part of "Water and Sanitation". Water is delivered by Environment or Public Works Ministers, and it is a civil engineering project, but health, education and other Departments should lead on sanitation. There needs to be a cross-departmental, integrated approach to bring those things together.

Ann McKechin (Glasgow, North) (Lab): Does the right hon. Gentleman agree that when it comes to sanitation, the engagement of the private sector on how to market sanitary equipment is vital? It became clear in the evidence that the Committee received that the attractiveness of having a toilet had to be established, rather than simply delivering a plain public health message.

Malcolm Bruce: I agree entirely. I do not want to detain the House by reading from the report, but on page 11 the United Nations Development Programme comments on the six barriers to progress on sanitation and the issues that have made it a poor relation. I hope that our approach has at the very least helped to put sanitation much higher up the priority list.

In their reply, the Government acknowledged that they would bring together an interdisciplinary group. I understand that that resulted in a publication, but it would be helpful to know whether the group is still functioning and, if so, what its agenda is. It would help us to know how that is being taken forward.

Mr. Cash: To return to the matter raised by the hon. Member for Glasgow, North (Ann McKechin), I was in contact this morning with the Bathroom Manufacturers Association and, indirectly, with the World Plumbing Council. The World Plumbing Council is located in Scotland, but the Bathroom Manufacturers Association is located in Stoke-on-Trent, which is next to my constituency, and many of my constituents work there. The association said that it would be taking steps to take an active interest in questions of delivery. I believe, as I hope the right hon. Gentleman will agree, that getting the right quality at the right price could be an enormous incentive for people to take the right equipment throughout the third world.

Malcolm Bruce: That is interesting, and I can give two anecdotal examples relating to it. When we visited Ivory City, a township north of Johannesburg, we went in among the shanties and asked the people living in the village what they wanted more than anything else. I do not know what I was expecting: better roads, schools or hospitals, perhaps. They said that their dream was to have a toilet—to live in a shanty but to have a toilet would be fine.

We had a similar experience in Vietnam, entirely as a by-product of the process that we were looking at, which involved using domestic pigs' manure to drive methane production, primarily to generate cooking gas. Pig production was being integrated with the production of cooking gas. We visited two projects. Feeding the methane producer needed more than the pigs could produce; what the humans produced was useful as well, so a toilet was installed in the house to feed the methane producer. That was its primary purpose, but people then realised what a huge improvement it delivered to their quality of life, even though the reason for installing it was completely unrelated. It is interesting how much we in the developed world take for granted what people in developing communities approach from a variety of directions. The benefits are real and apparent.

Sanitation is part of millennium development goal 7, but many of the other MDGs depend on the delivery of good sanitation. It is a fact—this problem, of course, relates to water as well—that many girls will not go to school because of poor sanitation. Even if they go to school, it has been reported to us that teenage girls who are menstruating will not go, because it is all too difficult. They stay away for at least one week a month, and in some cases they stay away altogether. In addition, girls are often the key fetchers of water. Poor sanitation in schools and the requirement for girls to fetch water from some distance away are two factors that combine to keep them away from school, diminishing performance on another MDG. We must recognise how such things fit together.

In revisiting the policy, are the Government and Department reviewing the balance between urban and rural provision of sanitation and water, which represent different challenges and approaches? Perhaps it is appropriate at this point to share with the House the Committee's experience when we visited Ethiopia. It gives a human dimension to the matter, and it concerns a programme that seems to be working. If the Minister has any up-to-date information on how the programme is developing, we would be interested to hear it.

We visited two communities south of Addis Ababa. The first was a highland village, and the second was down on the plain. The highland village did not have a water problem, in that it was in the hills where it rains

and water runs off the hills and so on, but it had not had proper sanitation or a proper water point. When we arrived in the village, we drove for a considerable distance along the usual dirt roads that one finds in Africa. We then stopped and got out of our vehicles, and the whole village gathered around us.

The first interesting thing as we stood beside the new, shiny water point—it was made of concrete and had taps and so on—was that we were initially surrounded by men. The women were standing some distance back, and I encouraged them to come closer, but at first they would not. We had an interpreter with us and we were interested, and it was clear that they were interested in telling us things. I said through the interpreter to the men, "Of course I'm very happy to talk to you, but can we not make sure that the women are absolutely engaged in this?" I asked not least because they were probably the people who knew best and appreciated most what changes had been brought about.

To be fair, the men made space and the women came to the front. Interestingly—other Committee members will bear this out—when we started asking questions, the women had all the answers. The men just stood back and let them answer. The questions concerned, for instance, the time saved. They no longer had to fetch water from significant distances. Also, the general health of the whole village had improved noticeably. There were fewer outbreaks of diarrhoea and fewer sicknesses, and the children were much healthier. I am not sure whether the infant mortality rate had been serious before, but there certainly had been no infant mortality in the year since the water point had been put in.

It was also interesting when the men started to contribute. They talked about the design of the latrines. They said things like, "Wooden seats rot. You could fall in. Couldn't we have plastic seats? Could we have covers in case of rain?" It transpired that a local government operation—I think that the World Bank was involved in supporting it—had set up a programme across the communities. People identified a person from each village—it was in all cases, I think, a young woman—to be a health extension officer. That person was taken from the village, given training in sanitation and other health-related issues and then brought back to the village as an officer to advise on the right way to deal with health issues.

As a result of that advice and with the support of the local government, every household in the village, which was in some ways quite prosperous—it was an agricultural community with grain and animals, and was generally well kept—had its own pit latrine some distance from the house. I teased one or two of my colleagues, including those who are Conservatives, saying, "I bet when you went for your constituency selection to be a candidate, you didn't expect you'd be sticking your head down pit latrines in darkest Africa as part of your parliamentary function," but that is what we were doing. We were asking people about the benefits to the community, which were real and positive. Indeed, people were proud to show us what a difference had been made.

I found our visit to that village extremely instructive, and I think that we all found it interesting and rewarding. We could say, "This is great. This is working. This is a partnership involving the local community, on their own terms, with national and international agencies, and it appears to be delivering real improvements in both water and sanitation provision."

Unfortunately, when we went down on to the plain, the situation was rather more difficult, because that area was water-stressed. There was a shortage of water. Interestingly—again, the Minister may comment on any subsequent developments—the water point that we saw, which made tapped and fluoridated water available to the village, had been provided by a non-governmental organisation. It was entirely funded by an NGO, not Government or DFID. That presented us with another problem: the investment required in the stressed areas was clearly more significant than in the areas where the water was available—in those places, it was just a question of how it was managed and tapped. That is why different approaches and funding mechanisms are needed. It is a complicated issue.

As we saw recently in Ghana, people were perfectly willing to pay for their water, which was interesting. They were pleased to have it, and so were willing to pay small amounts of money, the benefit of which, other than ensuring that the water is appreciated and not wasted, is that it created an income to maintain the supply with. Neglecting supplies results in major repair demands. Again, some types of infrastructure are more expensive to maintain, so we must find funding mechanisms that people can meet. However, we found that to be an interesting, but different, problem.

We looked at Ethiopia for two reasons. First, its sanitation provision is among the worst in the region—there is 13 per cent. coverage—but it has a national plan to achieve more than 90 per cent. coverage within a short time. Secondly, it is not short of water, although it was not managing it very efficiently. It would be interesting to hear whether that programme is continuing to move towards its ambitious—probably too ambitious—targets. If progress is being made, it would be a classic example of something working to deliver an MDG and real benefits for a country. The difficulty for the Committee sometimes is that we visit and take evidence and then go somewhere else—we do not always have the opportunity to follow things up. I would be interested, therefore, if the Minister replied to that point.

Having shared that experience with the Chamber, I would like to draw the threads together. I expect that the Minister has already anticipated some of my questions about how the Department is taking things forward. Since the report, the Government have announced significant extra contributions to multinational associations such as the World Bank and the African Development Bank. It would be helpful if he indicated the likelihood of those contributions impacting directly on water and sanitation provision, particularly those going to the ADB. It is setting itself up as a bank with a unique lead on infrastructure, of which sanitation and water would form an important part.

In the context of managing water resources, it is a classic fact that the continent of Africa—I will oversimplify this slightly—has enough water to meet the needs of all the people of Africa. Of course, that varies quite a bit across the continent—perhaps we should leave the Sahara out of the equation. One problem is that many countries often experience both flooding and droughts in the same year, which is a clear indication that the water supply is not being managed, although I am not suggesting that that problem could be solved easily. What are the various agencies doing to improve the quality of water management, to iron out the extremes in supply, to

[Malcolm Bruce]

meet people's needs and—incidentally—to reduce the potential for conflict? I added the latter because if water is managed properly, pressure will be released elsewhere.

I mentioned that we would benefit from an analysis of the rural-urban split, but we should also consider the need for water for drinking and irrigation, which the Committee discussed quite a bit. Clearly, there are different types of water, and different needs in terms of quantity, but there is also competition. People need clean water for drinking and less-clean water for irrigation, but they still need it and it still needs to be provided in ways that can maintain the balance. Those are big projects, subjects and challenges—nobody denies that. When considering the potential of the MDGs, one learns that not one of them exists in isolation. They all feed off each other. It is clear that providing good sanitation and access to clean and irrigation water is crucial to the basic general health and well-being of the population, which in turn affects maternal and child mortality, poverty reduction and general economic activity.

Sanitation is a challenge and people must talk about it; it literally must come out of the closet. Water management entails big infrastructure and investment challenges that must be met if ordinary people, whether living in urban or rural environments, are to have access to basic sanitation and meet their water needs, which is essential to their good health.

Mr. Clifton-Brown: When the right hon. Gentleman and his Committee visited Ethiopia, did he examine how well the Research-inspired Policy and Practice Learning in Ethiopia and the Nile Region—RiPPLE—agreement is working? It is the upper-Nile, inter-country agreement on how the Nile is to be used. When I visited Ethiopia, there was huge sensitivity in Egypt about any large-scale irrigation from the Nile by Ethiopia. Egypt was worried that if too much water was taken up from the headwaters of the Nile, downstream it would start to silt up. Did his Committee consider that?

Malcolm Bruce: Not in detail. Of course, we are aware of it, and we discussed and asked about it, but given that we were in Ethiopia, we got only the Ethiopian perspective. However, the hon. Gentleman's question reinforces the point about the regional dimensions, such as conflict and shared resources, in many areas. The aim of RiPPLE was to ensure that all parties, including those bordering the Nile, managed it equally and fairly. Of course, problems occur not only in Ethiopia, but, for different reasons, in Uganda and elsewhere. We are aware of the need for a proper agreement and an enforceable partnership that gives all countries with use of the river the right to use it on terms that do not disadvantage others. That is an obvious requirement. It is easy to talk about that, but a genuine agreement is needed. We were aware of and discussed that issue, but it was not the prime focus of our investigation. I would not hazard a guess that we got a fair and totally objective view—it was just the Ethiopian perspective.

For reasons that are no one's fault, some considerable time has passed since we produced our report. However, this issue is not just topical for just three, six or 12 months, but central and crucial all the time. The Department is a major player in this and has invested more resources. However—I hope that the Minister will take this in the right spirit—when a Department has a rising budget and says, "Yes, this is a major operation and priority and we are investing extra resources," the Committee will say, "Input is fine, but what is the outcome? What are you going to do with that money that will actually make a difference?" It would be really helpful to the Committee if he gave us an update on how DFID has taken forward its own policies, which of course are independent of what the Committee says, and how they fit in with some of our recommendations.

2.58 pm

Ann McKechin (Glasgow, North) (Lab): I, too, welcome this debate on our report. As the Committee Chair, the right hon. Member for Gordon (Malcolm Bruce), said, a year has passed since we produced it, but the issue remains highly topical, particularly in regard to the MDGs—not only MDG7, but those relating to child and maternal mortality, hunger and school enrolment. Currently, almost one in two people in the developing world lacks access to sanitation. As the right hon. Gentleman rightly said, in considering the report the Committee wanted to put particular emphasis on sanitation, which is often the junior partner in this area of development policy. It might sound frivolous, but it is a subject of embarrassment to some, which represents a serious obstacle to its consideration not only by the general public but by politicians, political leaders, civil servants and so on.

Mr. Cash: I agree with the hon. Lady, who might know that Mahatma Ghandi himself stated that sanitation was more important than independence.

Ann McKechin: I would not wish to disagree with one of the foremost thinkers of the 20th century. Nevertheless, personal hygiene issues have for various reasons—cultural, religious and others—remained ones that people have found difficult to discuss.

When we studied sanitation, we noticed that a different approach was needed in regard to its promotion. For example, everyone wants water and it is clear why we need it. Sanitation, however, is not necessarily a first choice priority. I have some anecdotal evidence from Vietnam to back that up. When people were given the choice of a toilet or a karaoke machine, some went for the latter rather than the former. However and as the Chair rightly says, when we visited Vietnam last year, we saw some very good examples of local, low-cost sanitation projects.

More seriously, sanitation is not the only issue of concern; there is also cleanliness in general. When the World Health Organisation considered the promotion of washing hands with soap, which is the lowest-cost health intervention that has the maximum effect, it discovered that it was not the public health messages of the danger of death and disease that worked best, but utilising the advertising expertise of some of the largest soap-producing companies in the world to devise an advertising campaign. In Ghana, for example, a simple tune was used in radio adverts, and more than 80 per cent. of the children knew the tune. That resulted in a significant increase in soap sales. Given that soap is an expensive product in many developing countries—people have to make a real choice about buying soap, rather

than other products—that showed that a different approach can be more effective. Everyone in the development community must keep an open mind about what may work best and what may be the most effective intervention.

As the Chair also pointed out, we need to look at the issue of gender when we consider tackling the problems of water and sanitation. Issues of menstruation, pregnancy and, in some places, culture, mean that in many cases when girls reach puberty they often withdraw from school or miss school for weeks because of the lack of adequate sanitation facilities. It is no overstatement to say that when Committee members visit developing countries, their thoughts inevitably turn to, "When exactly are we going to find a suitable toilet spot? Where is it going to be, and what kind of state will it be in?" We have visited schools and found that they had no facilities. Sometimes the facilities are incredibly basic and not particularly clean. If we had to consider making such decisions not just for a few short days but for every week of the year, and how that would affect our lives, we would see the practical problems that everyone faces, particularly women. It is no overstatement to say that gynaecological diseases and various other complaints can be exacerbated by the lack of proper toilet facilities.

The Chair rightly touched on increasing urbanisation in many developing countries. When we went to Ethiopia, which has abundant water resources but one of the lowest sanitation coverage rates in the world—just 13 per cent.—I was struck by the growing number of shanty towns. Those towns were being built to accommodate the rapid increase in population. I think that Ethiopia's population is increasing at the rate of some 2 million per annum. As people can no longer survive on their family land, they begin to seek work in urban areas and often live in the most dreadful conditions.

As well as visiting various toilets throughout Ethiopia, we also went into a shower block in a particular town. One of our Committee members did not realise that it was shared by both sexes, but he soon found out. Nevertheless, the provision of basic facilities in urban areas, which may have to be communal because of cost restraints, is essential not only because everyone has a basic right to water and sanitation but because of the increasing risk of disease, particularly when people live together at very close quarters. Therefore, the provision of such facilities has to be built into our thinking as more and more people are moving from rural communities into urbanised environments or shanty towns, particularly in sub-Saharan Africa.

As the Chair mentioned, the experiment of using health workers—almost all of whom are female—to provide advice on basic sanitation, prenatal and antenatal care and general health facilities is making a significant improvement in local communities in Ethiopia. It is also improving the status of young women because they are being approached to give information and advice, and their views are being respected. That change in society, as well as in practical living standards, is interesting and a relatively low-cost solution. For many developing countries, low-cost solutions are about not just having such a facility but finding a means to run that facility in a way that can be sustainable and financially covered over a long period.

I would like to ask the Minister some questions on a couple of macro issues, one of which concerns the UN watercourses convention. He may be aware that last year an early-day motion in the House called on the Government to ratify the convention. Some 103 Members supported it. The Stern review stressed the development and economic changes that result from climate change, one of which concerns access to fresh water with the continuing expansion in the world population. We need a co-ordinated approach based on an international legal framework. At the moment, 263 rivers cross international borders. That affects 40 per cent. of the world's population, and 60 per cent. of the world's river flows affect 145 countries, so this issue impacts on great many people throughout the world.

The convention would have the advantage of clarifying the rules for rivers that cross the borders, which are non-navigational trans-boundary watercourses. It would minimise degradation and conflict through international management, and meet the needs of developing countries at the same time. There are a number of areas in which there are already potential conflicts. One is in Palestine. Earlier this afternoon, I took part in a debate on the middle east, which is experiencing huge political difficulties. There is also potential conflict over the Jordan river between Lebanon, Syria, Israel, Jordan and the Palestinian Authority.

There are also difficulties in connection with dam works in India. Various dams and hydro-electric plants are having a knock-on, damaging effect in Bangladesh regarding rivers running from India into Bangladesh. Pakistan has also recently accused India of violating the 1960 Indus water treaty by planning a dam on the Jhelum river.

The RiPPLE initiative was mentioned earlier. The Nile basin clearly affects a large number of countries. In cases where there are competing demands for water resources, there is a potential for conflict, and that area in particular has many problems and has had periods of fragile government and war in recent years. Clearly, there is cause for concern.

I would be interested to know what experience has been gained as a result of the RiPPLE initiative and whether the initiative could be expanded to cover the entire Nile basin. Also, have the Government considered ratifying the convention, given that 16 other nations have done so, including Germany, Sweden and the Netherlands? Is the Department's keenness on global policy instruments such as the human right to water compatible with its reluctance to sign up to the convention?

The second issue on which I would like the Minister's comments is the progress that has been made on the "Five Ones" initiative. The aim is to have one high-level meeting on water and sanitation every year—the issues that we are discussing could be taken forward at the meeting that will be held with the OECD in Accra later this summer—one annual report, one country plan, one lead UN body and one group in-country to co-ordinate. I would be grateful if the Minister told us what progress has been made internationally and how DFID is contributing to the process.

Finally, when we visited Ethiopia, we were very impressed by the expertise, engagement and specialist advice of DFID staff, which are very much appreciated by the Ethiopian Government. However, the Ethiopian Government and aid agencies expressed concerns about DFID's staff resources and about whether the Department needed to consider employing more experts. Its staff provide detailed technical advice at the highest level and

[Ann McKechin]

make a real difference to the lives of millions of people in Ethiopia. The Department should be proud of that record, but it should consider expanding its work and making its staff available to other countries. It should consider making the appropriate resources available, so that it can employ more staff and ensure that its expertise is shared as widely as possible. I look forward to the Minister's comments in that regard.

3.12 pm

Mr. William Cash (Stone) (Con): May I say what a pleasure it is to see you here, Mr. Bayley? That is not only because you are chairing our proceedings, but because you were present when the International Development Committee took evidence from Tearfund on this very issue and asked a lot of very interesting questions, although I will be the one asking the questions of the Minister this afternoon. I also pay tribute to your work in Africa.

I want to say much the same of the work of the Committee's Chairman, the right hon. Member for Gordon (Malcolm Bruce). This is an important report, but the most important point is that the inquiry has taken place. The issue of water and sanitation—or sanitation and water, as we prefer to put it—is central to the survival of people on a massive scale, and I shall give some indication of that. Before I do, however, I want to pay tribute to Tearfund and to Laura Webster, who wrote an excellent paper entitled "The Sanitation Scandal". I also pay tribute to WaterAid and Jennean Alkadiri, who has played an important part in co-ordinating the work of non-governmental organisations on this subject. I also want to thank the 220 of my colleagues who supported me when I set up the all-party group on water and sanitation in the third world, of which I have the honour to be chairman.

The lack of sanitation is one of the world's most urgent crises, and Governments have promised to halve the number of people without access to sanitation by 2015. Although the target is not off-track, it is not expected to be met in sub-Saharan Africa until at least 2076, believe it or not. If we consider the life expectancy of people in that part of the world, and remember that one child dies every 15 seconds, the fact that this target will not be met until 2076 raises enormous questions. Children are dying on a massive scale, but the life expectancy rates for those who have not yet been born will be completely out of kilter with any statistical base that one could imagine if this target is not met until then. In addition, 1.8 million children in developing countries die of diarrhoea every year, but the problem could easily be resolved if we got the provision of sanitation and water right. That is why those of us who are passionate about this subject will continue to nag away and campaign vigorously to ensure that what is clearly wrong is put right.

It has been proposed that there should be a new global action plan on sanitation and water. The "End Water Poverty" campaign, which some hon. Members might recall, was enormously successful in getting the issue on to the agenda of the G8. Indeed, one of the last letters that our previous Prime Minister wrote—it is dated 25 June 2007, and he went on the 26th—was on this very subject. He told me that he agreed with the point that I had made in my letter to him, which I do not need to repeat, and in a Westminster Hall debate shortly before to the effect that

"access to safe, affordable water and sanitation is a human right."

He said that progress on the relevant millennium development goal "is therefore crucial", adding that the Government were hopeful that progress would be made

"under the Japanese G8 Presidency next year as part of the G8's continuing focus on Africa and development."

I hope that the Minister can give us an update on that in what is the international year of sanitation so that we have a clear picture of where all this is leading. Time goes by very quickly, and we are off-track on a lot of these issues.

There is also the question of involving mainstream sanitation in other sectors, such as health and education, as well as in urban, rural and other relevant strategies. We must also ensure that all national plans for sanitation are fully funded.

I referred earlier to the statement by Mahatma Ghandi that sanitation is more important than independence, which is a pretty amazing statement for someone to have made, even in those days. We now have the opportunity to get things right in the developing world and Africa, subject to the matters that we are discussing. We have the technical facility to get there, just as people resolved the cholera epidemics in 1849 and 1865 by using technical engineering expertise and, as I said in exchanges with other hon. Members, providing basic latrines. Speaking as a bit of a Conservative, I think that many solutions are a matter not just of ideas or the wonderful work being done by the NGOs and DFID, although I pay tribute to the Department for the work that it has done, but of what happens on the ground in terms of providing the equipment, pipes and systems.

Adam Hart-Davis spoke about these issues at the inauguration of the all-party group. He has written a very interesting and amusing book about lavatories and he gave a very interesting and amusing talk about them—he is great value for anybody who wants to hear about the subject. The fact is, as the Committee Chairman pointed out from his practical experience, and as emerged from an interesting edition a few weeks ago of the Channel 4 programme "Unreported World", which vividly laid out the problems of lack of sanitation in Bangladesh, that if we are to be able to solve the problem, we need the right sort of equipment. That is why I got in touch with the Bathroom Manufacturers Association. It will convene meetings, which I hope we shall carry forward with a view to helping the Department embed the knowledge of those involved in making the equipment; they may then be able to produce something cheaper than the products they make now, of a suitable design to deal with the practical problems of the kind of shanty town and village life that the right hon. Gentleman described.

It is no good our pouring out statistics or running campaigns if nothing reaches the people on the ground. That will not happen unless we generate an interest among those who make the equipment, and unless the price is affordable. I do not mean that it should be affordable by individuals, who will not, I think, be able to afford to buy it. The Chairman of the Committee graphically described the priority that people expressed: they said that the first thing they wanted was a toilet—but

they will not get a toilet unless it is the right price. That means that a toilet must be provided, although it may not be bought by the people concerned; it may be installed in the village or shanty district by the Government, but the Government will not be able to afford to do that unless the price and design are right. I want to highlight that practical side of the problem.

I am sure that it is not unknown to those who are present for the debate that more than 40 per cent. of the world's population have no access even to a simple latrine. As I said, 1.8 million children die of diarrhoea every year; by contrast, and as a reference point, that is five times as many as die from AIDS. That is something to bear in mind. A baby born in sub-Saharan Africa, which I mentioned is not going to get the relevant facilities until 2076, is 55 times more likely to die from diarrhoeal disease than one born in the developed world. Children in households with no toilet are twice as likely to get diarrhoea as those with a toilet, and children who get intestinal worms are much more likely to have asthma and stunted growth, and to underperform in every field. As to women, they are forced, as we all know from what has been said by the right hon. Gentleman and others, to wait until dark to go out and do what is necessary, because they feel it would bring shame on their family. That induces serious problems with regard to their intestinal behaviour. Of course, it is women who must look after sick children, and if they have a disease it will be passed on to the children.

On the subject of education, the World Health Organisation estimates that 443 million school days are lost annually, worldwide, because of diarrhoeal disease. As the hon. Member for Glasgow, North (Ann McKechin) said, hygiene education and the promotion of hand washing have been shown to reduce cases of diarrhoea by 45 per cent., which is pretty impressive. However, as she pointed out, if people cannot afford soap, they cannot do that, and education is needed to make sure that hand washing happens. Diseases such as cholera killed tens of thousands of British people in the 19th century, as I said, and now that AIDS and sexual health are finally high on the global agenda, sanitation can be regarded in many respects as the last taboo. We have an obligation to resolve the questions.

I want to make a few comments on the Government's response to the report. Not being a member of the Committee, I am not as well versed in the report as the Chairman and the hon. Lady, but I understand from the exchanges that have taken place that a policy paper on water has been produced. I am not quite sure why we have not seen it—I have not, at least. Maybe it has been buried in the Vote Office.

Mr. Thomas: An update to our previous water policy has been published and I shall ensure that the hon. Gentleman is sent a copy. A further updated water policy strategy paper is due to be published shortly. I shall make sure that hon. Members who have attended the debate receive a copy of it in due course. The debate and, indeed, the Select Committee's report are helping to influence what we say in the strategy paper.

Mr. Cash: I am very glad to hear that. I did not hear the word "sanitation", though. May we have a paper on sanitation as well? It is, as we have all said in the debate, as important as, if not more important than, water.

Mr. Thomas: I should have made myself clearer. What we are doing on sanitation will also be included in the water policy paper.

Mr. Cash: Excellent. We are now making good progress.

The millennium development goals target on sanitation is the most off-track of all the MDGs, and it is vital that sanitation is mainstreamed into DFID's health and education interventions. In its response to the report, DFID said that it would establish a multidisciplinary sanitation working group in DFID to

"examine how DFID can work more effectively towards sanitation goals through our health and education programmes"

and take forward the International Development Committee's recommendations on sanitation. Am I right in thinking that that group has now been established? How often has it met, and what are its main activities and achievements?

The Select Committee recommended that the water, sanitation, energy and transport team in DFID's policy and research division should be expanded to include a health and social development advisory capacity. Has that happened, or are there plans for it? The Select Committee also recognised the need for high-level global political commitment to the issues of water and sanitation, if faster progress is to be made. The Department has called for one high-level annual meeting on those issues at global level, and one annual monitoring report to review progress, and has said that the Secretary of State and DFID officials would work with UN-Water to ensure that that happens. When will this year's high-level meeting take place, and at what level will the UK Government be represented? Also, what is the latest information on the production of this year's monitoring report?

Mr. Thomas: I shall not try to answer all the hon. Gentleman's questions so far, although I shall come to the "five ones" in my concluding remarks. On his specific questions about staff in DFID and interdisciplinary working groups, I confirm that the sanitation and health working group, which has been mentioned, met only yesterday for a whole day of learning and sharing ideas and practice across the Department. Of course, at country level, staff who work in particular on water liaise with staff who work on health and education, with respect to the needs of the specific country. The greater degree of sharing and working together that the International Development Committee called for is happening.

Mr. Cash: Very good. I thank the Minister very much. That is further progress.

I mentioned the G8. I understand that, following what the former Prime Minister said on 25 June last year, the Japanese Government have said that they will put sanitation and water on the agenda this year. That is progress, too, but current signs suggest that a weak, rather fragile review of the 2003 Evian action plan is likely to be agreed to instead of what is needed—a strong commitment to a new and robust global action plan on sanitation and water, along the lines of what, in fairness, DFID has been calling for. Will the Minister be good enough to let us know what efforts the Government have been making to ensure that the G8 makes a stronger commitment to rapid and effective action on sanitation and water this year?

Mr. Thomas: Such is the seriousness with which International Development Committee reports are taken that I went to Tokyo to take part in the G8 Development Ministers meeting. We discussed the need to revisit the Evian action plan and make further progress on water and sanitation, which the hon. Gentleman and the right hon. Member for Gordon (Malcolm Bruce) have referred to. The full G8 meeting has not yet taken place, so I cannot say at this stage what the outcome of the final document will be. However, we have made representations for stronger language and stronger commitments by the G8, to influence the discussions that will take place on 25 September when the Secretary-General of the UN hosts a big meeting to review progress on all the millennium development goals.

Mr. Cash: I have always had a lot of time for the Minister, and other hon. Members and I can tell that he is completely on top of the questions that are being put to him. It is extremely helpful to us to have immediate responses as we go along, because it shows that something is happening.

However, I have examined the Government's response to the Select Committee report and have outlined the scale of the problem, which is one of the worst facing the world. That is not an exaggeration. Against that background, the Government saying that they are

"doubling our support for sanitation and water in Africa to £95 million per year by 2007/08 and...more than doubling it again to £200 million by 2010/11"

may sound good, but it is peanuts in relation to the problem. I know that that sounds rather curmudgeonly, but I have the advantage of being a Back Bencher, and I am therefore not constrained in what I say about public expenditure. I am afraid that it just will not do. It will not solve the problem.

I am not saying that the burden should fall entirely on the UK. I see all the references in the Government's response to the World Bank and the European Bank for Reconstruction and Development, or whatever it calls itself—such things always have good names. However, the question is what is being delivered and how much money is needed to meet the minimum requirements. We are either going to solve the problem or we are not, and just putting a few farthings in a bucket as we go past, which is basically what we are doing compared with what is required, is simply not good enough. Maybe I am asking for more than we are likely to get, but I do not think that the world is addressing the problem. I strongly urge the Minister to bear that in mind. He or the Secretary of State will be going to the G8, or maybe both of them.

Mr. Thomas *indicated dissent.*

Mr. Cash: The Minister does not think that he will be going, but I am sure that the Secretary of State will be going. If he does, I hope that he will go along and say that we are not prepared to put up with the fact that a child dies every 15 seconds, and that the G8 had better get its act together. If the money has to be provided for that, it is a matter of imperative requirement. It is not a matter of human rights. I hear people talking about that, but I am interested not in the theory of human rights but in the practicality of delivery for the rights of human beings. The death rates that I have described cry out for a proper response.

I have mentioned AIDS, which has been discussed in relation to the stigma attached to it, but I am more concerned about proportionality. As I have said, so many more children die from failures of sanitation and water than from AIDS that the point is self-explanatory. I notice that the Select Committee stated:

"Sanitation is currently neglected within DFID."

I pay tribute to the Government's response to that, because they did not say, "We disagree". They stated:

"We agree that sanitation has been given insufficient attention by donors and developing country governments as a whole, but we do not agree that DFID neglects sanitation."

Let us be up front about this: sanitation has to be put right at the top of the agenda—not necessarily at the expense of water, but the two things have to run together. In their response to the Committee's concerns about the different skill sets required for the sanitation and water sectors, the Government stated:

"Without proper attention to disposal of waste products there is a risk of polluting water sources and of outbreaks of disease."

It is not a risk; it is an absolute certainty.

We must consider how DFID works. In its response, it states that it will

"work through multilateral and bilateral channels to support governments to respond to the urban challenge. 37 per cent. of DFID's water and sanitation spend in 2005-06 was through multilateral organisations including the World Bank, the Asian Development Bank and the European Bank for Reconstruction and Development."

The Minister will not be surprised to hear me say that I believe strongly that multilateral operations are not as effective as many people crack them up to be, certainly in relation to the European Union. I do not want to go down that route, but it is inevitable that I make that point, as it is supported by the reports of the European Court of Auditors. When I make such points about Europe, it is not because I want to make them but because they are there to be made.

Given the expertise that we have in this country, our connections with the countries affected and our tradition of dealing with many of them for generations—many of them are Commonwealth countries—we should not disavow our past on the grounds that we somehow look patronising or colonial in our attitudes. That is a complete misconception. People in those countries would be delighted to know that we were prepared to take as much interest in them as individual nation states as we did before. We may examine our record in relation to many of the countries affected. The contrast between the sanitation and water problems in Zimbabwe now and the problems in 1980 to 1982 is enough to make one feel weak. Multilateral arrangements may be the fashion, but we need direct, hands-on connection between ourselves and other countries. Let us have a bit more confidence that we can help these people, because they need our help and we can deliver it.

Mr. Clifton-Brown: On the debate about unilateral and multilateral provision, does my hon. Friend agree that one reason why DFID has such a high worldwide reputation is that it not only gets value for money but follows up projects to ensure that they are maintained properly? Too often, a water or sanitation system is installed with great fanfare and expense, but five years later it is not working because it has not been maintained.

Mr. Cash: I absolutely agree. Internal engagement once the delivery has been made, and the follow-up and maintenance required, are a measure of our being fully engaged in the process all the way down the line. My hon. Friend is absolutely right about that.

There are references in the report to leadership—being champions and that sort of that thing. It also says:

"DFID deserves credit for the leadership it has demonstrated through its proposed Global Action Plan".

I would like to hear a bit more about how far that plan has gone.

On the human right to water, it was interesting that the Select Committee said:

"DFID should encourage developing countries to go beyond recognition"—

that is, recognition of the need to provide people with water—

"to quantify and legislate for the right to water."

If we look back over our own history at the question of water supply and the related legislation, which extends from the early 18th century to the present day, the amount of water legislation that we have on the statute book has all been linked to that very question. The terrible experiences that people had in the mid-19th century made them realise that water supply was vital. It may no longer be at the top of everybody's mind, because we now take it for granted. However, the one thing that can be said for sure with regard to other countries is that they cannot take anything for granted about water supply and legislation, because for the most part there is nothing there.

I agree with the Select Committee on that. It said that DFID's policy should include

"a complementary strategy of increasing demand for water services by helping to raise public knowledge of existing entitlements",

as well as of gaps in legislation and policies.

I am sure, Mr. Bayley, that you anticipated that I would raise the issue of corruption, and you have played a prominent role in highlighting it. I introduced a Bill on corruption, and the Select Committee is completely right when it says in paragraph 96 of its report:

"Tackling corruption is of core importance to improving governance of the water sector. Corruption is less likely if utility employees do not need to supplement their pay through bribes. We recommend that DFID encourage partner governments and the private sector to prioritise paying water sector staff a decent wage."

That is hugely important.

I am glad to say that the Government response states:

"We agree that addressing corruption is an important part"

of this process. It goes on to say, rightly:

"However, it requires a broad range of measures, including stronger public financial management and increased transparency and accountability."

I would also add, if I may say, that the process requires the ingredients of my Bill, which regrettably did not get incorporated in the Bill proposed by Mr. Tom Clarke, the right hon. Member whose constituency I forget.

Mr. Hugh Bayley (in the Chair): Coatbridge, Chryston and Bellshill.

Mr. Cash: The right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke), yes. We had a little bit of an altercation over that, although we of course remain good friends. However, I believe that dealing with corruption in this context is hugely important and setting up, as outlined in the Government response, a

"£100 million Governance and Transparency Fund"

is only a part of the solution to that problem.

I have made my point with respect to the necessity of involving the Bathroom Manufacturers Association and the World Plumbing Council. It is hugely important to get industry and trade associations involved, because of the importance of making delivery on the ground at the right price.

The overall impact of this report, which I believe should have been debated on the Floor of the House because of its importance, remains at the heart of our work in the developing world.

Finally, I would just like to pay tribute again to the Committee and also to DFID for the work that it is beginning to do on water and sanitation. However, I am quite certain that my own party will be taking every bit as much interest in this subject and I am very much looking forward to hearing the contributions from both the Minister and our shadow Minister, my hon. Friend the Member for Cotswold (Mr. Clifton-Brown), for whom I have great regard.

3.44 pm

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): Thank you, Mr. Bayley, for calling me and I apologise to the hon. Member for Stone (Mr. Cash) that he has to listen to me in the meantime. *[Laughter.]*

Mr. William Cash (Stone) (Con): I beg the hon. Gentleman's pardon.

Mr. Moore: I thank the hon. Gentleman and others for their contributions this afternoon. It is a pleasure, as the hon. Gentleman said to serve here under your chairmanship, Mr. Bayley, knowing your extensive interest in international matters through our short period of overlap on the Westminster Foundation for Democracy, your chairing of different all-party groups and your own involvement in the International Development Committee. We all understand that there must be an element of frustration for you, given that you understand this subject very well but you have to sit there, by and large, mute—we must hope that that is the case—while the rest of us get the opportunity to debate these matters. However, your expertise and understanding are thoroughly acknowledged.

This is a very important report and I congratulate my right hon. Friend the Member for Gordon (Malcolm Bruce) and his colleagues in the Select Committee, who spent a great deal of time on it, travelling to different parts of the world. As his opening speech illustrated, this issue of sanitation and water will crop up in country after country; it is a direct issue in this particular report, but often it appears in other inquiries by the Select Committee too. I congratulate him and his colleagues on the fact that they are continuing to emphasise this issue in all the work that they do.

We often use the cliché that this is a fast-changing world and unfortunately we use it because the rate of change is one of the harsh realities that we have to deal with, alongside the reality of a fast-growing population. On the issue of water and sanitation, population growth is a hugely significant matter. Trying to tackle the

[Mr. Moore]

terrible problems of poor sanitation and poor access to safe water is exacerbated by the huge growth in population, particularly in the developing world.

We have heard a number of statistics this afternoon, but some of the most striking statistics that I have heard and read about are those from UNICEF. UNICEF statistics highlight the fact that 1.5 million children under the age of five die every year, due to their lack of access to sanitation and safe drinking supplies. Poor water and sanitation is the second biggest cause of child mortality.

Of the 120 million children born in the developing world each year, 50 per cent. do not have access to adequate sanitation and 20 per cent. do not have access to safe water. More generally, UNICEF has observed that, to fix this problem of poor water and sanitation, there needs to be a commitment in the order of $10 billion a year. To a country the size of the United Kingdom, that is a large figure, but for the world as a whole surely it is not. It is very important that the Committee has drawn attention to the need for resources to be put into this sector, although I also respect what my right hon. Friend the Member for Gordon said about the outcomes being important as well as the inputs.

The millennium development goals offer us a framework within which we can debate all these subjects regardless of which particular theme we take on a particular day. However, it is worth reminding ourselves that they are pretty modest in their ambitions for this particular area of water and sanitation. We have set the target of halving the proportion of those people without improved access to drinking water and halving the proportion of people without access to safe sanitation by 2015. I repeat that the target is only halving the proportion of people affected by these problems. That is not eradicating these problems—far from it.

Some 1.6 billion people across the world need to get improved sanitation if we are to meet that target. As we heard from the hon. Member for Stone, on current trends we will not reach that target until 2076. By 2015, we will still be 600 million people short of that target, which is a vast, appalling figure that we must not forget.

As others have already mentioned, this particular millennium development goal that we are focused on is surely pretty central to achieving so much else that we hope to achieve within the overall millennium development goals framework. As I said, it is linked to the millennium development goal on child mortality. It is also important for maternal health, and essential if we are serious about achieving universal primary education.

This subject raises great emotion. It is complex and, as someone said earlier, it is sometimes difficult for us to address it, but I believe that each of us as a constituency Member of Parliament is well aware of how strongly our constituents feel about it from the number of e-mails and letters that we receive and the contacts that are made with us to raise it and linked issues.

A few weeks ago, several right hon. and hon. Members of this House and Members of the House of Lords joined Samaritan's Purse and others who are campaigning under the banner of Turn on the Tap. We were trying to highlight the fact that in much of the developing world women and young children have to walk as much as 4 miles a day to collect safe drinking water. We learned as we participated in that walk what a major distraction that is for many young people. We walked to Hyde park and back with children from All Souls primary school in London. I remarked in the debate at the time that the children were well informed and alert to what that particular example meant to them but, more importantly, what it meant to the thousands of children across Africa and elsewhere who daily have to do that walk in circumstances that are very different from those that we enjoyed on our pleasant walk a few weeks ago.

Turn on the Tap is building up to walks across the country on 10 May which I hope will get support from our constituents throughout the United Kingdom. It is right that they keep reminding us as parliamentarians of the importance of the issue and do not let us forget about it, and they are not the only ones. The hon. Member for Stone rightly highlighted the importance of WaterAid, and we know that many other non-governmental organisations have a close interest in this debate. We owe it to all of them to take the issue seriously.

Although I am not a member of the Select Committee and have not seen the same events and projects that its members have, I recall being in Kalicha township, a slum beside Nairobi, a few years ago. I saw at first hand the absolutely desperate circumstances in which people were living and learned about the flying toilets project, which sought to minimise the health risks of the sanitation regime that existed for that vast, sprawling and, at times, hopeless gathering of humanity. Nobody who saw that or the things that colleagues have referred to today can come away with anything other than the feeling that we have so much to do, and that a wealthy country such as ours must take a leading role.

In that respect, like others, I wish to pay tribute to the work that the Department for International Development has already done and to its good intentions. I hope that the Minister will give us more information today about how its plans are developing.

The Select Committee rightly praised the global action plan. The hon. Member for Glasgow, North (Ann McKechin) spoke about the "five ones" strategy, and the Minister indicated that he intends to focus on it in his remarks. Like others, I look forward to hearing more about it.

The hon. Member for Stone expressed some doubts, but I believe that multilateral action is fundamental. We cannot expect a country of Britain's size to contribute everything. Why we would be expected to supply all the funding was a bit beyond me, but, inevitably, as we work with other countries, it is important that we do not duplicate services. We must focus our efforts, and those on the receiving end of our resources, advice and assistance must experience the minimum of duplication and inefficiency.

Mr. Cash: The problem is simply that when we are dealing with questions of corruption and things of that kind, we must have the right legislation to ensure that the aid that we give is accompanied by a requirement to ensure that corruption does not take place in, for example, the water sector. Otherwise, we will not get the results that we want. This Parliament should make certain that

it imposes the right requirements, and delivery of the aid programmes as well. That is not to say that there should not be co-operation around the world. I am not saying anything like that. I am simply saying that we need to focus on how to deliver through our national capacity specifically but also in co-operation with others.

Mr. Moore: I do not want to exaggerate the differences between the hon. Gentleman and me or to create differences where none exist. I acknowledge his commitment to this issue. I recall that he intervened on me to ask about corruption when we debated the international development themes during the passage of the European treaty recently, and I hope that I was able to satisfy him that I take an equally robust view, as I am sure all hon. Members do, on the need for such requirements.

I recognise that there is an important role for this Parliament and the Government to ensure that what we participate in—the work that we fund or assist—is of the highest standard and that there is accountability. We also need to be careful that we do not burden countries with too many different routes for donations and assistance, and that we work multilaterally as effectively as possible. That is why I am keen to hear more about how the global action plan is developing and how we can expect it to link with activities at the European and G8 levels.

The hon. Member for Stone made robust comments on the financial contribution. It would be helpful if the Minister confirmed whether the Government have met their target to contribute £95 million in this financial year for sanitation and water. It was mentioned earlier that in three years' time that will have risen to £200 million. A couple of issues arise from that.

Clearly, although the amounts are significant and a big improvement, as the hon. Gentleman said, they are still a small part of the larger requirement of $10 billion. I accept that the Government cannot be responsible for the $10 billion on their own, so can the Minister share any insight he has about where the balance will come from, and what our European and G8 partners are offering? How much of an international shortfall still exists? What scope is there, as we move to a fairly sharp increase in spending to reach the 0.7 per cent. development assistance target in the next few years, for sanitation and water to play a part in reaching the goal?

My right hon. Friend the Member for Gordon was right to say that the debate is not just about funds. It is also about people, technical assistance and advice. The Minister made a helpful response to a question put to him about the degree to which staff and the team of highly skilled individuals in DFID have been learning more about the importance of sanitation and water across the different disciplines. It would be helpful to know more about how mainstream the sanitation and water themes are within the different elements of the Department's work.

The UK Water Network, which is part of BOND—British Overseas NGOs for Development—places particular emphasis on cross-Department working, and I think that it as well as the rest of us would be interested in knowing a little more about it. It is something that we always talk about on these occasions. I hope that the Minister can assure us that it is at the heart of what he is trying to do.

Turning to the European Union—I am not doing so simply because the hon. Member for Stone has left the Chamber, but I shall get my comment in quickly—the global action plan was clearly based on the need to co-ordinate international efforts, and the EU has a key role in that. Both the Department and the Committee have called for the EU water facility to be reformed and better linked to a strengthened EU water initiative. In its response to the Committee's report, the Government agreed to push for reforms in that area during the 10th round of the European development fund, and perhaps the Minister will give us some information about how that has developed.

One of the most important things to come out of the Committee's report has been the absolute priority of ensuring that sanitation is no longer the poor relation of water in terms of its focus for the development community and international supporters. We have heard many graphic examples of why that must be the case, and I hope that on the basis of what the Minister has heard here today he will realise that there is cross-party support for that refocusing of the approach.

Will the Minister reflect on what is happening in Gaza? On the "Today" programme this morning we heard about the horrific situation and what is happening there because of the Israeli blockade of fuel and essential supplies. Sanitation supplies and water processing have been heavily affected in Gaza. The report said that 40 million litres of untreated sewage is being pumped into the sea only 1 mile from the population centre of Gaza city. Will the Minister soon, if not today, give us some feedback on how accurate he believes that report to be and, assuming that it is accurate, what representations he and his Department or the Foreign Office are making to the Israelis to plead, if necessary, for a new look at what is happening in Gaza so that the desperate situation there is not worsened by the risk of disease and other consequences of poor sanitation?

Malcolm Bruce: May I draw my hon. Friend's attention to the fact that John Ging of the United Nations Relief and Works Agency gave evidence by video link from Gaza to our Committee yesterday morning to confirm that figure. In some cases, people are going without food, as well as suffering from lack of sewerage facilities and water shortages. His comment was that the basic necessities of life for some people are simply not there every day.

Mr. Moore: My right hon. Friend is right to draw attention to his Committee's work. I do not intend to become distracted into a broader debate about what is happening in Gaza, but this point is very relevant to our debate. I hope that the Government will make it clear that they continue to deprecate what is happening in Gaza, and will use this example to put further pressure on the Israelis to rethink their strategy there.

The awful statistics and terrible reality of the sanitation and water experience for many people throughout the world should and do appal all of us. We have targets, frameworks and strategies galore, but we cannot yet have confidence in our collective ability to achieve what are reasonably modest goals, and something must be sorted out to get that right. I acknowledge that the United Kingdom has invested significantly in that area, but the report has surely highlighted the fact that there are still significant areas for improvement, and at the very least none of us has any grounds for complacency.

4.4 pm

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): It is a great pleasure, Mr. Bayley, to serve under your chairmanship in this debate. I congratulate the Select Committee and its Chairman on this excellent sixth report, on sanitation and water. I shall not comment too much on the Chairman's speech because, in a sense, the whole debate is about the report, in which he played a major part.

This has been a high-quality debate. We have heard some excellent speeches from the hon. Member for Glasgow, North (Ann McKechin), my hon. Friend the Member for Stone (Mr. Cash), the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore), and the right hon. Member for Gordon (Malcolm Bruce) who so aptly summed up his Committee's report.

There is a great deal to go into on this report, so in the few minutes for which I want to speak I cannot go into everything. Suffice it to say that when one starts to research for such a debate, one discovers things about one's colleagues that one did not know. I had no idea that my hon. Friend the Member for Stone chaired the all-party group on water.

Mr. Cash: And sanitation.

Mr. Clifton-Brown: Water and sanitation. During my 16 years as a Member of Parliament I have been searching to find something wet about my hon. Friend, because he is one of the very few hon. Members who is drier than Lady Thatcher. He initiated an important Adjournment debate on this subject in June last year, and indeed my hon. Friend the Member for North-East Bedfordshire (Alistair Burt) had an important debate on 19 March this year.

This is an important debate and the salience of the issue will become more and more important. This is the international year of sanitation, so it is an appropriate time for the debate. As many hon. Members have said, the cohort of water is sanitation, and so often one concentrates on water but not on sanitation. It is a fact that, as has been said, more than 1 billion people or one fifth of the world's population are deprived of access to clean water, but two fifths or some 2.25 billion lack adequate sanitation, which is an absolute scandal in the 21st century.

As has been said, every 20 seconds a child dies due to lack of clean water and sanitation, and 1.6 million children under the age of five die every year due to unsafe water and inadequate hygiene. The hygiene part of the equation is important, as is education about hygiene. Approximately 2 million people die every year due to diarrhoeal diseases, and most are children under the age of five. As my hon. Friend the Member for Stone has said repeatedly, 1.8 million people suffer unnecessary diarrhoeal diseases.

Mr. Cash: Billion.

Mr. Clifton-Brown: Yes, 1.8 billion suffer unnecessary diarrhoeal diseases. Hundreds of thousands of young girls miss the opportunity of an education as they are forced to walk an average of 4 miles every day to fetch fresh water.

We in the west tend to take for granted the fact that when we turn on the tap water comes out. We can wash our clothes in a washing machine, and we have dishwashing machines and sophisticated irrigation. During the floods last year, a large part of Gloucestershire was cut off from mains water and we had the spectre of quite a large area having standpipes. That was seen as going back to the dark ages, but a large part of the developing world must live like that. Even if people have standpipes that is an improvement, because many of them must go large distances to carry the meagre amount of water that they need each day to survive. Since the 1930s, UK water usage has increased, but the Committee's report says that water availability in Africa decreased substantially between 1975 and 1995, a trend that is likely to continue.

In an excellent speech, the hon. Member for Glasgow, North asked the Minister what the Government are doing about the UN watercourses convention and the lack of access to fresh water, which is something that more and more NGOs are beginning to raise with us. I hope that the Minister will be able to address that matter.

The hon. Lady also mentioned the problem of cross-border rivers, and throughout the world we are seeing a greater and greater number of bigger and bigger problems with cross-border rivers. One has onlyto look to at the problems of the Nile, which is mentioned in the Research-inspired Policy and Practice Learning in Ethiopia and the Nile Region programme. There are plenty of other cross-border rivers and there are problems in relation to rivers that are not cross-border—for example, the Yangtze and the Yellow river in China are beginning to dry up. What catastrophic effect will that have on the most populous nation of the world? We should also consider the effect of the River Jordan drying up, particularly in the middle east. If we consider the effect of other rivers drying up, one can begin to see what is happening throughout the world.

Mr. Cash: I would like to refer again to the excellent programme on Channel 4, "Unreported World", which demonstrated that, as my hon. Friend says, the rivers are drying up. In countries such as Bangladesh, the flooding and the washing away are so intense that new river systems are emerging. That creates worse and worse problems for sanitation because the shanty villages are being washed away and the sanitation is getting worse.

Mr. Clifton-Brown: My hon. Friend is exactly right; when everyone sees a natural disaster—I will mention global warming later—one of the first things that tends to suffer is the sanitation systems. Disease then follows, and the knock-on effect is death and suffering. That is why this is such an important subject. We need to deal not only with shortages of water, but with national natural disasters. Indeed, many people are still suffering from the floods that hit a large part of central Africa last year. This week, some representatives from Uganda told me that the Government there have done little to help the communities in north-east Uganda simply because they are of a different political persuasion. We need to make it clear how we should deal with natural disasters.

We all have examples of the difficulties faced by water projects around the world. I have been to see the township outside Nairobi to which the hon. Member for Berwickshire, Roxburgh and Selkirk referred. It is one of the worst slums in the world. Liquid sewage flows along the streets and in and out of the very

meagre 1 or 2 sq yd mud huts that are back-to-back against each other. It is just appalling in this modern day and age that people have to live like that. One would have thought that the very least that could be done with a bit of international help is to provide some form of satisfactory sanitation system—even if that is all that could be done.

To illustrate the point that I made to my hon. Friend the Member for Stone, when I went to Nigeria with the all-party group, we visited the community in Ido Sarki just outside the town of Kano in northern Nigeria. The international community—I am not quite sure which part of it—had gone to a great deal of trouble to install new wells and water pipes. However, corruption meant that the local contractor who did the job used sub-standard pipes—electricity conduit pipes. They are, of course, a totally different thing from proper water pipes. The contractor put them only 2 or 3 in below the surface so that they were smashed by the first vehicle to drive over them. In a matter of months, we found that that community was not using the brand new wells that had been installed and that it had gone back to using the old standpipe system. DFID's reputation of revisiting projects where it has funded them and of making sure that they are maintained and still work is vital to the international community.

In dealing with my hon. Friend's point about multilateral as opposed to unilateral delivery, the Committee has noted that in 2005-06, 37 per cent. of DFID's budget on water was spent through unilateral agencies. That figure is to be increased—I take that to mean that the multilateral part is to expand. Perhaps the Minister will give us some insight into that, as it is particularly relevant to the Committee's comments on the reduction of the strategic work force. The Government say:

> "We are reducing staff numbers in line with cross government headcount restrictions. This is challenging us to act smarter".

Forget the English. The Government go on to say:

> "DFID is currently carrying out a Strategic Workforce Planning process to determine what resources are available; where the demands are likely to be over the next five years and how best to match resources to need."

The Minister knows that I have raised that with him in other DFID debates—for example, in relation to AIDS I have asked whether there are enough central health advisers in DFID. I am concerned that with a rising budget, the number of advisers in London will not be sufficient adequately to supervise these large projects around the world. Inevitably, that will mean that a greater proportion of that larger budget has to be spent on multilateral rather than unilateral agencies.

Malcolm Bruce: Of course, the hon. Gentleman makes a valid point. The Committee has also discussed that matter with DFID. Does he also acknowledge that if there is direct budget support, there is an opportunity to provide the expertise to the Government who are on the receiving end? I do not mean that DFID staff should be avoided, but such an approach would not put pressure on them and would provide the expertise where it is needed: in advising the Governments with whom DFID works in partnership in a way that does not add to the headcount for the Department.

Mr. Clifton-Brown: I entirely agree with the right hon. Gentleman: it is expertise that is often required. If DFID is able to provide that, it would be fantastic.

On good governance, DFID provides money to the Global Opportunities Fund to the tune of £100 million. Better governance is at the heart of delivering proper infrastructure to many of these countries. There is still a huge problem with how we deliver our aid and whether it is effective. Kurt Hoffman of the Shell Foundation told us last year that the international community has delivered $650 billion of aid to Africa in the last 20 years and yet, despite that, the average standard of living of the average African is worse today than it was 20 years ago. I am sure that the root of that is bad governance. It would be interesting to know how the Minister thinks the £100 million of the governance and transparency fund, referred to in the Government's response, will help to deliver more water and sanitation infrastructure.

It is important to encourage better governance at a local and national level because some countries operate on a centralised basis and others are more devolved. It is particularly important to have transparent systems so that there can be parliamentary scrutiny in more countries. Ghana is a shining light in relation to that and has excellent Committees, like our International Development Committee, through which the Government can be held to account. That is a very important factor.

On a larger scale, the UK has established an £800 million international environmental transformation fund and there is a Global Environment Facility of £140 million over four years. That is an important Government initiative because it relates to climate change and environmental improvement. Surely, water and sanitation must be a big part of that. I would be grateful if the Minister told us how those big initiatives contribute to improved water and sanitation.

The Committee makes it clear, and my hon. Friend the Member for Stone mentioned, that around £90 million this year will rise to £200 million in 2008-09. However, he was right to say that that is a drop in a bucket—I think he said it is like putting farthings in a bucket. That figure is simply not adequate. The report states on pages 26-27, paragraph 71:

> "The Commission for Africa recommended that, in order to address the full scale of services needed in Africa, a doubling of infrastructure spending is required—expenditure of US$10 billion a year up to 2010 and, subject to review, a further increase to US$20 billion a year in the following five years. DFID needs to engage with other donors to ensure that the Commission for Africa's recommended donor spending on infrastructure of US$10 billion a year up to 2010...is secured."

A big part of that infrastructure should be water and sanitation provision. Perhaps the Minister can tell us how far we are getting to that.

I should like to say something about a subject that has not yet been covered in the debate: food, MDG 1 and the need by the target year of 2015 to reduce by half the number of people starving. Of course, successful agriculture can play a major part in that. Part of that is effective use of irrigation in agriculture. The report makes the point that more attention should be paid to that issue and higher funding given to it. We in the west know very well—I declare my interest as a farmer—how to irrigate crops and we should use the considerable expertise in this country to help developing countries to develop their irrigation systems properly. Seventy per cent. of all water could be used for agricultural irrigation, and we are a long way short of producing the food that we need to produce.

[Mr. Clifton-Brown]

I had a very interesting discussion with a representative of Nestlé in my office. This is a different subject, but it is closely related to water. To produce 1 litre of biofuel requires 5,000 litres of water, so the world will have to review its policy on biofuels not only because they are pushing food prices up, but because a great deal of water is required to produce the crops for biofuels, which is adding to the problem.

Where do we go from here? The MDGs are extremely important, but some are in grave danger of being missed and some are in danger of being missed by an extremely long way. My hon. Friend the Member for Stone referred to the fact that the MDG on which we have been focusing will not be reached until 2070. Given that the life expectancy of men in Zimbabwe is only 37, it will take two generations to meet that development goal. That is too long. The world community must get together and see how it can contribute both in funding and in expertise, so that we can achieve in a much shorter time the MDGs and the targets that we have set ourselves.

The more I learn about the international development scene—I was involved in it only peripherally until I took on my current role—the more I see that certain countries, such as the UK, Japan, the Nordic countries and the United States, give very generously of their budgets, but that other countries have greatly expanding GDPs and could give a great deal more. We in the international development community need to engage those countries, some of which are in Asia and some in the middle east.

However, as the Chairman of the Committee said, it is not wish lists or the amount of money that we are devoting to these problems that we want to promote it is real action and real solutions. That is why I hope that the Chairman will encourage his Committee, perhaps as soon as next year, to return to this subject, in a follow-up report perhaps, to see what has been delivered by DFID and the international community in general, so that we can see how we are tackling some of the dreadful problems that are faced by sub-Saharan Africa in particular, but also by other parts of the world.

4.23 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I welcome the opportunity to debate the IDC's report and to do so under your chairmanship, Mr. Bayley, given that, as the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) said, you have a long-standing interest in Africa and development issues more generally.

It is a pleasure to follow the hon. Member for Cotswold (Mr. Clifton-Brown) in concluding the debate. I share his view that governance is the central problem that has constrained development in the past. It is why the Government continue to give as much attention as we do to governance in developing countries; why we made it the central feature of the 2006 White Paper, "Eliminating World Poverty: making governance work for the poor"; and why we established a £130 million fund on governance and transparency. I mention that partly because of his comments, but also because the beneficiaries of that fund have just been announced. I am sure that all hon. Members will be pleased to know that WaterAid, which does excellent work in this area alongside a series of other NGOs, has received from the fund a further £5 million for work on governance in water sectors around the world.

I also very much welcome the hon. Gentleman's comments on climate change. He is right to draw hon. Members' attention to the crucial impact of climate change on access to water and to refer to the efforts of my right hon. Friend the Prime Minister, when he was Chancellor of the Exchequer, in setting up an environmental transformation fund worth £800 million. We are seeking to ensure that that fund is aligned closely with funding from a range of other donors, so that there is not a proliferation of different funds to deal with climate change, causing various administrative difficulties for developing countries. We see a combined fund that focuses on clean technology, deforestation and helping countries to adapt to meet the challenges of climate change that they are having to face already. Work on water and sanitation will clearly be part of that.

I welcome the debate not least because it provides an opportunity for us to highlight the extent to which water and sanitation is a defining feature of poverty. I am thinking of the women and children toiling to collect water for their families and the unsanitary conditions in which so many people live, simply because they lack something as simple and basic as a toilet. The situation is truly shocking. At any given time, half the developing world is sick because of a water-related illness and half the hospital beds are taken up with patients who have water-related diseases. Inevitably, that adds up to lives of drudgery, indignity and missed opportunity, directly because of a lack of progress on water and sanitation.

As several hon. Members said, we are at a critical stage, not only for the water and sanitation MDGs, but for the MDGs more generally. That is why the Prime Minister talks of there being an MDG emergency and has sought, through the UN, to make 2008 a year of action on the MDGs. If we are to reach the MDGs on water and sanitation, we need to get water to an extra 300,000 people each day and better sanitation to an extra 450,000 people each day. Those are considerable challenges.

Mr. Cash: Does the Minister agree that it would be a good idea to encourage the World Service, and the BBC more generally, in that regard? We have a tendency in this country and certainly in this Parliament to talk to one another in a village, whether we are talking in this Chamber, on the Floor of the House or wherever. Silence outside gets us nowhere. We need to be able to get these messages out into the media, and I am sure that the Government would have a way of getting themselves on to World Service programmes and perhaps even the "Today" programme, if it would be prepared to listen. The real question is how we get our message outside, and we do not get it outside just by talking to one another in this place.

Mr. Thomas: We should not downplay the importance of Parliament as a vehicle for discussion. However, I suspect that I am expressing a view held by all hon. Members when I say that we would like the media to give even more serious attention to the debates that we have—not only the debates on the Floor of the House, but those in Westminster Hall.

Mr. Cash: What is the betting that this debate will not be recorded? Well, it is being recorded; the question is whether it gets put out.

Mr. Thomas: No doubt BBC Parliament will have the opportunity to look at our proceedings in due course, which is helpful. The hon. Gentleman may not be aware that there will be a focus on the MDGs at a UN summit on 25 September this year, so there will be an opportunity for the world's media, not just the BBC, to focus on progress that is being made towards meeting all the MDGs. The G8 meeting in July will provide a further opportunity for attention to be focused on the issues.

The hon. Member for Berwickshire, Roxburgh and Selkirk made the appropriate point that we cannot make progress on a range of other millennium development goals if we do not make progress on water and sanitation. It is worth noting that, if we do not make that progress, not only are we not going to make progress on infant and child mortality, primary education and the empowerment of women, but we will not see the levels of economic growth that all of us recognise are essential if countries are to lift themselves out of poverty. For example, research suggests that Ethiopia's growth is one third less than it could be because of its inability to manage its water resources appropriately. Climate change is likely to make that situation even worse.

My interest in the subject was first stimulated by my visiting Nepal in 2004, when I saw a village irrigation project in western Terai funded by the Department. That small-scale programme had irrigated some 33 hectares, but it helped to improve the livelihoods of the 550 people living in that village, many of whom had migrated to elsewhere in Nepal or into India to earn a living to sustain their families. That irrigation project was helping to raise agricultural production in the village—a key issue, given the current debate about food prices, which the hon. Member for Cotswold mentioned—and to enable those people who had migrated to spend more time in their community, much to their satisfaction.

In the context of the questions about corruption, which hon. Members are rightly interested in, at the entrance to that village was a board setting out where the funding for that irrigation project had come from and charting how much money had been put in by donors, such as ourselves. It said what that money had bought and showed the contribution of individual villagers to the work. Each investment by donors, individuals in the village and the Nepalese Government could be accounted for, helping to prevent corruption.

The IDC's focus on water and sanitation was important and I have no doubt that it will return to the subject. We have published an update on our progress to date in implementing our policy on water. We have been reviewing that policy and are due to publish shortly a revised policy to help to influence us as we proceed.

Key to the IDC's report and to ongoing policy will be the commitments that we made as part of the call to action on water and sanitation issued by the Secretary of State for Environment, Food and Rural Affairs, the former Secretary of State for International Development, which urged Governments and donors, including developing country Governments and developing country donors, to spend more money on this sector, make sure that those funds are wisely spent and, crucially, ensure that the right international systems are in place to help us make progress.

I acknowledge the criticisms made by the IDC, particularly in respect of sanitation. As the Government indicated in their response, it was right to say that the international community needed to give that matter more attention. As the hon. Member for Cotswold said, this is the year of sanitation and it provides an opportunity for all the donors to review what they have been doing.

The hon. Member for Berwickshire, Roxburgh and Selkirk asked whether we were on track to meet the commitment to double our spending on water in Africa, made in 2005 by my right hon. Friend the former Secretary of State. I cannot give him the definitive answer on the sums that we have spent, but we are on track to meet that commitment.

Hon. Members throughout the House continue to call, quite rightly, for us to demonstrate what results our money has produced. I shall give two examples that are contained in the water action plan update. In Bangladesh, our funding for water and sanitation has helped 1 million people gain access to improved sanitation and helped nearly 400,000 gain access to safe water. In Nigeria, we provided latrines in schools for some 40,000 pupils and improved the water supply to some 650,000 people. We are committed to doubling our expenditure again by 2010-11 to some £200 million.

The hon. Member for Stone (Mr. Cash) is one of my favourite members of the official Opposition. I am the last person to call him curmudgeonly, but his comment about £200 million being just a few farthings in a bucket did not do him justice. That sum is a significant contribution. We are contributing substantial sums, as other hon. Members have mentioned, to the World Bank and the African Development Bank. The World Bank spends approximately 9 per cent. of its expenditure in developing countries on helping to address issues to do with water and sanitation and the African Development Bank spends around 6 per cent. of its expenditure on that. We provide support to help to build the capacity of the ADB to do even more effective work in that area.

Mr. Cash: I was not being curmudgeonly; I was just taking a perspective view. We understand that it would cost some £10 billion to make a significant dent in the problem, although I am sure that even that figure will not be accurate. The international community—not specifically our country and our Government—is not stepping up to the plate.

I do not expect the Minister to answer every question that I ask, because I have asked quite a few, but perhaps he will be kind enough to ensure that his officials look at them and let me have a note in writing on the answers that I requested.

Mr. Thomas: I did not call the hon. Gentleman curmudgeonly—I would not dream of doing so. I just thought that he was in danger of allowing others to interpret his remarks as such. I genuinely encourage him, as chair of the all-party group on water and sanitation in the third world, which I commend, to visit developing countries to see some of the issues that he has raised. If he lets me know in advance, I will ensure that he has the chance to see programmes funded by multilateral organisations and, in particular, to see programmes funded by the European Commission, perhaps through the EU water facility, in the vain hope that his attitude to things European and, indeed, things multilateral may begin to change just a smidgeon.

Mr. Clifton-Brown: The Minister's Department rightly takes credit when it says:

[Mr. Clifton-Brown]

> "DFID has already increased its engagement with the EU Water Initiative's...Africa Working Group... DFID has played a leading role in the EUWI from the start, and recently, along with Germany, funded a comprehensive review to make it more transparent and effective. We will finalise the recommendations with other stakeholders in August 2007."

Will the Minister say something about that initiative and whether it has been possible to encourage other donors in Europe to take a bigger part in the whole water and sanitation issue?

Mr. Thomas: There were concerns at the outset about how effective the EU water initiative and water facility would be. As a result of some concerns raised by NGOs, we funded a review of its work, alongside the Germans. Recommendations have been made and are being implemented to improve the next tranche of the water initiative's impact. One of the changes is to ensure that we incentivise developing countries to do more themselves on tackling sanitation. Those recommendations have been discussed at official-level meetings in Brussels with other European partners to encourage the Commission to continue to make progress in getting how that initiative and facility works right, and to stimulate further interest in water and sanitation among other member states.

The right hon. Member for Gordon (Malcolm Bruce) asked what progress we are making in Ethiopia. I cannot remember whether his visit was prior to the Government's recent launch of a £75 million programme to increase access to water and sanitation, but that money will help the Department to work with local communities, for example, to train health workers to teach people about hygiene and to build the capacity to train health workers to do more. We are also building the capacity for Ethiopians to train their own hydrologists to manage water resources more generally. We are supporting at a strategic level the Ethiopian Government in developing their own universal access plan for getting water and sanitation to all their citizens. Joint memorandums of understanding have been established across the Ethiopian Government—for example, between Finance and Environment Ministries and, crucially, stakeholders outside Government in civil society and the private sector. Given that we have only just made the announcement, it is a little early to say how that is progressing, but the commitments in the response of the Ethiopian Government give us confidence that we will continue to make progress.

Malcolm Bruce: I am grateful for that helpful and up-to-date information. Are the Ethiopian Government maintaining their commitment to their original targets? We saw the capacity for extra resources to help to hit the targets, but they were to a tough schedule. Do the Ethiopian Government still have those tough targets?

Mr. Thomas: If the right hon. Gentleman will forgive me, I shall have to write to him to answer that question. I should take this opportunity to confirm that the Government are committed, through the £75 million over five years, to supporting the Ethiopian Government in delivering water and sanitation to some 3 million people in 7,000 rural communities and 37 small towns. That gives some sense of the results that we are hoping to achieve with our resource. However, that is not the whole answer to his question, and I will try to get further information to him.

Hon. Members, including the hon. Member for Cotswold, focused on the need for donors to do more on sanitation. The Government recently announced a £1.5 million contribution to the global sanitation fund. The fund, which was only recently established, is housed in the World Health Organisation. It is designed to look at what works best in promoting the use of toilets and hand washing. We want to use it to showcase best practice in-country, and then to build the lessons that it helps us to learn into the work that more generous and wide-ranging funding supports in water and sanitation programmes.

Mr. Cash *rose--*

Mr. Thomas: That may seem a small amount, but I should indicate that a number of other donors have contributed significantly more funding, and we expect the initial aspirations of those running the fund to be met. At the moment, we do not think that we need to put additional resources in. The fund is new and we need to watch it operate in practice, but we intend to engage those who manage the fund.

Mr. Cash: The Minister anticipated my point. The amount of finance did not seem like very much, but it might expand—let us hope that it does so rapidly. Will he be kind enough to consider my request—I hope that the Bathroom Manufacturers Association wants to take it up—to enter into discussions on how lavatories and other equipment could be provided at a cost that could be easily met in the countries concerned? There are practical questions; it is not simply a matter of putting money in to work out management schemes. The Government cannot provide lavatories if they do not have lavatories of the right kind and design at the right price.

Mr. Thomas: I agree with the hon. Gentleman's last point, but we need to do both things. We need to have systems in place, but we also need the equipment that the systems will provide.

Mr. Cash *rose—*

Mr. Thomas: Let me finish my response to the first intervention. I would be happy for the hon. Gentleman to bring in the organisation to which he referred to discuss the matter further.

On the hon. Gentleman's concerns about the fund, I can give him some further information. The Netherlands has given some $40 million, Sweden $7 million and Switzerland $1 million, so there is substantially more funding beyond our contribution. As I said, we are going to watch to see how effective the fund is. It is designed to generate lessons that can be incorporated into much bigger funded programmes by donors such as ourselves in Ethiopia, as I described, or by multilaterals.

I should like to say something on the progress on the "five ones". On international reports, we are funding UN-Water to produce the first ever global monitoring report. It is working closely with the WHO and we expect the report to be published later in the summer. Secondly, we said that we wanted to see one high-level meeting each year, and the first will take place either at Accra in early September or at the margins of the UN Secretary-General's meeting towards the end of September.

We expect that to be resolved shortly. The three other "Ones" are country-specific and refer to the need for one plan, one sector co-ordinating group and one UN agency to be the lead. We are working closely with other donors to, and developing country Governments in, Ethiopia, Sierra Leone, Tanzania, Mozambique and Bangladesh to establish one lead UN agency, and to ensure that donors work collectively behind one plan that the Governments are putting together. As I indicated, such a plan is in place in Ethiopia, and we are trying to galvanise donors to get behind it.

A number of Members referred to water resources management, as did the Committee's report. The Government accept absolutely that we need to do more on the issue. We have stepped up our engagement on trans-boundary water management because, as a number of Members mentioned, there is considerable potential for water to be a force for co-operation at international level, but if we are not careful, it could exacerbate conflicts in a number of regions. We are supporting a number of regional initiatives to help those water resources to be managed effectively. Working, for example, with the World Bank, we have provided some £14 million to improve the management of the River Nile, working with the 10 countries in the area. That has helped to step up co-operation among the countries concerned to promote economic growth in such a way as to manage water resources. Crucially, a new legal agreement on the management of the River Nile is in the latter stages of finalisation.

Mr. Clifton-Brown: The Minister is being extremely generous in giving way. He may well be coming to the answer to this question. The hon. Member for Glasgow, North (Ann McKechin) and I mentioned the UN convention on watercourses. I suspect that there are difficulties, which is why the Government have not ratified it. If he cannot answer today—I do not anticipate that he will necessarily be able to—will he send us a note about what the problems are with the treaty and why the UK has not ratified it?

Mr. Thomas: I intend to answer that question, but if the hon. Gentleman will forgive me, I shall first add one or two comments about other regional initiatives that we are supporting, in response to Members' concerns.

We just agreed funding to support an initiative in south Asia, similar to the one in the Nile basin, to promote better dialogue and collaboration among the seven countries concerned on the use of the waters of the greater Himalayas. I was struck by a figure given to me by our staff in China when I visited Beijing recently. They said that some 47 per cent. of the world's population depends in some way on the waters of the Himalayas. Given recent information from the world's scientific community about the increased pace of glacier melt in the Himalayas, I think that the importance of the south Asia water initiative will become even clearer to Members.

Reference was made to the middle east, and the hon. Member for Berwickshire, Roxburgh and Selkirk asked about Gaza. I shall have to come back to him on his specific questions, but let me say more generally that in the middle east, as part of the multilateral track in the peace process, a programme called EXACT works on regional water resource management among Jordan, the Palestinian territories and Israel, for the reasons that have been discussed. We continue to contribute to the strategic concerns of water resource management that have been referred to. I shall get back to the hon. Gentleman on the specifics.

We considered the issue of the UN convention carefully following representations from WWF and other NGOs. Our judgment is that there is little evidence that accession on its own would deliver significant benefits for development. The convention is also unlikely to enter into force as an agreement any time soon. The principles in it are widely used; they are fundamental to the regional initiatives that we fund. However, as a result of our discussions on the convention with a number of NGOs, we plan to work on how the international architecture for the management of water resources can be improved. It is by no means certain that it is as effective as it might be, so we will do some work on the matter.

Ann McKechin: The Minister is being unduly modest. By ratifying the convention, the United Kingdom, as one of the major bilateral donors of aid and one of the P5—the permanent members of the UN Security Council—would send an important signal to the international community about the need for a binding international legal framework within which to work. I appreciate his reservations—that it is not likely to have any immediate or even medium-term impact—but the issue is nevertheless ongoing and likely to increase in significance and effect. It is important that the international community, particularly through the United Nations, seriously address the issue, rather than simply relying on piecemeal initiatives. In areas of high conflict, it may be difficult to persuade people to agree unless we can point to an international convention that significant numbers of countries have ratified.

Mr. Thomas: I agree with my hon. Friend that the principles in the convention are fundamental to ensuring that further conflict over water resources does not develop, but we must focus on the different regional initiatives in place to manage water resources in areas of tension. I do not think that making a particular effort to sign the UN convention now will have any impact on implementing solutions to particular regional issues. We support the convention and the principles in it, but given that it takes resources and staff time to consider implementing conventions, it is right that we concentrate our resources, effort and funding at this stage on ensuring that the regional initiatives to tackle water resource management move in the right direction. The success of the Nile Basin initiative points to the success of our approach to date. We will nevertheless keep under review the question of accession to the UN convention. I hope that Members understand why we have focused particularly on regional water resource management initiatives, rather than going for accession to the convention at this stage.

This has been a good debate. I believe that I have answered most of Members' questions, and I have given commitments to write regarding two or three specific issues. I recognise that I need to ensure that at least two Members receive the water action update that we published, and I will also endeavour to ensure that when we publish the new policy on water and sanitation that we are working on, all Members who have taken part in this debate receive copies.

Question put and agreed to.

Adjourned accordingly at four minutes to Five o'clock.

Westminster Hall

Tuesday 6 May 2008

[MR. ERIC MARTLEW *in the Chair*]

Flood Defences (Norfolk)

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Blizzard.]*

9.30 am

Mr. Keith Simpson (Mid-Norfolk) (Con): It is a pleasure to serve under your chairmanship, Mr. Martlew. We almost have a full house of Norfolk MPs, and, from over the border, a Suffolk Whip. Alas, the right hon. Member for Norwich, South (Mr. Clarke) is unable to be with us. I suspect that he may still be waiting for his ministerial car.

I requested the debate because flood defences in Norfolk are a crucial local issue. It must be seen, of course, against a wider background. We are all conscious today that whatever problems we face, they pale into insignificance compared with the news of what has happened in Burma, where a cyclone has killed a minimum of 15,000 people. We know that many other low-lying parts of the world face appalling threats. I think in particular of the people of Bangladesh.

For many of us, the Norfolk coast is about being at the seaside. I can recall, when I was a child—it may be difficult for some people to believe that I was once a child—of about seven or eight, with glasses and an incipient moustache, being on the beach at Cromer. Later, I was with my son George, perhaps on the beach at Heacham with the tide out, building sandcastles. As you know, Mr. Martlew, however well one builds sandcastles—as a military historian, I did so in depth, using stone and with as much defensive preparation as possible—when the tide comes in, it always sweeps them away. There could be a sense that the flooding that we face from both the sea and on the land is somehow inevitable, and that there is therefore nothing much that we can do about it. I do not believe that that is so.

My interest in the debate is not because I have coastal land in my constituency; I do not. However, my area will be affected by any surge from the sea and by any flooding of the main rivers—either the River Yare, by Acle, the River Wensum or, of course, the southern broads line. The point of the debate is that significant coverage was given to a Natural England draft report outlining possible responses to the threat posed by climate change and the rise in sea levels overwhelming current coastal defences.

David Taylor (North-West Leicestershire) (Lab/Co-op): I am from land that is not directly affected, but a lot of Leicestershire people visit north Norfolk and settle there. I raised the matter last Thursday in the House—it is at column 432 of *Hansard*.

I congratulate the hon. Gentleman on securing the debate. He refers to his times at Cromer, and I am tempted to ask him what Neville Chamberlain was really like. The point that I made on Thursday, to which the Minister replied, was that newspapers have a responsibility to report matters such as these sensitively and accurately, and not unnecessarily to alarm people. Government agencies should not go beyond their remit and into areas that they neither understand nor have responsibility for. That is a fair point, is it not?

Mr. Simpson: I do not necessarily agree with the hon. Gentleman's inference that the local media somehow reported the matter irresponsibly. The trouble was that considerable angst was produced as a consequence of the Natural England report, the conclusions of which had been trailed in a previous report in 2003.

Interestingly, only today in the *Eastern Daily Press*, Dr. Viner, Natural England's principal specialist in climate change, has apologised for any undermining of the morale of people living in north Norfolk and elsewhere. As I hope to show later, it was unfortunate to say the least, and some of the statements that were made gave people in Norfolk the impression that the future of their homes and communities was not necessarily the top priority for some organisations.

Bob Spink (Castle Point) (UKIP): Will the hon. Gentleman give way?

Mr. Simpson: I will if the hon. Gentleman intends to stay for the whole debate. Does he intend to do that?

Mr. Eric Martlew (in the Chair): Order. The hon. Gentleman must speak through the Chair.

Mr. Simpson: I beg your pardon, Mr. Martlew. Through the Chair, if the hon. Gentleman intends to stay until the winding-up speeches, I shall let him in.

Bob Spink: Yes, I intend to do that, and I am grateful to the hon. Gentleman for giving way. Will he accept that this is one issue for which we cannot blame the media? The buck stops with the Government and their policies. The media are drawing public attention to the need for good public policy that will tackle climate change and prevent the building of more houses on the flood plains in Norfolk and across the whole south-east of England.

Mr. Simpson: The hon. Gentleman is correct that the media, and certainly the *Eastern Daily Press* and local radio and television, have played an important role in stimulating debate. He is correct in that sense.

Natural England ended up producing four options for dealing with flood defences along the coast: holding the current line; moving the sea wall slightly inland; doing nothing and letting the sea spread in naturally; and, most controversially, maintaining 9 miles of sea defences to the west of Great Yarmouth only at a level sufficient to keep water out for the next 50 years. After that, Natural England concluded, breaches would be opened in the walls and water would flood in. That would mean giving up approximately 25 square miles of Norfolk coast, about 1,000 houses and many historic buildings, as well as valuable farmland. Under existing law, the owners would have no right of compensation. It is interesting that Dr. Viner is quoted in today's *Eastern Daily Press* as saying that if that option were ever used,

[Mr. Keith Simpson]

people who lost property or their livelihood should be compensated by the Government. I shall return to that point.

As the Minister knows, the leaked report provoked anger and dismay in the communities immediately affected, where property value has been lost, and throughout the whole of Norfolk. I remind you, Mr. Martlew, that Natural England's report was basically concerned with the Norfolk broads. Of course, Natural England and the Department for Environment, Food and Rural Affairs said that these were proposals and that nothing had been decided. During departmental questions on 1 May, the Minister said:

"It is not the role of Natural England to take such decisions; responsibility is with the Environment Agency."—[*Official Report*, 1 May 2008; Vol. 475, c. 433.]

Nevertheless, the people of Norfolk feel that they are merely bystanders in a debate that dramatically affects their lives and livelihoods while others take decisions.

It may be that the issues need debating in a dramatic way. In the Natural England document, it was obvious that the authors wanted the radical proposal to be leaked. The report actually states that

"by selecting a radical option now, the right message about the scale and severity of the impacts of climate change is delivered to the public."

It predicts "strong political resistance". That is probably an understatement. The chairman of Natural England, Sir Martin Doughty—interestingly, he was a Labour councillor at one stage—believes that his organisation is "showing leadership" and facing up to realities. No apology there. He believes that the options that he outlined are stark, and that everybody should address them, particularly politicians.

However, the scientists, environmentalists and administrators may not be taking into account the public opinion that questions some of their assumptions and values. Two senior men of Norfolk have articulated that opinion in public. My old friend General Sir Richard Dannatt, Chief of the General Staff, the professional head of the British Army, a Norfolk resident and this year president of the Royal Norfolk show, said to the *Eastern Daily Press* on 17 April:

"I think to give up a great chunk of Norfolk to the sea without a fight is something I find quite counter-intuitive and quite difficult to do.

I really think we should continue to invest in the sea defences around there, I think it would be a tragedy to lose a wonderful area of the county by allowing the sea in without a fight."

Then the Bishop of Norwich, Graham James, who is a great man, said at the launch of the new inshore lifeboat at Sea Palling on Sunday:

"The problem with any long term plan to allow villages around here to be claimed by the sea is that it has given the impression that people don't matter. The consequential planning blight could make these coastal communities seem like prisons from which there is no escape."

Christopher Fraser (South-West Norfolk) (Con): My hon. Friend makes an important point in quoting the Bishop of Norwich. Is there not underlying this whole debate, in some senses, the notion—semi-articulated—on the part of some of these official bodies that they do not think that people matter that much, and that, if there are wading birds or a rare species of grass or an area of special scientific interest, that counts for more than human beings?

Mr. Simpson: I would like to believe that the official bodies do not believe that and perhaps, in general terms, they do not. However, that is certainly the impression they give. We all know that there is a massive interconnection between the environment, wildlife, human habitat and what we do. Having said that, the hon. Member for Great Yarmouth (Mr. Wright) and myself have at times been surprised by the impression given in the debate about whether the Acle straight of the A47 should be dualled. That would involve moving dykes or ditches, and we are still in the process of looking at the environmental impact and the damage that might be done to a few elements of wildlife. I must say that the wrong value system is at work in that debate.

The threats facing the coastal and inland areas of Norfolk are, of course, replicated elsewhere in the United Kingdom, including along the rest of the east coast: in Yorkshire; Lincolnshire; Suffolk, and Essex. More than 15 million people live close to Britain's coastline. Norfolk is just one of a number of low-lying communities that must confront a series of real threats and dilemmas over the next 50 years, which include the real cost of increased erosion, and the storms and sea level rises exacerbated by global warming. They present local people and the Government with a stark dilemma: is it worth spending billions of pounds to defend homes and livelihoods, or, faced with inexhaustible sea level rises, should expensive coastal defences be abandoned, leading to the evacuation of land and houses?

Miss Anne McIntosh (Vale of York) (Con): As my hon. Friend will recall, last Thursday, our hon. Friend the Member for Louth and Horncastle (Sir Peter Tapsell) said that when the Lincolnshire coast was breached in 1953

"thousands of lives were lost."—[*Official Report*, 1 May 2008; Vol. 475, c. 434.]

It was not just homes and livelihoods that were lost, but lives too. Is my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) able to estimate what the worst-case scenario would be in Norfolk?

Mr. Simpson: No, but I thank my hon. Friend for intervening and I will return in a few minutes to the historical context. Although circumstances have changed, that historical context is important.

I want briefly to consider flood defences and Norfolk under six headings: the nature and extent of the threat; what can be done in the short and long terms; the Government's strategy; Government funding; the Government institutions to deal with floods, and finally and most important of all, the role of local communities and institutions.

First, I shall refer back to the intervention by my hon. Friend the Member for Vale of York (Miss McIntosh). What is the nature and extent of the threat to Norfolk? Norfolk, like other areas of the east coast, has faced serious floods before and I shall cite just two serious floods, and another incident when a serious flood nearly happened. In 1912, due to torrential rain, large parts of Norwich were flooded; indeed, at one stage, Norwich was physically cut off from the rest of the country for

about a week. In 1953, Norfolk, Suffolk, Essex and Lincolnshire were flooded, and, of course, the flooding was far worse in Holland. Then, the sea walls were breached, partly because of disrepair dating back to the second world war. It was the usual scenario: a high tide and a major surge. At that time, hundreds of people were killed and wounded, thousands of people had to be evacuated, and tens of thousands of square miles of farm land were ruined. In November 2007, we came very close to another serious flood, when there was another surge that could very well have swamped large parts of Great Yarmouth and could have perhaps breached sea defences and introduced salt into the Norfolk broads, which would have been very unfortunate. We were very lucky indeed that that did not happen at all. So we are well aware of the extent of the danger and the power of natural forces.

Natural England, the Environment Agency, the Department for Environment, Food and Rural Affairs and many experts argue that the nature and extent of the threat, due to climate change and what we might very well call subsidence on a vast scale involving the eastern part of the United Kingdom, is much greater than any threat faced in previous crises. If the Minister concurs with such assessments which, within 50 years, might see the giving up of vast areas of the coast—not just along the east coast, but perhaps along the north-west coast too—he will recognise that this crisis is of a scale more associated with a major disaster or, indeed, a direct war against the United Kingdom. In that case, and if such assessments are correct, the Government's response must be of a different order and on a different scale than we have seen before.

The Government's response to this crisis is something that I assume is being addressed under their national security policy document. However, I must say that I am not convinced that, even if the Government accept the extent of this threat, they have yet to think through a strategy or produce a reorganisation of the relevant institutions, or indeed begun to communicate with public opinion on this subject. I will be interested to hear the Minister's views on that.

Bob Spink: Will the hon. Gentleman give way?

Mr. Simpson: No, if the hon. Gentleman does not mind. Other colleagues wish to take part in the debate.

What can be done in the short and long term? I get a feeling from Ministers and from Baroness Young, who is currently chief executive of the Environment Agency, which of course is the agency taking the lead on coastal flooding, that there is a sense of deep inevitability about the extent of flooding and also, to a certain degree, a pessimistic attitude. I think that I caught that mood in the interview that the Secretary of State for Environment, Food and Rural Affairs gave to Radio 5 on 4 April, in which he said:

"there are some very difficult decisions that are going to have to be taken. The Environment Agency has got the responsibility as it's looking at the coast—looking at each bit of land, each stretch of coastline—saying, 'Well, here are areas that we really, really do need to protect and here are some other areas where, over time, it may be difficult to protect for ever from a rising sea level'...In the end it's partly about how much money we are prepared to spend as a country but it's also about what nature in the end makes happen."

That is hardly a clarion call to arms on this subject, and more like a sort of management, newspeak conclusion.

As I said, Baroness Young is the current chief executive of the Environment Agency. However, I am interested to see that she is about to go off to get another new job; she is down to be the chair of the new Care Quality Commission. That appointment must be agreed, but if she gets the job, she would leave her position with the Environment Agency. I only discovered that she might be getting that new position this morning by reading *The House Magazine*. That development, of course, would be crucially important. Given the lead role now taken by the Environment Agency, it will be up to the Government to get the best man or woman whom they can possibly find with the type of strategic vision and drive to deal with the major problems that we are facing.

Baroness Young has said:

"We have committed to trying to 'hold the line' for the next 50 years, but after this there are difficult decisions to make."

She had earlier told an internal climate change seminar:

"I think the Norfolk Broads will go. They will definitely salinate."

So she has already mentally decided that the game is up. I do not think that any of us—certainly those of us here who represent Norfolk constituencies—wish to take that view.

The Government's strategy in facing the challenge appears to be one of fearing the worst and hoping for the best. We have seen the Pitt review and a plethora of DEFRA statements and policy papers, but I do not get the sense of the Government gripping this problem and providing reassurance to my constituents, those of other Norfolk Members, or those in other parts of the United Kingdom affected by both external and internal flooding.

The situation is not helped by the pseudo-military terminology adopted by many agencies, such as "holding the line" or "managed retreat", although the latter term has now become "managed realignment". Sadly, "managed retreat" gives the impression of embracing retreat. Many people in Norfolk lost relatives in the second world war in Singapore and Malaya. When General Percival, the officer commanding there, was faced with an appalling situation and the advancing Japanese, he decided to offer up space to buy time. There was a disorderly retreat down the Malayan peninsula, but he hoped that reinforcements would arrive by the time he reached Singapore. However, it was too little too late, and Singapore fell.

The Government need to set out a clear strategic plan—not a vision—for how they intend to face the challenges of flooding, the costs, the available options, and the robustness, or otherwise, of their Executive institutions. They must accept that we are looking for a multiplicity of in-depth flood defences and the involvement of local communities.

That brings me seamlessly to Government funding. The Government claim that they have increased funds for flood defences. That is true, but of course we must take into account that, in effect, there was a cut 18 months ago. They have increased spending on flood defences to £2.15 billion over the next three years, but that sum, much of which is for inland schemes, will fall far behind what is needed to protect the entire coast as sea levels rise.

[Mr. Keith Simpson]

The Secretary of State has already admitted that the model and its outcome are partly affected by the amount that we are prepared to spend. What discussions has the Minister had with the Treasury about the matter? What consideration has been given to the balance between the costs of building flood defences, or using natural flood defences, against the costs of areas actually being flooded or coastal areas surrendered to the sea?

The National Farmers Union has rightly drawn our attention to the link between food security, which is now a Government priority, and flooding. Our most productive soils, many of which are in Norfolk, are found in some of the most low-lying areas. How will managed retreat impact on our agricultural production capacity?

My constituent, Mr. Michael Sayer, is a former chairman of the Norfolk branch of the Country Land and Business Association. He was speaking and writing about climate change long before it became fashionable. He recently stated in the *Eastern Daily Press*:

"Currently, the issue is solely political. The new generation of draft Shoreline Management Plans (non-statutory as they are), merely express ex post facto rationalisation of previous Defra decisions on grant aid. Up to the mid-1990s, the Broads were seen to have a value to defend. Alter the basis of valuation for cost/benefit analysis, undervalue community, heritage and habitat benefits, halve the assumed value of farmland, apply a discount rate which (as opposed to an 'ethical' rate) undervalues future benefits, and then prioritise spending according to the number of heads presumed to benefit, and, unsurprisingly, the process predetermines the outcome. The area is now uneconomic to defend."

Sadly, many of us fear that that is true.

After Government strategy and funding, we come to institutions, which are important. I understand that the Environment, Food and Rural Affairs Committee will publish its report on flooding tomorrow. I have not seen it, but, given the oral evidence that has been submitted, I suspect that it will question who is responsible for flood planning and co-ordination inland. At present there is a multiplicity of agencies, including the Environment Agency, Natural England, local authorities, water boards and the Highways Agency.

Since April fools' day this year, the Government have made the Environment Agency responsible for a strategic overview of all flood and coastal erosion matters in England. The agency is responsible for 6,000 miles of coastline and 800 miles of coastal defences. Its new role means that it is accountable for decisions on sea flood risk management, including whether works go ahead. Its brief on flood risk management and the Norfolk coastline states that, before 1 April, more than 90 different authorities managed the coast of England. The change will mean a consistency of approach, clarity for the Government and the public, and better targeting of investment.

Such executive clarity is to be welcomed, but it raises many questions about flood defences in Norfolk. Will the Environment Agency be responsible for flooding inland? If not, there will be a major disconnect. Does the agency have the resources to meet its new responsibilities? I have already touched on the opportunity for a new chief executive to get to grips with the matter.

Can we have any confidence that the management team at the top of the Environment Agency will be able to do more than just manage problems? Many excellent people work for the agency, but several hon. Members in the Chamber have unhappy memories of the agency being unable to deal with major challenges such as the foot and mouth outbreak and other problems, which led to public confidence being undermined. To use the Prime Minister's terminology, this will be a challenge for the new Environment Agency, and we will be looking to the Minister to provide our constituents with a great deal more confidence.

Finally, I want to press the Minister on the role of local communities and institutions. The row over the leaked Natural England report highlighted the anger and fears of local communities that feel that they are the last to be consulted about their future and their homes. All of us in politics and in government know that the public are no longer prepared to be deferential and to accept the opinions of the Government or experts being handed down to them. They will not knuckle their forelocks and say, "Thank you very much, I agree with what you say."

There is a fundamental question about flood defences on the coast and inland. The Dutch have long recognised that protecting the coast and managing inland waterways is a national undertaking. Those things must have priority in the Government's national security strategy. Should coastal committees be overruled if they oppose managed retreat and suggest using, and start to use, their own resources to defend their own communities? That has already happened on a small scale in Suffolk and other parts of the country.

Norfolk people are not fools. They do not have their heads in the broads or anywhere else. They know from history the power, nature and risks of flooding. They recognise the kind of threats that they are likely to see in 50 years and beyond, but they object to a mood that appears to value wildlife above human life and well-established communities. Local farmers and people frequently say that their knowledge and expertise of the land, the environment and waterways is not sufficiently taken into account.

Norfolk people are not prepared for a managed retreat. All retreats end in defeat, unless there is a counter-attack. In August 1942, before the battle of El Alamein, General Sir Bernard Montgomery told his staff to tear up all plans for a withdrawal, to hold the line and to counter-attack. That is what our constituents demand.

Several hon. Members *rose—*

Mr. Eric Martlew (in the Chair): Order. May I remind hon. Members that several of them wish to speak and that I intend to start the winding-up speeches at about 10.30 am?

9.58 am

Mr. Anthony Wright (Great Yarmouth) (Lab): I congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) on securing this timely debate. It is probably one of the few subjects on which we have joined together to press a point not just for our constituencies but for Norfolk and beyond. Indeed, it has always been seen as a cross-party issue, and I am pleased that several hon. Members have joined the debate today.

My constituency of Great Yarmouth is in one of the lowest lying areas of the UK. It stretches from Winterton-on-Sea in the north to Hopton-on-Sea in the south. Much of that area is always under threat from the sea. It also goes west to the border of Potter Heigham, which is a significant area as far as the broads are concerned.

For centuries, the sea has been Yarmouth's fortune: from the early centuries when the herring industry made Great Yarmouth one of the most important ports and towns in the UK, right through to Victorian times and the start of the tourism economy, to the 1960s and beyond with oil and gas, and now to the next phase. I hope that the new harbour will bring new hope and industry to Great Yarmouth. Each one of those eras has contributed to the nation's economy.

As the hon. Member for Mid-Norfolk explained, the floods in 1953 affected all the east coast areas. Great Yarmouth was one of the areas that was flooded, and several people along the coast lost their life as a result. At that time, flooding was regarded as a natural phenomenon. As has been said, in November 2007 the east coast was again under threat from a tidal surge, and apparently it would have been the same level as the one that occurred in 1953. Defences have been improved marginally since then, but unfortunately it was still touch and go as to whether Great Yarmouth would be inundated with water. That would have resulted in more than 6,000 properties being flooded for a considerable time. I know, Mr. Martlew, that you had experienced that in Cumbria from a different facet, and I understand that, years later, people are still suffering, so we know what the effect would have been if water had breached the banks on the east cost. We are thankful that we were not in that situation, but we had a warning that the sea is there and is dangerous. We accept that climate change is causing an increase in sea levels, and we need to take that on board.

The report from Natural England gave the worse-case scenario: that the retreat of the land to the sea would go back for miles, although that would not affect much of my constituency. A small area of West Somerton would be affected, but I will leave that to the hon. Member for North Norfolk (Norman Lamb) to discuss. However, the scenario would have a serious effect on Great Yarmouth in several ways. If part of the land retreats to the north, it would eventually have an effect further south, and that would be the thin end of the wedge.

Over a number of years, the economies of Great Yarmouth, Norwich and further south would be affected. I am not saying that that will be the case, but I would like the Minister to reassure us that he will look seriously at these issues. I have been fighting on behalf on a number of communities on the coast because there has been a failure to understand that the problem is not flooding per se, but coastal erosion. Everything on the east coast is connected, and a number of cliffs are in danger—from Winterton to Caister and from Great Yarmouth to Hopton. Communities on the back edge of those cliffs are certainly at risk. For example, in Scratby, properties are within yards of the cliff edge and the speed at which erosion has taken place in the past four or five years is far in excess of what anyone could have anticipated. Projects have been put forward by the Scratby Coastal Erosion Group and the Winterton group, and they would delay erosion for a number of years and give security of tenure to residents—indeed, the projects would also provide value for money. Some 12 years ago, a berm was put in place in front of the cliffs, and it has held back the tide.

In the debates held over the past few years, one of the bones of contention, which has been alluded to already, is the question of why we are in this position. I believe that one reason for the problem is dredging. I know that some Government scientists will say that dredging has no effect whatsoever, but I have lived by the seaside and I have always said that if someone goes down to the sea edge and digs a hole, within a minute the hole will be filled up with sand from the extremities. That is a matter of simple technology and a simpleton could come to the conclusion that dredging will steepen beaches at the edge near coastal cliffs; it must have that effect.

I have called for the Government to abandon dredging, but my appeal has fallen on deaf ears. I have even asked them to stop the export of dredging materials, which would reduce that particular problem. Again, that has fallen on deaf ears because of the significant contribution made to Treasury coffers—the value added tax levy means that hundreds of millions of pounds go to the Treasury. Will the Minister either abandon dredging with immediate effect, or give the east coast communities that are affected by dredging the resources to deal with the effect that it has on coastal resorts? That may well cost £200 million to £300 million a year over a number of years, but I think that it would be money well spent. The Natural England report called for natural habitats, and it would be worth spending the money for environmental reasons. The area is of special scientific interest, with Ramsar sites and other sites of historic interest.

As has already been mentioned, we have fought for many years—too long to remember—for safety measures in relation to the dualling of the Acle straight and for the dykes to be moved. Halvergate marshes are always significant in the arguments about that, but if they are important, so are the Norfolk broads and the whole of north Norfolk to the ecology of the area and the Government should also defend them. They should also defend the communities affected and the important site of the broads, as that would bring more resources into the UK economy—through tourism, agriculture and other means.

Will the Minister take on board those comments? I understand that the scientists will say something completely different, but they should also take those comments on board given the issues that we need to address on the east coast. We should protect the communities and the natural environment as much as we possibly can, and we must invest in a good future for the rest of Norfolk and the UK.

10.6 am

Norman Lamb (North Norfolk) (LD): I congratulate my neighbour, the hon. Member for Mid-Norfolk (Mr. Simpson), on securing an incredibly important debate. It is good to see so many Norfolk MPs speaking with one voice on the issue—I think only one Norfolk MP is not here.

I shall start by stating a basic principle: it is the duty of the Government to defend their people and communities. It is an abdication of that duty if these communities are

[Norman Lamb]

abandoned without the Government doing everything in their power to protect them and defend the coastline.

I speak as the Member of Parliament for the area most affected by this option—I recognise that it is no more than an option—but I want to leave the Minister in no doubt about the strength of feeling in the communities affected. In the last month, I have attended meetings at Hickling, Potter Heigham and Sea Palling. In those three meetings we have probably spoken to more than 3,000 people—remarkable numbers of people attended at short notice. The mood of those meetings was impressively calm, but there was no doubting the real anger, dismay and fear of many people in the those communities. People are absolutely determined to fight against this option being pursued further.

I wish to make it clear to the Minister that although on the face of it this is a theoretical, research exercise—as David Viner of Natural England described it in the *Eastern Daily Press* this morning—however far into the future the proposals will be, they will have a very real, immediate impact. The Minister and I have discussed those problems in the past in connection with the shoreline management plan, which affects a whole stretch of coastline in Norfolk and Suffolk, and covering the constituency of the hon. Member for Great Yarmouth (Mr. Wright).

The area affected is not a wealthy one; it is actually a low-wage economy and many of the people in those communities have everything that they have ever worked for invested in their home. However theoretical the option is, the publication of the leaked document has had an immediate impact on the value of their homes. My office has been contacted by people who have lost house sales and who have been told by estate agents that the value of their home has decreased. In addition, people who had decided to move to the area have now changed their plans. There has been a real and immediate impact. The area is beautiful and unspoiled; its landscape, its communities and its heritage are unique, and it is very much worth fighting for.

The heart of the problem seems to be a disconnect between the scientists investigating the impact of climate change and the people in the area. The scientists are right to carry out their investigations—the job needs to be done—but it is an academic exercise. They often look far into the future when considering the potential impact of rises in sea level. They inevitably speculate about the extent of that rise but without understanding sufficiently the impact that their words are having now on the communities involved. The words appear callous to those affected, even if they are not intended in that way. I believe that there is an innocence about the scientists. They are doing their job, but they fail to recognise the impact of their words. If we allow that to continue, the effects will appear callous, especially as something can be done to bring the matter to a close. The report makes no reference to people. Inevitably, the report is all about the natural environment, as that is what Natural England is charged with considering.

There is a way forward. First, the Government and the agencies involved—the Environment Agency and Natural England—must give a clear and unequivocal commitment that the coastline will be defended. Secondly, we should not speculate about the distant future without addressing the need for financial security for the people and communities affected. I note, as did the hon. Member for Mid-Norfolk, that David Viner referred to compensation. The Minister and I have talked on the subject at some length, but it is something of a breakthrough that a scientist from Natural England should use that word. However, to continue discussing future options would show a callous disregard of the rights of the communities in the area, especially now that we know the immediate impact of those discussions.

I have no doubt that there is a threat from climate change, and I have always said that Norfolk is on the front line. The hon. Member for Mid-Norfolk was right to point out that the potential consequences are even more calamitous in countries such as Bangladesh, but for England, our county is on the front line. None of us knows what the impact of climate change will be, but if its impact is great we cannot leave those on the front line to bear all the costs. That is a basic principle that goes way beyond this issue. It is a societal problem, and the general principle should surely be that society as a whole should cope with the costs.

Adaptation is now included in the Climate Change Bill, but there is a cost attached to it. The Minister and I have spoken about the £30 million that has been allocated to considering adaptation over three years. It is a start, but the cost in the longer term will be much greater.

I am grateful to the Minister for allowing me and Malcolm Kirby, a local campaigner, to meet the working group from his Department to discuss the matter. However, we also need a proper review of the cost-benefit analysis when considering the losses that occur when the coast is lost to the sea. An initial analysis suggests that the cost-benefit analysis used in the shoreline management plan is deeply flawed as it does not properly show the losses that would probably occur.

In the short term, I call on Natural England formally to withdraw the option paper, and I wrote today to its chief executive. It seems to me that if the agency is apologising for its impact, it must withdraw the option. We cannot allow matters to fester. I call on the Minister to make a clear statement advocating withdrawal of the option. I know that he understands the importance of social justice, and that one cannot consider the science without also considering social justice. I also call on the Minister to visit Norfolk to meet local representatives, to talk to the communities and thus to understand the impact at first hand. We would welcome him to discuss the matter.

It is an issue of real urgency. We must not allow it to fester. We owe it to those communities to have the option withdrawn without delay, so that social justice is properly addressed.

10.15 am

Dr. Ian Gibson (Norwich, North) (Lab): I congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on securing the debate. I call him a friend because many Members are united in trying to protect the beautiful county of Norfolk. In the same spirit, I congratulate my hon. Friend the Member for North Norfolk (Norman Lamb) and his action team, which includes Malcolm Kirby.

I have lived in Norwich since 1965. One of the beauties of living in Norwich is that is it easy to get to the sea; the trouble is that the sea is now coming to us.

Indeed, published works show that Norwich-by-the-sea is not an unrealistic expectation. We might not have to bother about that in our lifetimes, but it will certainly be a problem in the longer term.

Much has been said about the science, and scientists are very good at getting information. I believe in climate change. I know that Lord Lawson does not, but who cares? The effects of climate change are there to be seen. The university of East Anglia has a distinguished department of environmental sciences, which was founded by the father of the hon. Member for North Norfolk. Many people have been through it, and have done some distinguished, world-class work—including David Viner.

The trouble is that scientists know nothing about politics or the social scene. They spend their lives cocooned—don't I know it?—in a university academic environment, and do not get out to see what problems people are having. I welcome the fact that there has been some resistance to the report, leaked though it might be.

The problems for the area's farm land have been mentioned. We know that we will need to increase the amount of farm land in our country—and in the world. There will be problems with having enough maize, rice and other crops to feed starving people—not only in the developing world, but perhaps here. Every time the sea comes in, farm land disappears, crops disappear, and farmers disappear or become bankrupt. That is very much part of the Norfolk way of life.

Science is useful for telling us what can happen, but it is very poor at deciding on new technology to do something about it. Science is about knowing the facts, but technology is about knowing what to do. I believe that we have not invested enough in considering how we might hold back the sea.

A friend of mine—Professor Vincent of the university of East Anglia—wrote to me about his work on the Sea Palling breakwaters. Sea Palling is a fine place with a great cricket square, and its people are wonderful. It is a lovely village that needs to be protected. When the Tennessee valley authority flooded areas in the United States, I remember that there was uproar there and that fights continued for years. Again, compensation was an issue, and consultation was poor.

Professor Vincent looked at the breakwaters in place to protect the sea wall and dune line at Sea Palling. He says that they are

"working pretty well although they have yet to be tested against a repeat of the '53 storm surge. More interesting are the potential impacts on the beaches 'down-drift'—towards Horsey—all the sand comes from the erosion of the cliffs between Cromer and Happisburgh (so protecting the cliffs reduces the sand available to the beaches!) and the sand 'flows' south-eastward along the beaches, but comes to a grinding halt at Sea Palling!"

As we heard from my hon. Friend the Member for Great Yarmouth (Mr. Wright), that also puts Great Yarmouth at risk, because the sand does not move down there. Scientists tell us that the protection creates problems elsewhere, so we need to do something about both problems. We cannot sort one out and leave to the other to continue. It is important to remember that there is a knock-on effect. The Environment Agency has propped up the beaches down Happisburgh way for two years or so, and things seem all right at the moment, but the problem is ongoing.

We have heard much about what the Environment Agency has said, but I finish with a final irony. At 4 pm tomorrow, the House will consider the Broads Authority Bill, but if we allow things to continue, will we have the broads to protect, and will any legislation be worth it?

10.19 am

Mr. Henry Bellingham (North-West Norfolk) (Con): I congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) on securing the debate. I shall speak briefly about North-West Norfolk and then touch on some of the points that have already been made about the Natural England option paper and villages in north Norfolk.

As my hon. Friend pointed out, severe floods in 1953 led to great loss of life. In fact, the 1978 floods were worse, but by that time sea defences had improved immeasurably. Although there was significant damage to property, only four lives were lost—I say "only four", but that is in contrast with the hundreds lost in 1953. Since then, there have been significant improvements in sea defences in my constituency, much of which lies below sea level. King's Lynn has always been under threat, and I was fortunate enough, roughly 20 years ago, to be afforded the honour of unveiling the plaque to mark the completion of its sea defences. The plaque, which is still in King's Staithe square, has survived the ravages of the elements, marauding youths and eight years of a Labour-controlled council, and I am proud of it.

The hon. Member for North Norfolk (Norman Lamb) has raised the issue of flood sirens on a number of occasions. They played an important role during the 1978 floods in getting people out of their properties, particularly beach houses in places such as Heacham, Hunstanton and Snettisham. The Environment Agency argues that it has a mobile telephone alert system, and that people are on the internet and have land lines, but half the joy of owning a beach house in Heacham, for example, is getting away from the madding crowd and modern appliances, so some people do not have land lines or internet access, and some will not have their mobile phones with them. I thus argue that keeping the flood sirens is important. Will the Minister address that point?

On the leaked paper, people in my constituency say that if plans are being considered by a major Government conservation body for parts of north Norfolk, they could be considered for other parts of Norfolk. That is why there is so much concern and anger about the way in which the leaked paper went about portraying and explaining that option. As my hon. Friend the Member for Mid-Norfolk and the hon. Member for North Norfolk pointed out, we are talking about 11 sites of special scientific interest in the area totalling 8,000 acres, and 25 square miles of low-lying farmland. As my hon. Friend pointed out, grain prices are rising sharply and world food shortages are predicted, so Britain's prime arable land is even more vital. We are talking about four freshwater lakes and broads, 6,000 houses worth roughly £2 billion, six villages and five mediaeval churches. I find it ironic that Natural England, which is the Government's principal conservation body, is even considering a paper that would lead to the destruction of those 11 SSSIs.

[Mr. Henry Bellingham]

I had a close look at Natural England's report. It is riddled with platitudes, glib generalisations and typical new Labour speak. As my hon. Friend pointed out, Natural England is a classic new Labour body. However, it should not interfere in such an issue, and it has caused huge alarm.

My hon. Friend the Member for North Norfolk—he is my friend for the day—mentioned the blight on properties and farmland. Who will move to those villages? How will someone sell their house in such a market? Who is going to go to work on a farm or take another job opportunity with a business that is located in a village with that blight hanging over it? Natural England must wake up to the fact that it has caused a huge amount of damage to that community, and that it has had wider ramifications and implications across Norfolk and, indeed, the whole of East Anglia.

The hon. Member for North Norfolk said that Holland has a system for sea defences; indeed; the Dutch are passionate about that. I have been to have a look at some sea defences in Holland, which are a national policy priority. Furthermore, local farming interests are represented on Dutch bodies, and local farming co-operatives have made money available to help to pay for sea defences. I gather that the Environment Agency is not prepared to countenance such a situation in Suffolk. Will the Minister comment on that?

Mr. Richard Bacon (South Norfolk) (Con): I am grateful to my hon. Friend for mentioning Holland. The Dutch have made a significant contribution to Norfolk and the fens over the centuries, and to the development of our drainage and dyke systems. There is an awful lot of expertise there. If Natural England is not able to show the way forward, should we not get on the phone and call up the Dutch?

Mr. Bellingham: My hon. Friend is right. The great Dutch engineer Vermuyden was responsible for draining much of my constituency, which is still way below sea level. The Dutch pride themselves on protecting their sea and agricultural farming communities. So much of the country lies below sea level that that is a major national priority. We in this country should attach a similar priority to that.

Dredging, which the hon. Member for Great Yarmouth (Mr. Wright) mentioned, is vital. Pat Gowan has briefed us comprehensively on sea defence and dredging. In a recently published paper, he stated:

> "It is not so much that global warming induced sea rise is the problem, but that offshore aggregate dredging has brought about a 5 metre deepening of the offshore sea bed, so giving greater sea depth, hence more eroding waves, whilst the increased beach slope induced by the dredging has resulted in beach sand and shingle draw down, so lowering the beach and shoreline and thus allowing the tide mark to reach the toe baselines of our existing sea defences. Thus erosion and threatened underminement is created, plus loss of our natural dune and sand cliff defence".

That eloquently sums up the point. However, according to Pat Gowan, in the past 18 years, 189 million tonnes of sand and shingle has been dredged from the area off the Yarmouth coast, raising £1.6 billion in royalties and VAT for the Exchequer. I find it distressing that 30 per cent. of that dredging is not for our own building and construction industries and that it is instead exported to the continent—I find that completely unacceptable. Surely some of those revenues could be earmarked for improving and shoring up our sea defences.

The Minister must give a firm undertaking that the Government will take seriously the concerns set out by Norfolk Members from across the political spectrum. He must give an undertaking that the Government will protect these communities. As I said the other day, if he does not, I fear that those communities and others will be submerged under a tidal wave of new Labour complacency.

10.27 am

Christopher Fraser (South-West Norfolk) (Con): I am conscious that I have a short time in which to speak, so I shall keep my comments brief.

I am afraid that the Government have, over a period, focused on coastal defences somewhat at the expense of inland defences. Like my hon. Friend the Member for North-West Norfolk (Mr. Bellingham), much of my constituency is at sea level, and much of the surrounding area is below sea level. We have a particular problem in the fens. Year after year, the Ouse washes are flooded by water flowing from effective flood alleviation measures in Milton Keynes and Bedford, which causes havoc to people who live in the fens, particularly in the village of Welney. Its residents cannot cope with the problem.

My hon. Friend the Member for Mid-Norfolk (Mr. Simpson) talked about national priorities, so why has Norfolk suffered year after year because of the Government's good will elsewhere? Welney is connected to the rest of Norfolk by the A1101, but only when the road is not under 3 ft of water. Last year, the area was flooded for more than 100 days. At the start of the year, the village was cut off on two sides because of heavy flooding. Local residents face long detours simply to reach their homes and places of work.

Fen flooding has had a terrible impact on local trade and business, and particularly on the rural economy, which my hon. Friend mentioned. It seems to my constituents that nothing is being done, despite the frequency of the flooding. A little more than a year ago, I raised the matter with the Government in an Adjournment debate. I highlighted how flooding in the fens had become significantly worse in the past seven years and how people in the area were worried that that would ultimately result in businesses closing and people having to relocate from their houses. I was assured that the Government were as committed to rural areas as they were to urban areas. However, that is simply not the case in my constituency. It appears that less value is put on people's lives in South-West Norfolk than elsewhere in the country, which is outrageous—*[Interruption.]* Why—I put this to the Minister, who has just intervened—does it seem that nothing concrete has been done a year on from that debate? How many more years must the area suffer before decisive action is taken?

Last month, the Secretary of State for Environment, Food and Rural Affairs pledged at least £34.5 million towards fulfilling the final recommendations of the Pitt review. Will the Minister make a commitment today to invest some of that money in finding a solution for people living in Norfolk's low-lying fen areas and particularly in Welney, in my constituency? Those people

need assurances that their plight is being considered in equal measure to that of people living elsewhere in the country.

Finally, the Environment Agency has been given £1.8 billion to spend over the next three years on ensuring that Britain can deal effectively and efficiently with the threat of flooding. Does the Minister agree, however, that the Government must exercise strong leadership to reassure people in places such as Welney, and indeed the wider Norfolk population, that Ministers are not passing the buck, as they have recently done? A solution must be found and found soon.

10.31 am

Steve Webb (Northavon) (LD): I warmly and sincerely congratulate the hon. Member for Mid-Norfolk (Mr. Simpson) not only on securing the debate, but on the measured yet powerful way in which he introduced it. Notwithstanding one or two contributions, there has been a striking degree of cross-party consensus, and that is because the people of Norfolk are united in their profound concern about not only what is happening, but what they perceive to be happening. Indeed, one of my concerns is how much people think is going on behind closed doors. There is a sense that there is a conspiracy of silence and that members of the public are having to find things out through leaked documents.

When we quizzed the Minister at oral questions last week, he said that it was not Natural England's job to decide the matters before us, but it is producing reports based on the assumption that it is its job to do so, and no one is telling it not to. I therefore very much echo the suggestion of my hon. Friend the Member for North Norfolk (Norman Lamb) that Natural England should withdraw its report. If the proposed option is out of line with Government thinking, there should be no cause for the alarm and concern that we have heard about. If it is in line with Government thinking, the Government should come clean, rather than just saying, "Oh well, it's not Natural England's job."

At the moment, all we are getting are Orwellian euphemisms, such as "managed retreat", "coastal realignment" and "embayment", which, although I would not call it my favourite, does sounds quite attractive until one realises what it actually means. However, the people of Norfolk deserve clarity. In responding to oral questions last Thursday, the Minister appeared to say something very clear, but then I read the transcript. He appeared to say that there was no question of abandoning communities, but when I read the transcript, it was clear that he had said that there was no question of abandoning them in the way described in the press. I therefore hope that he can remove any caveats today and say exactly what the Government's position is, because, having heard him attempt to clarify it once, I am not clear what it is.

We have heard about compensation, which is a central issue. Talking about compensation does not mean that we have given up the ghost; indeed, it might actually mean that we will not abandon communities. If the Government had to pay compensation, as my hon. Friend the Member for North Norfolk said in a debate three years ago, the cost-benefit analysis would show that abandoning a community would cease to be costless—to be a write-off—and would have a bill attached to it. That might change the decision, so talking about compensation is not giving in. Furthermore, if those who are trying to sell, insure or mortgage their properties knew that their financial position was at least secure, they would have some reassurance. At the moment, however, we have nothing.

Can the Minister therefore clarify the position? In today's *Eastern Daily Press*, David Viner says:

> "There are other scenarios in place where, as it's part of a managed action, compensation measures would be in place."

When I asked about compensation on Thursday, the Minister said, "No, we are not paying taxpayers' money for this," and that appears to be the Government's position. There is therefore some ambiguity about the position, and we need to know. It is not as if people come along, buy a house on the edge of a cliff and then say to the Government, "Oh, the cliff is giving way. We'd like some compensation." We are talking about communities that have lived in their villages and built up their livelihoods over generations, and they are suffering only as a direct consequence of a Government decision—that is the critical point. We are not talking just about the forces of nature; the Government have a choice about how much money they spend and how committed they are, and we have heard of the different approaches taken in Holland. There are alternatives, and if the Government choose to abandon communities, they should surely have compensation.

Also on the issue of compensation, I want to home in on the comments of my hon. Friend the Member for North Norfolk, who represents the set of villages that are most directly affected. To the extent that we are talking about climate change causing rising sea levels, this is a problem that we have all caused. It is not exclusively the people of Norfolk who have caused this climate change—we have all caused it. If one set of people are particularly affected by something that we have all done, we should surely all share the burden of helping them. That is why we have government, public services and public goods. When we all cause a problem, we all share in the cost of putting things right, and I hope that the Minister accepts that important principle, which has been advanced in the debate.

The hon. Member for Great Yarmouth (Mr. Wright) raised the issue of dredging, which my hon. Friend has discussed in the past. Will the Minister clarify the Government's views on that? Do they have a clear view about whether dredging is an issue? It certainly needs to be looked at.

The hon. Member for Norwich, North (Dr. Gibson), who is no longer in his place, mentioned not only the scientists who alert us to the problem, but the use of technology to tackle it. He asked whether enough investment was going into technological solutions that could, at the very least, ameliorate the problems.

The hon. Member for North-West Norfolk (Mr. Bellingham) mentioned the flood sirens. That is an important issue, which I hope that the Minister will address.

Taking all these issues together, I was struck by the analogy that the hon. Member for Mid-Norfolk drew with the impact of a war and its potential for casualties. The issue before us should be seen as a national emergency because it affects not just one small part of the country, but big stretches of the coastline. We have heard the

[Steve Webb]

thin-end-of-the-wedge argument, and the same issue will have to be addressed up and down the coast, so it should be seen as a national strategic issue, not delegated to quangos. Yes, such bodies should have day-to-day operational responsibility, but there is also the question of democratic responsibility, and that is where there is a big gap in the process. People read that Natural England is thinking about what would happen if communities were abandoned, but who takes the decision to abandon them? It is not Natural England, but nor should it be the Environment Agency, because it is not democratically accountable either. It is Ministers who are accountable.

As we have heard, the head of the Environment Agency said in a private or semi-private meeting that "The broads will go," but whom is she accountable to? *[Interruption.]* That is a verbatim quote, and I will be happy to give the Minister the source for it. The hon. Member for Mid-Norfolk and I have both heard that the head of the Environment Agency thinks that the broads will go. Does the Minister think that they will? It would be interesting to have his views on that.

What is DEFRA's response to all this, apart from to say that it is the Environment Agency's job to deal with the issue? In 1993, the then Ministry of Agriculture, Fisheries and Food produced a flood control and defence strategy. Guess what the Government are doing about it—they are consulting on changing it. The consultation has been going on for years.

The Minister for the Environment (Mr. Phil Woolas) *indicated dissent.*

Steve Webb: The Minister shakes his head, and I would not expect him to be believe me, so I have brought a House of Commons Library note with me. It says:

> "DEFRA is also consulting on proposals for a new Government strategy for flood and coastal erosion risk management in England to update that published in 1993."

Perhaps the Library is wrong on that. The worry is that we have quangos that are accountable to no one in discussing options that they are apparently not supposed to discuss because that is not their job. At the same time, we have Ministers who are not saying anything terribly clear and who are leaving people with uncertainty.

I simply conclude by asking the Minister one question. I want him to suppose that we were talking about his house and that he opened his local newspaper to discover that a Government body was looking at options to abandon his house to the sea, with the result that it was unsellable and uninsurable. If so, would he be happy with the management of the current process? The buck stops with him when it comes to the management of the process. We have heard from the communities affected that they are not happy with the situation, and I hope that the Minister will take the message to heart.

10.38 am

Miss Anne McIntosh (Vale of York) (Con): I welcome you to the Chair, Mr. Martlew. It is a pleasure to serve under you. I warmly congratulate my hon. Friend the Member for Mid-Norfolk (Mr. Simpson) not only on securing the debate, but on introducing it so eloquently and researching the issue so thoroughly.

Under the proposals, about 6,000 acres—25 square miles—of the Norfolk broads would be allowed to flood, and the scale of that loss has been reflected with passion in our excellent debate. We have had excellent contributions from my hon. Friend the Member for Mid-Norfolk, the hon. Members for Great Yarmouth (Mr. Wright), for Norwich, North (Dr. Gibson) and for North Norfolk (Norman Lamb), as well as from my hon. Friends the Members for North-West Norfolk (Mr. Bellingham) and for South-West Norfolk (Christopher Fraser).

The one issue that was not covered was insurance. My hon. Friend the Member for Mid-Norfolk did mention the properties being blighted, but what representations has the Minister received about the immediate impact that there will be on home owners and on businesses that operate on the Norfolk broads—in particular boating and other leisure amenities?

Home and business owners are between a rock and a hard place. The Natural England report will undoubtedly have led to a blight on property prices, and the insurance companies and, notably, the Association of British Insurers, have said that they want to renegotiate the statement of principles with the Government on the basis that those insurance companies will continue to give insurance cover only if the Government will pledge to increase the funding for sea defences. If the report has damaged the credibility of those sea defences in the long term, that will have an immediate impact on the ability of home owners and businesses to insure themselves and their properties, and it will affect the cost of the premium and any excess.

The Minister must have an answer for us today. According to the Natural England report, if the proposal were to go ahead, the sea would be allowed to breach 15 miles of the north Norfolk coast. The area would be flooded and would revert to salt marsh, to create a new habitat for wildlife. That takes us back to what my hon. Friends have said about the possibility that wildlife and birds sadly have a bigger Government following than home owners.

Will the Minister respond to what has been said about dredging? It has been put to the Government that dredging would have prevented the flooding in Yorkshire and other parts of the country that flooded very badly last year. The hon. Member for Great Yarmouth has said today that dredging has had a perverse impact in relation to sea level, leading to increased flooding. Will the Minister respond to the point that there are apparently plans to build a barrage on the Wash? If that is true, it would also have the perverse effect of increasing the flood risk to the Norfolk broads.

Mr. Bellingham: My hon. Friend is right to point out that a barrage across the Wash has been suggested, but most people in Norfolk think that that is a completely unrealistic scheme, which would do untold damage to one of the most important wildlife areas in the country, to say nothing of the economic importance of fishing and shipping.

Miss McIntosh: The Minister will have heard what my hon. Friend has to say, but I want to ask what the impact will be of forcing the water on to the broads and forcing the fenland even further below sea level.

The Minister heard me say last week—and I think that my hon. Friend the Member for South-West Norfolk raised this point too—that there is a divide at work; it is not so much the north-south divide that we have seen in the past, but an urban-rural divide. Even in the eastern area, it appears that urban areas are being promised and given concrete flood defences, whereas all that rural areas are offered are feasibility studies. Will the Minister redress that balance when he responds to the debate?

The Conservatives consider the risk of coastal flooding to be one of the greatest challenges that the country faces. It is incumbent on any Government or incoming Government to draft a national strategy to consider every possible solution for the protection of the nation's coastline. If the Government are not prepared to do that, an incoming Conservative Government would certainly be prepared to take up the cudgels. Conservatives would see allowing the sea to flood the land, and realigning the coast of north Norfolk, as the last possible option. That would be highly regrettable with respect to the loss of property, of part of our cherished national heritage in the Norfolk broads, and of prized farmland.

The Government must answer the charge that they are being completely inconsistent about the science on flooding and on the response and adaptation to climate change. Will the Minister solve this matter for us today? The outgoing Government chief scientific adviser, David King, claimed that global warming and climate change were the greatest international threat that the country and the whole global community faced, whereas the incoming chief scientific adviser, Professor John Beddington, has claimed that the threat in relation to food security is greater even than that from climate change. If that is so, why are the Government even considering a report on the possibility of allowing 25 square miles, or 6,000 acres, of prime land in the Norfolk broads to be lost? Conservatives believe that it would be deeply regrettable, while we face challenges on food security and climate change, to lose prime productive farm land to flooding, as well as suffering the serious loss of a large part of the Norfolk broads as a leisure amenity. Alternative options should be explored first, and it is incumbent on the Minister to share with the Committee today what those are.

What, in principle, are the alternative options, and what would they cost? The Opposition do not have access to that information. What would be the cost of a rolling programme—the Government seem to like rolling programmes—to shore up the sea defences, perhaps by taking up the suggestions about using materials that are dredged up, which were put forward today by the hon. Member for Great Yarmouth.

Mr. Bellingham: That was my idea as well.

Miss McIntosh: And by my hon. Friend. Will the Minister give us an indication of the costs of the alternative programmes?

We have generally recognised that fluvial flooding has been one of our greatest challenges. Last year, dramatically, we saw for the first time the damage that surface water flooding can do, when 48,000 homes were flooded, 7,000 businesses were damaged, and 13 people died. More traditionally the role of the Environment Agency, and the responsibility of the Government, through DEFRA, has been to deal with coastal flooding and inundations from the sea. Today's debate shows that low-lying areas of eastern England are particularly vulnerable in that respect.

The hon. Member for Northavon (Steve Webb) raised the question of compensation. Home owners and businesses that operate in the Norfolk broads have generally been led to believe, like the rest of the public, that their property will be protected from flooding. As the law stands, and as my hon. Friend the Member for Mid-Norfolk has said, there is, regrettably, no right of compensation under existing law. However, we do have the concept of human rights.

The possibility of a change of Government policy, given the fact that the people in question have had an expectation that their homes would be protected from flooding, means in our view that, at the very least, the principle of human rights would apply in relation to the loss of enjoyment of the Norfolk broads as an amenity, and loss of farm land, but even more importantly in relation to the possible loss of lives, homes and businesses. If the Minister is again unable to respond to the point about compensation, will he explain what right anyone living in any of the constituencies so eloquently represented here today would have to make a claim for loss of enjoyment, loss of the right to a home, or loss of the right to a livelihood, under the human rights strategy?

The Government have an opportunity to respond to widespread, indeed national, reports about this matter—they are not just in the *Eastern Daily Press*. I had the good fortune to represent the whole Essex coast for 10 years in the European Parliament. I am now a Yorkshire MP and last year we suffered, after Gloucestershire, or perhaps jointly with it, very badly. For all those reasons—to protect a leisure amenity that is probably the most widely enjoyed in Great Britain, and, more important, to protect home owners, businesses and farm land—we wait expectantly for the Government's response.

10.49 am

The Minister for the Environment (Mr. Phil Woolas): It is a pleasure to be able to respond to this debate. Sincere congratulations are due to the hon. Member for Mid-Norfolk (Mr. Simpson). As a Minister, I know that when Members from throughout an area attend a debate, it reflects real public concern, and it is important that I should be able to respond.

Unfortunately, a number of misunderstandings and myths have been perpetuated in this debate. I am grateful to the hon. Member for Mid-Norfolk for giving me a platform for putting some of them right. I shall respond first to the substantial points made by the Opposition spokesperson, the hon. Member for Vale of York (Miss McIntosh), rather than to the detailed points made, which I will cover if I have time. In my view, the hon. Lady is perpetuating a number of myths that are causing great public concern. I understand the seriousness of concern about house prices and the economic prospects for particular areas, and I note that the hon. Member for Northavon (Steve Webb) said, quite fairly, that there is a difference between policy and perception of policy. We must cover both.

It is not true that, as the hon. Lady said, the Association of British Insurers is trying to re-negotiate the statement of principles because not enough money has been put aside for flood defence. The statement of principles was

[Mr. Phil Woolas]

due to be discussed anyway; that is built into it. It is discussed every three years. The ABI has not said that it will not agree a new one unless there is more money. She said that dredging had been used in Yorkshire, but it is different in Norfolk and Suffolk. In east Yorkshire, rivers and drains were dredged; in Norfolk, we are talking about dredging the sea.

Hon. Members mentioned plans to build a barrage across the Wash. My only knowledge of that is what I have read in the papers. The hon. Member for North-West Norfolk (Mr. Bellingham) rejected the idea on the ground of environmental protection, and quite right too. That is Natural England's concern as well. The hon. Member for Vale of York perpetuated the line, which I can only conclude is party political, that the Government are protecting urban areas and not rural ones. That is simply not the case. It is borne out by the facts about money spent in the area to protect Norfolk from flooding from the sea, for example. We have spent more than £40 million in the past 15 years. The Environment Agency has £7 million under this year's programme and a total of £21 million approved for planned works between 2008 and 2013.

The Liberal Democrat spokesman, the hon. Member for Northavon, criticised us for reviewing a policy established in 1993. That is another myth that Opposition parties wish to perpetuate for party political reasons—the idea that in rural areas, we simply review policies rather than spend money. That is not the case. I have said that we have spent money. In fact, more money is spent in many rural areas than in urban areas. There is no difference. I must hammer the myth that all we do is review. Of course capital programmes are based on rolling programmes. All finance decisions are based on that.

I come to the nub of this debate and the issue that I imagine the people of Norfolk will be looking at. The Government have not changed our policy towards fluvial or sea defences in Norfolk. The report by Natural England considered the potential impacts of climate change, including on the natural environment, based on different possible options in a post-50 year scenario. The Government are committed to our existing policy to protect Norfolk as best we can for the next 50 years. The shoreline management plan is subject to discussion with the local authorities in the area, and many hundreds, if not thousands, of people have participated in the consultation on it. Although it is in draft form at the moment, it is public and transparent, and it commits to defence for 50 years. By April next year, although I intend to publish it before that, it will lay out proposals for the post-50 year scenario.

Norman Lamb: Does the Minister understand that even though we are talking about a post-50 year period, if no financial security is in place now—no compensation scheme or whatever one wants to call it—even discussing options for some future date can have an immediate blighting effect? That must be addressed. I know that he understands the importance of social justice.

Mr. Woolas: I am grateful to the hon. Gentleman for making an important and serious point. We are having that discussion.

The hon. Member for Vale of York said that the public expect no change in policy. She must address the issue of climate change. If she is serious, her policy must state what the response to it should be. She must answer the question that we must all answer and that was posed to us by the hon. Member for Northavon: is there an argument for compensation if damage has been caused by climate change rather than by the natural processes of erosion or flooding? The question of how to determine that differentiation is exactly the reason why Natural England is charged with its task. It was said that Natural England gives the impression of being more concerned about the environment than people. Of course it is; it is the body responsible for the natural environment. That is like saying that the Royal Society for the Protection of Birds gives the impression of being more concerned about birds than people. That is its job.

I must hit on the point made by the hon. Member for South-West Norfolk (Christopher Fraser). He said that the lives of his constituents were not given equal value to the lives of others. That is not a fair accusation, it is not true and it is not backed up by the statistics. I give his constituents that reassurance.

Christopher Fraser: Can the Minister explain, then, the economic equation used to assess the financial viability of flood alleviation programmes as against the impact that they will have downstream in the Welney area where there is nothing?

Mr. Woolas: A house on the sea front at Poole is worth substantially more than a house by the river in the centre of Leeds. Does that mean that the Government care more about the people of Poole than the people of Leeds? That accusation has been made by local authority leaders in Leeds. Those are matters of consideration for the Government. The hon. Member for Vale of York, who purports to speak for a party that wishes to form a Government, must answer those questions rather than bandying about accusations that are not based on fact.

Miss McIntosh *rose—*

Mr. Woolas: This Government have significantly increased the resources spent on flood defences.

Christopher Fraser: In Labour constituencies.

Mr. Woolas: The hon. Gentleman, from a sedentary position, makes the very serious accusation that the Government deliberately allocate resources based on the party political representation of constituencies.

Christopher Fraser: No, I did not say that. I said that they were Labour constituencies.

Mr. Woolas: The hon. Gentleman, from a sedentary position, has withdrawn his accusation. I am grateful to him. To move on to the point about compensation, one of the important debates—

Several hon. Members *rose—*

Mr. Woolas: May I make this point about compensation? A number of hon. Members have asked about it. It is not the Government's policy to give compensation for the impact of floods and coastal erosion. One of the

measures at our disposal is—I apologise for the title—the adaptation toolkit. *[Interruption.]* It is not a great title; I concede that. It considers what measures can be taken, particularly to address the point made by the hon. Member for North Norfolk (Norman Lamb). The discussion includes hon. Members representing the areas concerned.

I reject the charges that have been made. The hon. Member for Mid-Norfolk said that funding was inadequate, which I reject, and that the institutions were inadequate. I admit that there has been some confusion in the press; I suspect that that confusion has been deliberately fuelled. He suggested that the role of communities was not considered important, yet consultation on the shoreline management plan, which is causing the perceived delay, is occurring precisely so that hon. Members and their constituents can be involved. He also said that the Government are defeatist. Far from it. We are spending enormous sums of taxpayers' money on the matter.

Christopher Fraser: Not in Norfolk.

Mr. Woolas: I have read out the sums being spent in Norfolk. They involve tens of millions of pounds, and they have increased through successive comprehensive spending review periods. I reject the accusation of defeatism.

Mr. Keith Simpson: I hope that the Minister accepts that I, and most of my colleagues, were trying to make some serious points. However, he only had a short time in which to answer, so I would be most grateful if he would give a commitment to read through the report of this debate and then to answer in detail the specific questions raised.

Mr. Woolas: I shall do that, because it is important. I also wanted to make some policy announcements.

Welfare to Work (City Strategies)

11 am

Mr. Graham Allen (Nottingham, North) (Lab): I would like to begin by thanking the Minister and his officials for their assistance. We are working together very closely on welfare to work strategies and shall continue to do so. One Nottingham—the local strategic partnership—sees employment and skills as a key dimension of our attack on underachievement and deprivation in our city, and has made that a high priority. Partners across our city are working hard to reconnect the nine poorest wards with the new opportunities that Nottingham's economic expansion has created.

Our employment and skills partnership includes Jobcentre Plus, the Learning and Skills Council, business, the voluntary sector and the city council. In July 2006, One Nottingham became the first—and only—local strategic partnership to win a welfare to work city strategy, which is run by our employment and skills board and has brought nearly £3 million of new investment into the city to help to get people back into work. That is matched by the employment and skills projects, which remain the largest spending item of the One Nottingham budget. We have not simply arrived at the conclusion that job creation, skills and employment are important in our city, but led the way by ensuring that the biggest spending in our admittedly rather meagre budget is on skills and employment.

The council leader, Jon Collins, and I, as chair of the local strategic partnership, have agreed four worklessness indicators in our local area agreement, which again underlines our commitment to this policy area. Progress is being made. Nottingham now has the fifth highest gross value added for residents in England outside London—£24,600 in 2005—and, in 2006, there were 8,500 more jobs in the city than in 2001, which represents an increase of 4.7 per cent. compared with a figure of 3 per cent. for England as a whole. That is a good record. We have begun the long-term process of changing our local economy from one dependent on low-skill and low-paid jobs to one dependent on higher paid, knowledge-based occupations. Again, progress is being made.

Nottingham now has a higher percentage of knowledge-based jobs than England as a whole—58 per cent. against 52 per cent. Between 2001 and 2006, the knowledge sector grew by 12.3 per cent. in Nottingham, compared with 7.6 per cent. in England as a whole. Of course, those are just statistics, but they indicate that, compared with the rest of the country, Nottingham has set out its stall and is already producing significant results. We are also well ahead in our city strategy target to reduce the numbers on working-age benefits. Nearly three quarters of the reduction came from supporting lone parents back into work. We are not picking off the easy groups, but we have a long-term strategy. However, if the improvements are to be sustainable, our long-term rate of improvement might actually have to slow down.

To deliver that change, Nottingham created one of the first employment and skills boards, which is now well established as a place in which all local partners can work constructively to tackle difficult problems. That has been successfully coupled to a robust local delivery mechanism known as "making the connection", which has been adopted as a model of good practice in

[Mr. Graham Allen]

the regional economic strategy and elsewhere. It led to the establishment of a number of new, innovative programmes, some of which were funded by One Nottingham—my local strategic partnership. Some of our early successes include the introduction of learning champions, who are individuals from local communities who inspire others in those communities to take up training opportunities and to find work. They can be found in shopping parades, supermarkets and local markets. So far, they have engaged nearly 10,000 across the city.

Another early success has been the next step into work scheme, which provides careers guidance and helps people to apply for jobs. So far, some 2,000 people have been supported, 710 of whom have moved into jobs. Another success has been the work of partners such as Apricot Training Management Ltd, Enable, New college Nottingham and the training framework for care management, which collectively have helped nearly 1,000 people to achieve their first qualification. Nearly 200 of those helped on their journey back into work were lone parents, and more than 50 per cent. were from black and ethnic minority communities. Again, that is innovative, creative, interesting and original assistance, owing not least to the One Nottingham influence.

A small amount of money and a little magic dust helped that innovation to take place, which has since been supported fundamentally by the Department for Work and Pensions through the city strategy. So far, I think that we have done well. It has been a tremendous advantage to have the DWP completely engaged in what we have been doing. Working together—locally and nationally—we have managed to achieve a great deal. However, we are greedy in Nottingham and would like to achieve much more and to deepen and strengthen the existing effective partnership with the Department.

The city strategy programme is about more than just our small but perfectly formed projects. One Nottingham's funding is the tip of the iceberg. The making the connection programme as a whole has seen more than 15,000 people and worked with 350 employers to help more than 975 long-term benefit claimants back to work. However, we are not complacent and know that our work in Nottingham must move to a different order of magnitude if we are to get thousands, rather than hundreds, into sustainable employment, which means that we must work effectively with local and national partners.

On a more personal point, those of us who work in this field must seek to simplify the plethora of titles and jargon if we are to communicate with the public and claimants, rather than with fellow professionals. Few would know that pathfinders, welfare to work programmes and city strategies are actually the same. The welfare to work plan does what it says on the tin. Perhaps the Minister and his officials will pay attention to the plea from me and colleagues who work tremendously hard in this field about trying to put this in plain language to connect with those whom we are trying to serve.

On a weightier point, I would like to put on the record my thanks to the Department, both at ministerial and official level, for such positive and encouraging advice and interaction, which we now need to take further. As part of the city strategy pathfinders network, we welcome that dialogue with the DWP and other Departments, which enables Nottingham to progress our ambitions, and with other city strategy pathfinders, from which we have been able to learn.

What are our next steps? We have some to take with the Department and our local partners, but others must be taken within the broader context of what we are trying to do in Nottingham as a whole. Last Monday, the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Stirling (Mrs. McGuire), supported by a video message from the Prime Minister, launched Nottingham as the UK's first early intervention city. The objective is to break the cycle of intergenerational underachievement—no more sticking plasters, no more little schemes, no more thousands of pounds here and there—and to get to the heart of the intergenerational cycle that often dooms people to a life on benefits. It becomes intergenerational in that there is the thought, "We are not going to be in work. We do not get the assistance that we need. We do not have the aspiration to break out of that intergenerational cycle." In Nottingham, we have set ourselves the task of cracking through that cycle and starting a virtuous cycle, rather than a vicious cycle, in which people aspire to get into work, to do well at school, and to get qualifications, skills and a job.

That is easy to say, but difficult to do. We need to give space to people in Nottingham to ensure that they are not targeted into oblivion in the short term, but supported as they take a long-term view. That means that we can build on success rather than merely tick boxes this time next year. Like our partners in children's services, health, crime and drug services, neighbourhoods and communities, and housing, our skills and employment partners know that it is far too late for them to operate with failed 16-year-olds. It is essential that we get in much earlier to ensure that the required social and emotional skills are in young people for an effective work-ready 16-year-old. Those skills need to be laid down before the age of three and polished through good parenting and schooling.

In Nottingham, we have targeted a package of proposals at those in the zero-to-18 age range. The proposals include the family-nurse partnership, and the SEAL—social and emotional aspects of learning—programme in every primary school. We are helping teenagers to understand relationship building and the significance of social relations so that they can make the best of themselves and their excellent schooling. That will ensure that we tackle the problems well before they have even happened. At the end of the day, no one will know that they might have happened. At the moment, all we do is swat the mosquitoes instead of draining the swamp.

Skills and employment partners know more than any of our other partners that this is about not just working with an ever-replenishing stock of "hard to employ", but cutting off the supply much earlier in the life cycle. In employment terms, that means building aspirations, developing enterprise, and improving support for people who want to use work as the way out of poverty for them and their children. Employment and skills will contribute more policy proposals to our early intervention package. The package reads across from employment and skills into health, and crime and drugs. I will relay one or two of those ideas as my speech develops.

We have already had some success in harnessing the support of the regional development agency through our close connections with Greater Nottingham Partnership

and the support of the business community. We have some 75 employers joining us in our fit for work programme. Our next step is to maximise working on health, crime and drugs, children and families, and housing. Other partnerships and agencies are jointly planning to deliver more integrated and cost-effective solutions. We all have our plans in different silos. The local area agreement allows us to start pulling that together and to drive forward partnership activity that complements, in this case, employment and skills policy. For example, we are working with the local health partnership to enable GPs and health colleagues to recognise that, for many patients, work is the best prescription for achieving an aspiration to work. Working with our crime and drugs partners will also help. As city police commander Beebe said:

"If we address attitudes to work and developing aspirations, we will also tackle one of the major contributors to crime."

Many of us have used the catchphrase, "The best crime prevention measure is a decent job." Our crime and drugs partners understand that as much as our employment partners. Derek Stewart, the chair of our crime and drugs partnership, has underlined the potential for improving the wraparound assistance that helps ex-offenders and problematic drug users so that more of them can get back into work.

This morning, I received an e-mail from the probation service in Nottinghamshire. It told me that through the Offender Learning and Skills Service, the European social fund and Jobcentre Plus projects, work placements that would be invaluable in assisting offenders' return to work have to be turned down because attending the placement would contravene benefit regulations, which would mean that the offender would lose their rights to benefits. A paper is on the way to the Secretary of State setting out those issues and asking for dispensation, so that a pilot scheme can be trialled in Nottinghamshire to allow an offender to accept unpaid work placements without benefit sanctions. Those bright and constructive ideas, which Ministers and officials can assess to see whether they work, are emerging from my challenge to our partners to help address unemployment and skills. The sign has not gone up saying, "That is nothing to do with us; we deal with crime and drugs." Our partners are reaching across to say, "We have an idea about that."

We are working with our housing partnership and our arm's length management organisation, Nottingham City Homes. We can provide skills and employment components to isolated 16-year-old single mums who require supportive housing. One might not think that that is an employment issue. However, if we can help those single mums by supporting them to live in a decent place and by reassuring them that their child will be cared for effectively by themselves or carers, they become available for employment and training opportunities. Again, we see that read across to a housing partnership. Next week, I hope to take the matter forward when the chair of my housing partnership and I visit officials from the Department for Children, Schools and Families and the Department for Communities and Local Government. Obviously, there is a read across and we will keep DWP colleagues informed of our impact there.

We are working with our children's partnership to tackle child poverty and to beef up our 16 to 19-year-old agenda. Therefore, a web of assistance and support—through partnerships with crime and drugs, housing, and children's services—is being installed to help our employment and skills partnership. It is overarched by the mission of One Nottingham—prevention, pre-emption and early intervention—to make a reality of our drive to become an early intervention city so that problems can be eliminated and reduced at source, rather than massive public expenditure being used to tackle the symptoms much later, much more ineffectively and much more expensively. If there was a reshuffle coming up, I would like to see my hon. Friend the Minister on his way to the Treasury. If that happened, he could base the next comprehensive spending review on the theme of early intervention. I would like to see a three-year package that fundamentally changes the way in which public expenditure is used so that we can tackle the problems rather than just calm some of the symptoms.

Whitehall is following our lead, and might follow even further. The Secretary of State for Work and Pensions will join us in Nottingham to see some of the things that we have achieved and, hopefully, to keynote a conference on 5 June, in which he can outline some of the next steps that the Department and ourselves can take in the coming years. Above all, we require his support to continue to break down any remaining silos or obstacles that hold back an effective city strategy. However, to do that well locally, we require national clarity about the post-Leitch and post-Freud settlement. We can adapt any strategy and make it work, providing that we know what it is, and there are a number of ways in which we would like to influence what it is.

I hope that my hon. Friend the Minister will ensure that the Secretary of State comes to Nottingham armed with responses to a number of issues that we have presented via the city strategy learning network. It has produced a rather lengthy document—necessarily so—entitled "Request for further enabling measures". I do not know whether the Minister has seen it yet; I first saw it only about half an hour ago, so I shall forgive him if he does not have it at his fingertips. From a cursory glance through it, it strikes me as entirely constructive and positive. It contains a number of specific and sometimes technical points that will cut away some of the things that practitioners are finding difficult to deal with when helping people get back to work, which we would all like to see happen as expeditiously as possible.

There is a great deal in the document, including about leadership, how to align targets and how to improve employer engagement. There are also a couple of things that I wish to address specifically. The first is accountability, scrutiny and commissioning. We need to know whether those responsible for city strategies will continue to deliver programmes themselves, or whether they will loosely oversee private and voluntary primary providers. We can operate either system, or both, but some clarity will allow us to work more effectively, should we be requested to engage more strongly with private sector or voluntary providers.

Nottingham's city strategy partners are particularly keen to see movement on the request for enabling measures on local scrutiny, accountability and commissioning. We feel that our employment and skills board already fulfils some of the necessary functions, including aligning funding in the city strategy commissioning prospectuses, but a more formal role would be welcome.

[Mr. Graham Allen]

Through our opportunities as a pathfinder, we have been able to influence local partners to engage more effectively in DWP commissioning. Forthcoming European social fund activity will be delivered by a new and innovative private-voluntary sector partnership, and we are keen to take up further opportunities to influence the DWP's future commissioning activity in our area. We are also interested in exploring options with the DWP for joint commissioning as equal partners, and particularly how we can add value to larger DWP programmes through our local discretionary resources.

Another matter on which further work is necessary is data sharing. That applies particularly to our efforts to create an early intervention city. We would like proper data tracking of families, from the point at which unborn children are at risk of falling into a cycle of underachievement. We could start tracking through the midwife, then through the health visitor, the primary teacher and Sure Start and children's centres, to get intervention to a young person at the earliest appropriate moment. The golden rule is that the earlier the intervention, the more effective and cheaper it is. When tackling drug abuse, for example, if we can get effective parenting skills to a mother and effective drug education to her child for £2,000 a head, that will save £200,000 a year on often forlorn efforts at rehabilitation, which has a very poor sustainability rate, at the age of 18. Little expenditure can be more effective if it takes place earlier.

Similarly, data sharing enables public, private and voluntary sector organisations to intervene early. That is why it is fundamental to what we are doing and to the employment and skills part of what our broader partnership is intended to do. We would welcome greater opportunities to use the collective authority and accountability of the employment and skills board to analyse the performance of providers of mainstream and discretionary provision locally and, crucially, to enable us to customise provision to provide a better fit with local need. To achieve that, it is crucial that the DWP and the LSC sign up to much more effective data and performance sharing.

The Minister would be surprised if I concluded my remarks without mentioning the 16-hour rule, and I shall not disappoint him. The current lack of flexibility in that rule is critical to our ability to respond effectively to employers' needs. Making the connection partners are working with employers to develop training packages and secure guaranteed interviews, but they often find that they cannot deliver to the employers' time scale, as training has to be extended over many weeks to work around the 16-hour rule.

A good example of the impact of the rule is our current work with E.ON and Working Links. We hope to deliver a significant making the connections package to ensure that we move as many priority group customers as possible into the 400-plus jobs that are being created. Flexibility in the 16-hour rule would enable our response to be much more effective and more relevant to such a major Nottingham employer and to our communities. We would be interested in engaging in more detail with the DWP and Her Majesty's Treasury on reducing the unintended job-destroying consequences of the rule.

Of course, we would want any relaxation of the rule to be clearly linked to specific employer-led pre-recruitment activity, with guaranteed interviews and sustainable outputs. We do want not a way around the 16-hour rule that would allow thousands of students to claim; rather, we want to finesse the application of the rule so that it can do the job that I know the Department wants it to do. The devil is in the detail, and we believe that we can help the Department to work through that detail and make the rule more effective.

Much of our partnership's work is on community engagement and raising aspirations. We see that as critical to being able to turn up the pace of addressing worklessness in our most disadvantaged communities, and we would welcome a cross-departmental making work pay forum to examine some of the practical barriers to people going back to work. The remit of that group must go further and consider attitudinal barriers and perceptions.

I am sure that my hon. Friend the Minister knows that I am not attempting to claim that mine is a typical English constituency—far from it. We have the highest number of teenage pregnancies of any constituency in the UK and the fewest young people going to university, so it is clearly unusual. The ridiculously tight boundary that has been drawn around the city of Nottingham also makes it unusual, since its statistics are not leavened by figures for any suburbs, rural areas or green space. The area is tightly bounded around the inner city, with its problems, and the outer-city estates that I represent, with theirs. That makes a mockery of Nottingham's position: it is always low in league tables merely because we do not have a nice, comfortable band around Greater Nottingham that would put the city in the middle of most league tables, as we would wish. I hope that this is not a sore point, Mr. Martlew, but that is apart from Nottingham Forest being at the top of the league table that our local clubs share. My apologies for mentioning that.

Anecdotal evidence from our local communities and from our focus groups with clients suggests that misconceptions about the working tax credit and other in-work incentives may be another barrier to people going back to work. The Government's pledge to deliver a "better off in work" guarantee is welcome, but further work on perceptions, which can sometimes be pervasive and damaging to local confidence, could be the forum's key role. That would enable us to be locally sensitive, particularly in areas of chronic underachievement or deprivation such as the one that I represent. The One Nottingham organisation and our skills board also hope that the forum, in which we would be delighted to participate, would be able to take a longer-term view of welfare to work initiatives, and not least of the intergenerational scope of early intervention, to prevent problems from recurring.

I have spoken at some length, but I had anticipated that other hon. Members would join me—perhaps they are still travelling back after the bank holiday. I know that the Liberal Democrat and Conservative spokesmen want to speak and that the Minister will reply, but I will continue for a few minutes, if that is in order Mr. Martlew, because I want to use the time effectively and put one or two other matters on the record.

The city strategy learning network comprises all those cities that have a city strategy welfare to work programme. The cities involved have made several points, which I do not expect the Minister to answer today, but I urge him to read the document, because it contains some good

ideas. One such idea is an adult advancement and careers service, and the document identifies priority areas for developing and piloting the new service. Will he consider whether such pilots could be used to test how assessment can be enhanced from day one of a claim, with more in-depth assessment for disadvantaged groups? Where possible, information on assessment should be shared across providers and other agencies, to contribute to the customer journey.

The delivery of a wide range of information and advice should be further co-ordinated and closer links should be forged with Jobcentre Plus. Perhaps unified branding should be developed across the service delivery partnership, which returns us to the confusing number of organisations. Even as someone who is on the inside and who is trying to help people to navigate their way through the system, I find that that issue recurs, and I am sure that clients have experienced it, too. We need more proactive approaches to supporting clients, such as skills health checks.

When I mentioned exploring the 16-hour rule with the Government, I should have discussed the inflexibility regarding eligible activity for Train to Gain funding. While I am at it, I want to throw in the extension of the education maintenance allowance and the cessation of the standard training allowance, which sometimes make it problematic for young people to start employment and access training rather than stay in education. The partnership could be used to improve those arrangements.

Nationally, the partnership effort should be assisted in Whitehall. The Department for Children, Schools and Families should consult city strategy partnerships on the implementation of the children's plan to ensure that effective links are forged with extended school and child care provision, and the child poverty unit should prioritise city strategy areas for the proposed child poverty pilots. I hope that such links, including those to housing and health provision, are made more evident by the interaction between partnerships and the Department.

On making work pay, specific attention should be focused on a number of groups. For example, eligible child care costs are currently capped for large families; the level of housing benefit loss on taking up employment is prohibitive for homeless people housed in emergency accommodation; and non-working absent parents face potentially high immediate increases in maintenance payments on taking a job. There are many other such groups, including those who are using part-time work as a stepping stone into full-time work.

We must develop a more serious cognitive behaviour therapy arm of the city strategies. If we were enabled to do what we want to do locally, there would not be enough cognitive behaviour therapists in the private and public sectors to make the breakthroughs that we need. That issue affects individuals who may not need serious assistance with profound mental health problems, although some may need such help, but who need less skilled interventions—such people may need a friend, a helper or someone to motivate and encourage them in difficult times.

We have made a sound start in Nottingham, and we have developed imaginative proposals—we want to be at the cutting edge of what happens nationally, and we are. The city strategy welfare to work scheme is helpful, and I am delighted that it was advanced by the former Secretary of State for Work and Pensions, my right hon. Friend the Member for Barrow and Furness (Mr. Hutton), continued by my right hon. Friend the Member for Neath (Mr. Hain) and is now being taken forward by the current Secretary of State for Work and Pensions, my right hon. Friend the Member for Stalybridge and Hyde (James Purnell). If the DWP continues to listen to those on the ground who are trying to make the system work, a series of possibilities will open up, which will allow the implementation of the detail to make the proposals work. For example, when antisocial behaviour orders were introduced, they were regarded as a good thing, but it took several years of Members of Parliament, as much as anyone else, interacting with Ministers to make ASBOs reliable and effective.

There has been a good start both locally and nationally, but we need to know where the Government want to take us on this journey. I assure the Minister that wherever the Government want to move the welfare to work programme, those of us who care about under-skilling, under-training and under-employment in our constituencies, whether or not we work within local strategic partnerships, will be at his shoulder trying to make those programmes work. Again, I thank the Minister and his officials for all that they have done in putting the first phase of the city strategy in such good health.

11.36 am

Paul Rowen (Rochdale) (LD): I congratulate the hon. Member for Nottingham, North (Mr. Allen) on securing this debate. I do not know whether, as he has said, the bank holiday means that many MPs are still on their way to work, but the topic and this debate are important.

Although the hon. Gentleman has mainly discussed the city strategy debate and what is happening in Nottingham, he has raised a number of broader issues, which I want to consider. In addition, I represent an area of Rochdale that is still experiencing rising unemployment, and I hope that the Minister will address the issues around that.

After 11 years of this Labour Government, more than 9 million people of working age are unemployed or receiving benefit. More than 2.5 million of them are on incapacity benefit, of whom more than 1 million suffer from mental health problems. The figure for incapacity benefit has risen dramatically since 1979, when it stood at only 800,000. It is clear to me that successive Governments, both Labour and Conservative, have used incapacity benefit to mask unemployment. Although there is now a broad consensus that that is wrong, we are dealing with the legacy of that under-investment in people.

Liberal Democrats believe that work is good for most people. It is the best route out of poverty, and it provides benefits in terms of confidence and mental well-being. In the past 10 years, policy has been driven by the Treasury, and, as the hon. Gentleman has said, it has not been joined-up.

A holistic approach is required to deal with particular problems in our industrial towns and cities. That is apparent when one looks at the Public Accounts Committee report that shows that, except for the pathways to work programme for disabled people, which has been underfunded, and the jobseeker's allowance for the

[Paul Rowen]

over-50s, the programmes to tackle unemployment have failed to be a cost-effective solution. Similarly, the recent National Audit Office report showed that the likelihood of exiting JSA varies from 4:1 to 20:1, depending on the location of the jobseeker. The average likelihood is 9:1 and for people over 25 and the long-term unemployed, it is 40:1. Those statistics are entirely unacceptable and show clearly that, despite their rhetoric, this Government have not succeeded in dealing with some of the longer-term problems.

When announcing a review of the welfare to work strategies on 18 December 2006, the then Secretary of State, the right hon. Member for Barrow and Furness (Mr. Hutton), said that the review would address

"How we can tackle the 'can work, won't work culture'".

I hope that the Under-Secretary of State for Work and Pensions, the hon. Member for Warwick and Leamington (Mr. Plaskitt), will tell us today where that review is going. However, I have to say—I am sure that many hon. Members who are not here today would, too—that it is not just the "can work, won't work" attitude that needs to be tackled, but the "can work, can't find a job" attitude. Earlier this year, the *Daily Express* did a large piece focusing on part of my constituency—the Falinge area—showing that more than 75 per cent. of the people there were on benefits and not working. I know from talking to a good many of those people that that is not because they do not want a job, but because the support they are given is inconsistent and short-lived, is not tailored to their individual needs and does not deal with some of the serious problems that many of them have; in addition, when they have gone through all the processes and are ready for a job, there are no jobs available. In my constituency, unemployment is still rising, and a recession is likely to ensure that it rises even further. There is a need for far more imaginative strategies and greater acceptance by the Treasury of the fact that, sometimes, we must invest to save.

I know that the Government have responded to the Freud review and the Leitch report and that we are seeing change. Jobcentre Plus offices are being changed, which the Liberal Democrats broadly welcome. We want Jobcentre Plus to become a "first steps" agency, responsible for benefit claims and for identifying suitable employment support, rather than for providing longer-term support. We support the Government in their efforts to involve more private and voluntary sector organisations in tailoring provision better to the needs of unemployed people. However, we are concerned about the way the contracts are being let; we are not convinced that large-scale regional contracts, especially if they might be taken by overseas companies that have a strict profit motive, are necessarily the best approach. There is a place for small-scale, local providers and we do not want such provision to be driven out. We accept the need to tackle skills gaps, which is why we believe support should be far more tailored and should not be short term—13 weeks or a similar period. People who have been unemployed for four or five years may take longer to get a job and need to be given enough time.

We welcome Dame Carol Black's report on health and worklessness; her work on that important link needs to be developed. The Government have not given sufficient support to that type of initiative in the past, although that work is now being done. On Saturday, I spoke to a constituent who is on incapacity benefit; he had gone back to work, but was unable to stay in the job because, owing to periodic relapses, he was unable to continue to work full time. The Government should consider what the hon. Member for Nottingham, North said about the 16-hour rule. If we are to get the more than 1 million people who suffer from mental illness in its various forms back into work, we must accept that they need more support, and their employers and the benefit systems must recognise that there may be times when they are not able to work full time or when they need time off.

We have to look at how someone's inability to work can lead to a sudden loss of income, as their housing and other benefits are affected, or to their being told that they owe money. The whole benefits system needs to be reformed. It is far too complex and acts as a powerful disincentive to getting back into work. We believe that there should be a single working age benefit that "does what it says on the tin" and is not loaded with caveats about what individuals can and cannot claim and how they can move forward. Within that, we want a single minimum wage, without the different rates that are paid to people depending on their age, which we believe are unhelpful.

There are many barriers to work. Some 1.7 million people face withdrawal of benefits at marginal rates of more than 60 per cent. if they return to work. When people return to work, we want some of that benefit to continue to be paid to them, with perhaps some paid to their employer as a subsidy—a guaranteed investment in their job.

I hope that the Under-Secretary will outline today the commitment involved in the city strategies and how the Government envisage their development. We believe that it is not only cities, but towns such as Rochdale that need a strategy. We are considering as a borough what we can do to tackle the problems in Falinge. There is something else that the Government can do to overcome the "can work, can't find a job" problem and to help people to find a job that lasts.

Mr. Allen: I agree with some of the points that the hon. Gentleman has made, especially on the interaction of benefits and taxation. I am not sure whether the 20p rate makes that easier or harder. Does he agree that, if city strategies are to be extended to towns as he suggests, we need to know, as a matter of urgency, that the current city strategies will continue for a couple of years, as that would provide the basis for any expansion?

Paul Rowen: I agree entirely. We need a commitment from the Government. The review of the welfare to work strategies announced in December 2006 by the then Secretary of State will enable the Under-Secretary to give that commitment to those cities that are already operating a city strategy, thus enabling the programme to be rolled out further. That is what I would like to see happen.

In my borough over the next five years, £2 billion of private and public investment is being spent. That is a combination of money through housing market renewal; Building Schools for the Future; other projects such as Metrolink, which is coming to Rochdale; the local improvement finance trust, or LIFT, programme for health centres; and £200 million that is being invested by the private sector in regenerating our town centre.

When there is such large-scale public investment going on, I would like to see the Government encouraging employers to take on board and train people who are currently unemployed. That is why it is important to shift some of the benefit that is being paid to people in Falinge to sit at home when they want to work; I could take the Minister round to people who will tell him that they want to work but cannot find a job. If we look at the unemployment rate in Rochdale, that is patently obvious; as a major manufacturing town, we are still continuing to lose employment. However, it would be good if we could get some of the money that is being invested to enable unemployed people to go into some of the major projects. For example, the housing market renewal investment going in could train people to become bricklayers, plasterers, plumbers or electricians.

Similarly, the work that is going on in Building Schools for the Future would benefit local people. That work is not all about building, because in these new schools the IT infrastructure is being put in, along with private finance initiative programmes that will enable private sector providers to deliver that infrastructure. So people can also be trained in IT.

If we could see such joined-up government, which could use the leverage that public sector and private sector investment have to alleviate unemployment problems, that would go a long way towards improving matters. That is an awful lot of what the city strategies, such as the Nottingham city strategy chaired by the hon. Member for Nottingham, North, are trying to do. It is joined-up government. It is not all about putting everything out to the private sector; it is about the private and public sectors working closer together.

That is why it is important that the Under-Secretary give an early indication of the Government's thinking on city strategies and that the city strategies programme be rolled out. Rochdale is not a city, although we are part of Greater Manchester and we have been involved in the city strategies programme. There is a great need to develop these policies.

Unemployment, including the number of employable people who are not employed, remains stubbornly high, certainly in industrial blackspots such as my constituency. We need new thinking and we need a commitment from the Government to long-term investment, not short-termism. We also need the Treasury to begin to understand that it is possible to spend to save. If we could have such a policy, we will go a lot further than we are at the moment.

11.53 am

Mr. Mark Harper (Forest of Dean) (Con): It is a pleasure to serve under your chairmanship again, Mr. Martlew, and I will not spoil things by mentioning football; we in Gloucestershire tend to play sports with a different-shaped ball, so we will stick to them.

I also offer my congratulations to the hon. Member for Nottingham, North (Mr. Allen) on securing this debate. I must say that, at the beginning, I was a little surprised by the fact that he was sitting behind me, and I wondered whether he was announcing something about his political affiliations. However, having listened to his speech, I am sure that the Under-Secretary is overjoyed to learn that he was not doing so, and that the hon. Gentleman is still on the Government Benches.

I listened with great care to what the hon. Gentleman said and I have followed a number of the things that he has said on these issues. I know that he takes very seriously the idea of joined-up government and indeed, in his own constituency, he is rather an exemplar of that approach, chairing his local strategic partnership and, as all MPs do, banging heads together locally, within both local agencies and Government agencies, to ensure that those agencies work together effectively.

The hon. Gentleman referred to the position of Nottingham in the sector of welfare to work policies. I have done some research for this debate and therefore I know that in his constituency and elsewhere in Nottingham there is a challenge, for example, in terms of the households that are claiming out-of-work benefits. As he said, his constituency of Nottingham, North has the unfortunate status of being in the top 20 nationally of constituencies that have children in households claiming out-of-work benefits, with a figure of 38.6 per cent. Again, if one looks at the number of children in those households, one sees that 8,265 children are affected. Indeed, all three of the Nottingham constituencies are right at the top of the league table if one looks at the east midlands as a whole. So he laid out extremely well the challenge for welfare to work strategies and the importance of having all the different agencies joined up.

The hon. Gentleman also made the point about the intergenerational cycle of deprivation, which is why I referred to the figures about children in households on out-of-work benefits. It is certainly the case that, if a child is brought up in a household where nobody works and in an area or estate where perhaps very few people work, that child is brought up in an environment where the norm is that people do not go out to work. I think that that is what the hon. Gentleman was referring to, and that is the problem that we have to try to crack.

I was also very pleased to listen to what the hon. Gentleman was saying about early intervention. In a different incarnation a few years ago, when he was shadow Home Secretary, my right hon. Friend the Member for West Dorset (Mr. Letwin) made similar points. My right hon. Friend used different phraseology; he talked about a "conveyor belt to crime". However, he was very much looking at identifying families and the situations that did not give people a very good opportunity to avoid trouble, and he also considered what we could do at an early stage. The hon. Member for Nottingham, North laid out those problems and possible solutions very clearly.

The hon. Gentleman also laid out the importance of looking at benefit reform, particularly benefit simplification, and its interaction with our welfare to work strategies. It is very clear that the benefit system is very complex; it is difficult enough for Ministers, shadow Ministers and Members of Parliament to understand it sometimes. Therefore, I sometimes wonder how those claiming the benefits and those thinking about whether they would be better off in work are supposed to do things. Although there are some good calculations now for single parents on out-of-work benefits who are looking to go back into work, those calculations are not done universally for everybody on out-of-work benefits. The calculations can be very complex for people when they are trying to work out if they would be better off in work.

[Mr. Mark Harper]

The hon. Gentleman raised a number of other issues, not just with the benefit system but with the Child Support Agency and the situation of absent parents paying for their children; all the sorts of things that can impact on whether someone moves back into work.

Mr. Allen: I agree with much of what the hon. Gentleman has said. There is one specific area where the benefit system interacts most negatively with people's desire to work. That is where we are forcing someone who wants to take a job to gamble with their future benefits. If someone takes a job, comes off all their benefits and that job then falls through, they would have to start from scratch again with all the form-filling and bureaucracy. It could take many weeks and months to recoup the position that they had before they took that gamble of taking a job. Removing that "gamble" element from our welfare to work programme would be one of the key measures that both major parties could address and work on together.

Mr. Harper: I am grateful to the hon. Gentleman for making that point. He is absolutely right; one of the challenges that we face is how we can design benefit systems to recognise the fact that most people are honest, decent and want to work, and that the number of people who will abuse those systems is relatively small. How we correctly design those systems to reflect the facts, without leaving ourselves open to those people who would abuse them and take the taxpayer for a ride, is the challenge that we face. However, the hon. Gentleman is quite right; we need to design benefit systems so that they give people who want to work every encouragement to do so and do not leave them feeling that, if they take that gamble and make that leap of faith, they will come off so much worse afterwards.

One of the things that we really need to do is embed working. I think that all parties agreed today that work is generally better for people than not working. It is not just better for their financial position, but for their health and general well-being. Embedding that idea is something that we need to do when we look at these issues.

I am very pleased that earlier today my right hon. Friend the Member for Witney (Mr. Cameron) made it clear that a future Conservative Government would have welfare reform and welfare to work strategies as one of their three priorities. The hon. Member for Nottingham, North outlined the scope of that challenge.

One of the key things that the hon. Gentleman and the hon. Member for Rochdale (Paul Rowen) alluded to was the funding situation for many of these programmes. Perhaps the Under-Secretary would cover that in his remarks, as I am still not entirely clear how some of the programmes are funded. I understand that, to a limited extent, the savings that are made as people come off benefit and move into work can be reinvested in programmes and strategies, certainly city strategies, but that is not the case across the piece. At present, savings from benefits cannot be used to fund the programmes. In effect, that limits the scale of the ambition of the Government's welfare to work strategy.

[FRANK COOK *in the Chair*]

My hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor, made it clear that a Conservative Government would allow the Department for Work and Pensions to use savings from benefits to invest in the programme and therefore be much more ambitious about getting all those on incapacity benefit who can work back into work. In the Budget this year, the Government alluded to doing that, but it is not clear whether they have. It would be helpful if the Under-Secretary commented on that. The hon. Member for Nottingham, North touched on the extent to which getting people back into work can help alleviate poverty.

Mr. Allen: I welcome you to the Chair, Mr. Cook, but just before the hon. Gentleman moves on to his next point, will he say whether he believes that it would be possible, were people to be retained in employment, that any bonus payments made to companies that had achieved a six-month, one-year or 18-month period of employment would not necessarily return to the DWP but would either be retained by the private company or voluntary sector organisation delivering the service or by the city strategy organisation? In other words, will the localities be rewarded for supporting such initiatives, rather than the Government taking a cut if the localities are successful?

Mr. Harper: That is an interesting question. I believe I am right in saying that the hon. Gentleman's strategic partnership or a similar local organisation is actually one of the Government's welfare to work providers. Indeed, he said something that my party made clear in its strategy. We want to use the private and voluntary sectors and pay by results if they get people back into work for a sustained period. The work that they will have to put in and how we will measure that may depend on the amount of effort required for an individual—it is clear that one size does not fit all. In the design and detail of contracts, we will have to look at where the resources stay.

The hon. Gentleman's suggestion was a good one for two reasons: first, local providers—in his case, his local strategic partnership—would be given an incentive to do the work; secondly, and importantly, the money would stay in the locality. No doubt we will be thinking over the next couple of years about the extent to which welfare reform can be done locally and not just nationally.

An interesting outcome of the trials in the United States, where such things can be tried at a federal and state level, was that doing things locally drove success. It was not a great big federal bureaucracy trying to do everything from the centre, but pushing power and programmes down not just to the state but to the city and town. That is one of the things that has not been done very well in this country. The hon. Gentleman's question and some of the things that he is doing in Nottingham may well indicate how we could do that and how welfare reform and welfare to work strategies could be carried out more successfully at the local level in future.

It is interesting that, despite the Government's focus on poverty and their making it a priority, the number of families in severe poverty, which is defined as below 40 per cent. of median income, has grown from 1.4 million to 1.8 million since their baseline year of 1998-99. That is on their own figures. Indeed, the number of families below 60 per cent. of median income has gone up by 200,000 in that period. Clearly, that is the national

number, and it applies to places other than cities. The Department has admitted that it will not hit its child poverty targets, and it is clear that a more successful welfare to work strategy will be crucial in doing so.

I have one or two other questions for the Minister. In a previous question session, I asked the Secretary of State about the Government's policy of reassessing all existing incapacity benefit claimants between 2010 and 2013. How many extra pathways to work opportunities will there be over and above those that have already been announced? The Secretary of State was not able to answer that, so it would be helpful if the Minister did so.

The hon. Member for Rochdale briefly touched on the age profile of people on incapacity benefit. The Government have said—obviously, this is important for cities as well as elsewhere—that they want to get 1 million people off incapacity benefit by 2015. At present, about 650,000 to 700,000 people on incapacity benefit are aged between 57 and 64, and they will have retired by 2015. Can the Minister confirm whether 700,000 of the target of 1 million will be achieved purely by the passing of time—700,000 people will have retired and therefore will not be eligible for incapacity benefit—or whether the 1 million are over and above that? It would be interesting not just from a city perspective but from an across-the-country perspective to know that.

The House owes the hon. Member for Nottingham, North a debt not just for raising this issue but for the work that he does locally, as that will provide an interesting opportunity to look at how effectively city strategies can work and how effectively local organisations and the central Government can tackle deep-seated challenges in cities across our country.

12.7 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Mr. James Plaskitt): To pick up the point on which the hon. Member for Forest of Dean (Mr. Harper) ended, we do indeed owe a debt to my hon. Friend the Member for Nottingham, North (Mr. Allen) for bringing this debate to the Chamber and for reminding us what a difference it can make in a constituency and an area if the local Member of Parliament is fully engaged with service delivery, as he is in Nottingham and other Members are in other areas.

We are also indebted to my hon. Friend for ably illustrating just how effective the city strategy is when everyone gets behind it and innovation is allowed to come through. That is exactly what we had in mind when we launched the strategy. To pick up another point made by the hon. Member for Forest of Dean, as anybody would expect, it is one thing for the Government to write the general rules of welfare provision and to provide the framework, but individual areas have different and distinct needs and aspirations. The secret is to have the mix of standardised broad rules and a good deal of flexibility at the point of delivery, so that the system is better targeted and more effective in dealing with specific local issues. I pay tribute to my hon. Friend the Member for Nottingham, North for securing this debate, for his personal engagement with the subject, and for playing a leading role in the work in his own city.

My hon. Friend said that he was reviewing progress so far. He asked for more and confessed that Nottingham was being greedy as a result of his doing so. I do not think that that is true. What he expressed is not greed, but ambition on behalf of his city and the people of Nottingham. It is absolutely right that he should have that sort of ambition for his city and it is right that he comes to the Department and the Government generally to ask, "Having learned from what we have done already, how do we take this further, achieve more and make even more progress?" That is exactly the right way to respond, and if he thinks that that is being greedy, I encourage him to go on being greedy.

I would like to put the matter in context before I address the issues that my hon. Friend and others have raised. It is true to say that, so far under our Government, employment has risen throughout the economy to a record 74.9 per cent. In the course of achieving that, we have helped 1 million people to come off out-of-work benefits and to move into work. There have also been big improvements in relation to the employment of some of the most disadvantaged groups in society—for example, there have been big gains in employment for lone parents, older people and people with disabilities. Although real progress has been made towards achieving higher levels of employment and moving people off welfare and into work, as my hon. Friend and other hon. Members have said there has not been enough progress, and I would echo that. Of course, more needs to be done—he is right about that. Despite the successes that we have had, as he has described in Nottingham, there remain pockets of significant disadvantage and worklessness where extra support and perhaps a different approach will be needed to reach the target of 80 per cent. overall employment.

A recent report on Nottingham showed that we will not succeed in tackling deprivation until we raise the aspirations of young people and adults throughout the area. As he said—I agree with him on this—there remains a culture of underachievement in too many communities. That point was also made by the hon. Member for Forest of Dean. That culture of underachievement is often combined with a strong sense of dependency that becomes deeply ingrained and pervades generations. We must break that cycle and move it into the virtuous cycle about which my hon. Friend spoke.

That is why I am so pleased that Nottingham is an early intervention city—my hon. Friend was right about that. My Department has emphasised and supported that work and shares his ambitions about what it might deliver for his city. In that regard, he rightly emphasised the importance of data sharing. In pathfinder areas, we have put in place a memorandum of understanding between all parties that is designed to assist data sharing. As he knows, we have problems with that in terms of security, but once those problems are resolved satisfactorily and we are making good progress, data should flow smoothly between different bodies, which is essential to making the whole programme work.

As I have said, we have launched the city strategy pathfinders in areas such as Nottingham, and through innovation, improved partnership working and aligning resources, the pathfinders are making a real difference to tackling unemployment in such areas. In all pathfinder areas to date, lone parents, people from ethnic minorities, people claiming benefits because of health problems and older workers are receiving more specifically targeted support that is relevant to their circumstances to help them to find work. All the partnerships have agreed on

[Mr. James Plaskitt]

targets of reducing the numbers on benefit by 3 per cent. by May 2009 and increasing the local employment rate by an exactly equivalent amount. Those are pretty stretching targets that will be met only through successful partnership working.

Pathfinders have already made great progress in successfully pulling together the right mix of organisations and employers so that they can meet their employment targets. For example, Jobcentre Plus advisers are already working with Prison Service and other agency staff to help ex-offenders to move directly into sustainable employment. In Liverpool, the pathfinder is working in partnership with Connexions and Halton council to deliver an information and communications technology apprenticeship programme that is targeted at 16 to 18-year-olds who are not in education, employment or training. They are provided with training and a placement in a local company, which means they are immediately picked up and supported at the critical time.

My hon. Friend asked about progress to date and in the future. I am pleased to say that an interim evaluation report on progress in all the pathfinders will be published soon—this month, in fact. Following on from that, the full report will be available by October, so he and others will soon be able to see the Department's analysis and evaluation of how the pathfinders are progressing. I can add more to that: already, the pathfinders have highlighted the importance of local partners working closely with central Government to deliver successful local solutions to employment issues. Those involved with pathfinders are already emphasising a point that my hon. Friend made: that it is important to make connections run wider than the issues and services that are seen as immediately relevant to employment. For example, services could be linked to organisations that deal with health, criminality and disorder. It is not just about ensuring that there is joint working locally and centrally; working needs to be extended widely across each of the pathfinder areas.

City strategy status provides the pathfinders with the credibility and status to deal with matters that had not previously been satisfactorily addressed—for example, by local strategic partnerships—as well as additional resources, such as a dedicated £4 million from the regional development agency budget, to tackle worklessness. The work of the partnerships is beginning to unlock other avenues that were not previously available. Throughout the next year we will continue to discuss options for the future with all the pathfinder areas.

My hon. Friend mentioned the important matter of commissioning and I would like to deal with the points he made. That matter was also mentioned by the hon. Member for Rochdale (Paul Rowen), and a question was asked about how local partners can play a larger role in the commissioning of services. The Department's new commissioning strategy is a major step forward in modernising and strengthening the welfare to work market. By incentivising and rewarding providers for securing sustainable job outcomes, we have opened the door for local partners, such as city strategy pathfinders, to play a more active role in the commissioning process. We hope that that will ensure that local providers have the discretion to deliver a more flexible and personalised service to customers. I can already report that consortium leads have worked with my officials during the commissioning process for new pathways, new European social fund contracts, and the new deal for disabled people. In fact in the roll-out of the private sector-led pathways to work, local providers are contractually obliged to work with the city strategy pathfinders. That has been taking place since the first phase of the work was rolled out in December 2007.

The hon. Member for Rochdale pleaded for contracting to be pushed down to local level, as he feared that otherwise the contractors might be too large to respond to local needs. I urge him to revisit the document that we published on commissioning. He should understand the distinction between the lead providers that oversee large areas and the plethora of smaller providers with local ability to which the leads might sub-let work. The advantages of both need to be drawn together. It is not the case that there will only be providers that are large enough to handle the tasks involved but perhaps not sufficiently fleet of foot to deal with local circumstances. The way in which the system has been constructed should answer his point.

Hon. Members rightly drew attention to the 16-hour rule and stressed features of the rule that cause concern. I believe that everyone understands why we need such a rule; indeed, no one suggested that we should not have one. However, mention was made of the consequential difficulties that can arise under a 16-hour rule and the rule's ability to trip us up in respect of welfare to work. I can tell my hon. Friend the Member for Nottingham, North that Ministers wrestle with the issue pretty regularly, so I fully understand the points he made. They form part of my daily agenda, and I sometimes feel that I am working more than 16 hours trying to solve the issue.

I agree that it is vital that those claiming jobseeker's allowance should be able to take up the training that they need to help them to enter employment. The employer-led pre-recruitment packages that my hon. Friend mentioned are a perfect example of the training opportunities that we want to encourage. We want to engage with any sector or employer that could provide such training through a local employment partnership. It is a promising area, and I am pleased that my hon. Friend placed the stress on it that he did. It has great potential.

Interestingly, we do not need to relax every aspect of the 16-hour study rule in order to enable people to take that type of training. We already have the flexibility to transfer an individual taking up such an opportunity to a training allowance. That removes the requirement on them to be available and actively seeking work, while still protecting their benefits. For example, the employability skills programme offers a mixture of basic and vocational skills to JSA customers; it will be available to support 11,000 people in the way I described. Those customers will not receive a lesser amount of money. In fact, they will receive an additional training premium, and they will usually get help with child care and travel costs.

As we announced last November, we will increase access to such training allowances for individuals who have been unemployed for more than six months, to enable them to undertake full-time, employment-focused training for up to eight weeks. That is a significant increase on the two weeks of full-time training allowed under normal jobseeker's allowance rules. We expect to test that new flexibility in the west midlands later this

year, and to roll it out nationally in 2009-10, using the lessons learned from the west midlands pilot.

I assure my hon. Friend that we are continuing to consider a range of ways to increase access to full-time training for jobseeker's allowance claimants, including further specific relaxations of the 16-hour rule if it helps to support their move into employment. I hope that I have reassured my hon. Friend and the hon. Member for Forest of Dean regarding the importance of continuing work on the 16-hour rule.

My hon. Friend also mentioned establishing a forum on making work pay—another interesting idea. I note the suggestion for a forum in his area, but I think that he envisages it being deployed more widely. The idea has already been suggested by a number of the pathfinders. I agree with my hon. Friend that it would provide a better understanding of how to tackle the practical and attitudinal barriers faced by a number of disadvantaged groups.

The 15 pathfinders have established a network that enables them to share good practice and promote innovative thinking between themselves. In the light of that, I have asked my officials to meet representatives of the pathfinders to establish how that network can further help my Department to develop policies to tackle worklessness among the most disadvantaged. While still adhering to universal rules, which we must have, we can engineer additional techniques to ensure that those rules, for which there are perfectly defensible reasons, do not trip us up when dealing with groups that have specific needs.

Hon. Members have spoken about the difficulties that people can have when considering a move from benefit into work. My hon. Friend was right to say that it is a gamble that people have to take, but we must be able to reassure people who are considering potential jobs that if things do not work out, they will not have to go back to square one and face the prospect of a complete lack of funding for the family while the benefit system kicks back into action. It is about defining the run-on of benefit, or a quick reclaim should a job not work out after a certain time. Elements of that are already in place. It is already possible for people to get support quickly should a job not work out.

My hon. Friend is right to say that such reassurance is essential. First, we need to be able to demonstrate when a job becomes available that it will pay and that the person will be better off taking the job than remaining on benefit. Secondly, and especially if a person has been out of the labour market for some time and is nervous about moving into work, we can add the reassurance of an ongoing support mechanism should things not work out. As a result, taking a job will be less of gamble. Access to a range of local partners across England, Scotland and Wales, in the private and voluntary sectors, has already proved an invaluable source of information to my Department; it is informing us on how to take the work forward.

The city strategy pathfinders are already working successfully. My hon. Friend believes that, and the spokesmen for the other parties seem to endorse his view. We understand that if we are to reach that important and stretching 80 per cent. employment target, we will need to do more to encourage the sort of partnership working that we have seen evolve in the pathfinder areas. It is not enough to have universal aspects of welfare provision; they must be supplemented by specifically tailored support. We have to facilitate that, but we have to allow local organisations and local partnerships to deliver it.

For the Government, that means working more closely with other Departments than has often been the case. That is why we introduced the working neighbourhood fund, which brings together £1.5 billion of funding from my Department and the Department for Communities and Local Government to tackle worklessness in England's most deprived neighbourhoods. That funding has enabled 65 local authorities to engage in exactly that sort of programme, each of them working in areas that face the greatest barriers to employment and encompassing 1,000 of the wards in which unemployment is the most important challenge.

Partnership working also means encouraging and facilitating more co-ordinated working by employers, local authorities, third-sector organisations—

Frank Cook (in the Chair): Order. We must turn our attention to the next topic for our consideration today.

Post Office Closures (Stroud)

12.30 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am pleased to be able to raise the issue of post office closures in Stroud, even if this is the day on which we get confirmation of what is happening, which is terribly sad.

I thank the Minister for meeting me in advance of these formal proceedings. I also met Post Office Ltd, Royal Mail, Postwatch and the individual post offices affected. On the good side, in the past 11 years, I have been associated with saving post offices in Stonehouse, Cam, North Nibley, Paganhill, Oakridge and Kings Stanley. However, sadly, I have also been associated with those that have closed, and I shall have on my epitaph Whiteshill and the nine that are now deemed fit for closure in the Stroud constituency as part of the current review.

Receiving notice of the proposals on Friday, on the back of the local election results, did not cheer me up. It was not a good day to bury bad news—the news became even worse. We are faced with losing Uplands, Ebley, South Woodchester, Dersley Highfield, Sharpness, Forest Green, Horsely, Miserden and Cranham. The latter two will be replaced with outreach arrangements, on which I shall seek clarification from the Minister. In my constituency, the news is seen as little short of catastrophic. I am afraid that it adds to the sense of cynicism about politics and it makes me question the future viability of the Post Office. I can now talk in complete openness—this is in the public domain—but, until today, the news was under embargo.

Bizarrely, Stroud is in the Gloucestershire and Oxfordshire sub-region, even though it is in the south-west as far as everything else is concerned. However, whatever the sub-region, the news is not terribly good. Like many hon. Members, I have undertaken a proper and comprehensive investigation of each affected post office. I went to each at least three times, and also to some that would be recipient post offices. From the outset, I got to know those postmasters and postmistresses who wished to stay and those who wished to go. Disappointingly, there are not many post offices where the future of the postmaster or postmistress is one of unalloyed joy, and I wish to say something about where we go after this sad day.

With network reinvention, we chose the people who wished to go, but this time we chose the post offices that were most suitable for closure by location. If we had put the two approaches together, we could have come to the right conclusion but, sadly, network reinvention did not seem to work, and I obviously have my doubts about the current restructuring.

I wish to make some points about the general closure programme, but I shall exemplify that by looking at one post office in particular: Uplands. From the process that has taken place, one can see what is happening in the area. The magical figure of 18 per cent. is always referred to—it is the proportion involved in the likely closure programme—but, in Stroud, 25 per cent. of the remaining post offices will be lost, and we will go from 36 to 27. As I have made clear, some of the remaining 27 are highly vulnerable because of how some people see their future, or lack of it.

The Minister knows that I shall concentrate on Uplands, and I hope that he will refer to it in his response, as well as to the issue in general. Uplands is an interesting post office. It is in a part of Stroud that I would define as semi-urban—most of my constituency is semi-rural. It is on the edge of Stroud town, but it is an important post office in a poorer part of my constituency. It is abutted by another post office, which is important, and by the Crown post office, which is in the centre of town. It is a good walk to the Crown post office and from the top of the ward, which is a hilly part of Stroud, it is a long walk—vulnerable or disabled people would find the walk very difficult.

There was a major community response to the consultation in which I took part, and I gave the results to Post Office Ltd. Interestingly, the postmaster of Uplands, Robin Craig, fiercely defends his business. He wants to stay as a postmaster and will do everything in his powers to do so. We turned to him when Paganhill was threatened with closure. Tesco did what it does only too well and decided that it did not want a post office within its one-stop branch. We managed to set up a community response in the Maypole hall. Robin Craig took that on as part of his empire, as it were, and now runs the two post offices, which has worked out well, as far as I can establish. Business at Paganhill has increased, and it remains buoyant at Uplands. Post Office Ltd again turned to Robin when it was looking for outreach arrangements, and he is the postmaster who will take on those at Cranham and Miserden in the Stroud constituency, and two others in the Cotswold constituency.

Most importantly, Stroud town council decided that it wanted to enter into proper negotiations on Uplands. It is pleasing to see the mayor of Stroud, John Marjoram, in the Public Gallery—I know that I should not refer to people there. He did an awful lot of work, as did Andy Read, another town councillor, and produced the documentation that was submitted as a starting point for the negotiations. Post Office attended a public meeting and agreed to enter into negotiations. It had stated that publicly, so we expected the negotiations to go forward. That was the touchstone of whether the consultation would be meaningful. Postwatch has had a watching brief—I put it no more strongly than that—and knew about the negotiations, and I understood that it supported them. It was well known that Paganhill was on the original list for closure, but Postwatch persuaded Post Office Ltd to take it off the list because of the amount of public money and money from Tesco that went into saving the branch. Of course, that meant that we again thought that someone would listen to us.

We got the bombshell on 26 April. The town council was formally informed, via a message on the mayor's answer machine followed by an e-mail, that Post Office Ltd was no longer willing to enter into negotiations. Such was the state of play that Post Office Ltd had demanded that the town council enter into a confidentiality agreement so that they could discuss money, which is at the root of the issue. No negotiations took place, yet the confidentiality agreement was signed. That suggests that Post Office Ltd was serious from the outset, otherwise it could have said, "Go away and don't darken our door." However, it did not do so; rather it said that it was willing to enter into negotiations if an Essex-type proposal was forthcoming. Will the Minister say what is happening in Essex? At the very least, we feel that there has been a breach of faith.

I have read the reasons that Post Office Ltd gave on 26 April for why it was no longer interested in pursuing negotiations. I will not read out the person's name, because that would be most unfair, but she says in her e-mail to John Majoram:

"I wanted to speak to you before sending this email as I know it will be very disappointing, but unfortunately, I've not been able to get hold of you.

As you know, I've been working on your request for information about locally funding Uplands Post Office branch in Stroud. After examining the impact on other local post office branches"—

that is the key thing—

"I am unable to progress a local funding application or provide the information as requested.

As I explained when we spoke, we carry out a check on each application to see what effect a locally funded service would have on other Post Office branches in the area. After carrying out the check for Uplands, the result is that there would be an unacceptably high detrimental effect on the sustainability of the Post Office network in that area. We have identified that, as a result of the closure, a significant amount of business is predicted to migrate to other Post office branches. In the even of these branches re-opening, this business would not now migrate and these nearby branches would become less viable."

She goes on to discuss issues such as the network change programme. The interesting point is that Robin Craig, who runs the Paganhill branch almost next door to the Uplands branch, is receiving the money. He therefore knows what impact there will be on Paganhill if Uplands closes and, conversely, if it stays open.

The only other post office that could feel the impact is the Crown branch in the centre of Stroud town, and that also raises an interesting point. On 3 January, before the process started—again, I was ahead of the process, and I am grateful to Post Office Ltd for coming to see me in my constituency that day—I asked whether it was a question of protecting the Crown post office, and I was assured that it was not. Sadly, the Crown post office is not in the best location, although it has had good management and it has good staff. The reality, however, is that it faces some questioning because of the time that it takes people to get served. That is not made easier when staff are asked to market Post Office services. I know that that is about getting business back in, but it does not help throughput. Having been given that assurance on 3 January, I question the reasoning set out categorically in today's closure notice. The Post Office gives its reasons for not keeping Uplands open, but, interestingly, there is no reference to the impact on the Crown branch; the closure notice merely says that the Uplands branch is not viable.

I can go only on the postmaster's knowledge of what is happening. He has grown the Uplands branch over a period of years, and it is very successful, although it is admittedly small. He tells me that about £2.7 million a year passes through it, on which the return is about £27,000 a year. That does not sound a huge return, but it is important, because we would maintain that the post office is profitable. To return to the debate initiated by my hon. Friend the Member for Hastings and Rye (Michael Jabez Foster), to which my hon. Friend the Minister responded, there is the issue of the central costs that Post Office Ltd expects to meet, compared with its overall return. If anything is viable, however, it is our post office. Our postmaster is doing good business for Post Office Ltd, he runs another post office and he is willing to take on outreach work. At best, the Crown post office is suffering because it is nearly, or already, at capacity. We have an assurance that the process is not about protecting the Crown post office.

What has been going on with the consultation? It is highly dubious. Are we looking at anti-competitive practices? Are we looking at a failure to realise that there is a degree of collusion to keep Royal Mail happy? Has Post Office Ltd done others' bidding for them? At the very least, the consultation has been ham-fisted and has left complete scepticism in the community about what has happened and about why there was no meaningful attempt to pursue negotiations.

Let me return to the Essex arrangements. We were clearly on their coat tails and we entered the negotiations in good faith—I say "we" because I worked with the town council. The council put in its bid and signed the confidentiality agreement, but why did Post Office Ltd never come back to the council to talk about what was involved in taking on the branch and about what the finances would be? We are talking about a publicly owned asset, but can the Minister explain why I, as an MP, cannot understand what the Crown post office's financial situation is? That information would allow us to balance what we think we know about Uplands against the business that the Crown branch is doing. Those are clear points, and I hope that the Minister will say something about them, because we will no doubt pursue the issue further, given the way in which Post Office Ltd has treated us.

I want now to say a few things about outreach. First, I am disappointed that outreach was never considered for Horsley post office, which is at the top of a hill. Again, no attempt was made to take account of the local geographical and topographical situation. Secondly, I do not want to personalise this, but I have talked to recipient post offices and, indeed, to Robin Craig, who will be taking on outreach work. My worry is that although we are paying off post offices to close, there will be some stings in the tail in terms of what happens to those post offices that remain. In the early days, Post Office Ltd was optimistic and positive about how it would make outreach work. In my area, we have a hosted arrangement, which is at least seen to work. However, I have talked to existing postmasters and postmistresses, and the difficulty is that they are expected to pay out from their redundancy packages to meet many of the basic costs of making outreach work. Those costs include dedicated phone lines, removing the counter, which is a fairly basic thing that one would want to do, and making the new arrangements secure. Romec has traditionally done that, but people are being told that they will have to pay full cost recovery to Romec. None of that is very helpful.

I turn now to what could have been done. I was one of those who sponsored what became the Sustainable Communities Act 2007. We are talking about communities reviving themselves and regenerating their services, and the situation that we are discussing was an ideal opportunity for them to do so. Perhaps the issue arose before the Act took full effect, but Post Office Ltd should, at the very least, know about sustainable communities and should be able to respond to a genuine attempt to enter into negotiations. I hope that we can remind Post Office Ltd that the universal service obligation, which is crucial in this respect, is not just a term, but a reality on the ground.

[Mr. David Drew]

As the Minister knows—he cannot pretend otherwise—these have been a dreadful few weeks in the Stroud area. That has not been helped by the local election results or by the fact that the closure announcements have come right on the back of them. I hope that he will understand the strength of feeling that exists. The town council entered into negotiations in good faith, but Post Office Ltd has ripped everything up in front of the council. That is not acceptable, and I hope that the Minister will have a word with Post Office Ltd so that we at least have the opportunity to look at what could be a meaningful way of saving the Uplands branch.

12.47 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Stroud (Mr. Drew) on securing this debate on post office closures in his constituency. As he said, seven post offices are scheduled for closure, with another two to be replaced by outreach services. Whatever else can be said about the process, I can assure him that no attempt has been made to bury bad news on any day. When it comes to an end, this process will have been going on for 15 months. Judging by the debates in the House and the campaigns around the country, it is many things, but secret is certainly not one of them. There has been no attempt to bury bad news.

I understand, as anyone would if they had been doing my job for the past nine months, that the process is very difficult for local communities. No one likes to see their post office close—even those who do not use it very much. None the less, I hope to be able to explain why the present decision was taken. My hon. Friend has been very active on the issue and has, as he said, met me, Post Office Ltd and sub-postmasters in his area.

The background to all this is the announcement made by the then Secretary of State for Trade and Industry in May 2007. That announcement said that the post office network across the country would reduce from its current level of just over 14,000 branches by up to 2,500, with 500 new outreach services being established in some areas. Obviously, that was a difficult decision, and it is easy in debates such as today's to concentrate purely on how unpopular it is. I understand that, and do not deny its unpopularity. However, it is also incumbent on us to consider some of the changes that the Post Office faces, which provide the backdrop to the decision.

The network loses £500,000 every day. Those losses have more or less doubled in the past few years. It has also lost about 4 million customers a week, as a whole. In addition to those financial and custom reasons, several major changes are adding up to a big challenge for the post office network. Eight out of 10 pensioners have their pension paid directly into the bank. That did not happen many years ago. Among new retirees the figure is not eight but nine out of 10. We have new online services, such as car tax renewal, which is used by 1 million people a month. That service did not even exist a few years ago, and those 1 million people a month would have gone to the post office, for the most part, to renew their car tax. Now they do it online. Of course, direct debit and other changes are also relevant. There is also competition now. Companies such as PayPoint bid for, and have won, contracts for the television licence and other bill payment services.

We also need to consider the subsidy to the Post Office, because in the face of all that I have described the Government have not just walked away. We have committed significant public subsidy to the post office network. In fact, it is estimated that if it were run as a commercial network and left to survive without subsidy, it would amount to about 4,000 branches, with perhaps some more on the margins. We do not believe that that is the kind of network that the country wants, so the Government have made a major decision to subsidise it to the tune of £150 million a year. That subsidy is part of an overall programme of Government expenditure on the post office network of up to £1.7 billion in total in the years running up to 2011. No previous Governments have subsidised the post office network, and without that subsidy there would be thousands more branches under threat than there are now. It is precisely because we recognise the need for a national network that we are putting in that amount of subsidy.

We have a duty to support the network, and have backed it by that subsidy, but we also have a duty as a Government to the taxpayer. Subsidy cannot be unlimited, or ignore the effect of the internet, direct debit, direct payment and all the changes that have a major impact on the post office network. That is recognised not just by the Government but by the general secretary of the National Federation of SubPostmasters, who said at the start of the programme:

"Although regrettable we believe that closures are necessary to ensure the remaining post offices are able to thrive in the future".

The Opposition spokesman said in a debate in the House on the issue a few weeks ago that

"we have to face the facts about the future of postal services in this country...we fully expect the network to shrink in size. We have never given a guarantee that no post offices will close".—[*Official Report*, 19 March 2008; Vol. 473, c. 947.]

Across the parties there is acceptance of the size of the challenge facing the post office network, which is to do with lifestyle, technology and competition.

Mr. Drew: The whole point of the attempt that I have been describing by Stroud town council to save the branch was to bring in new money. The town council was not naive enough to think that it would save it by waving a magic wand. Is it not a little surprising, at least, that the notice that I received today does not even mention that Stroud town council offered negotiations? That fact has been washed away. That is not a sign of how a public body should operate.

Mr. McFadden: I am happy to come to the specific points that my hon. Friend has made about Stroud town council, if he will bear with me, but I want to say something about perspective. He talked about the viability of the post office network in the future. It is not easy to call for a sense of perspective when post offices are closing, but is important, because even after the closure programme, there will still be a network across the country that is three times larger than that of the top five supermarket chains put together, with a presence in rural and urban communities throughout the country.

That brings me to the subject of the network change plan for my hon. Friend's area. Even in the Gloucestershire and Oxfordshire area, 92 per cent. of customers will experience no change in the post office branch that they use, and more than 99 per cent. of the area's population

will either have no change in the branch they use or will remain within 1 mile by road of an alternative post office branch. Although it is a difficult matter—and I accept that it is difficult and unpopular—it is important to stress some sense of perspective about the remaining network.

My hon. Friend talked about outreach and its costs. I am happy to take those points up with Post Office Ltd. However, I think that outreach is a valuable way of providing post office services. When I visited outreach services, it struck me that we should have been providing services more flexibly in the past. He made a critical comparison between the way in which branches were selected for closure in the present programme and the way it was done in the urban network reinvention programme several years ago. I have received representations both ways about that. It is true that during urban reinvention, Post Office Ltd concentrated closures on the areas where the sub-postmaster wanted to leave. The problem was that asking people to come forward to take redundancy packages and leave the network did not entail a plan for the future of the network. It meant that closures were dictated by those who wanted to go. This time round the Post Office has said it does not want to proceed in that way, but wants proper coverage in rural and urban areas, using the access criteria with which my hon. Friend is familiar. Other hon. Members have told me that they are glad that that is happening, because the other way left holes in network provision. The downside is that branches run by sub-postmasters who do not want to go are selected for closure. It sounds to me as if that may be true in the case raised by my hon. Friend. The reason is that Post Office Ltd is trying to go about the process in a way that adheres to proper criteria for distance between post offices.

My hon. Friend asked about Stroud town council. The Government's position on discussions between Post Office Ltd and any third party or local authority was set out in a letter from my right hon. Friend the Secretary of State to Post Office Ltd and the Local Government Association on 19 March. We have encouraged Post Office Ltd to discuss the matter with any local authority that is interested in the issue. However, certain criteria will have to be considered in deciding whether to proceed with proposals, including whether the authority in question is committed for several years. The full costs of the branch will have to be taken into account—not just the cost to the sub-postmaster. I counsel caution before saying that a particular branch is profitable, given that the sub-postmaster does not see the central support costs for any branch. When those are taken into account, three out of four are not profitable. The impact on neighbouring branches will also need to be taken into account, as was mentioned in the e-mail that my hon. Friend read out. With those criteria set, we have encouraged Post Office Ltd to talk to third parties who are interested in potentially supporting post office branches in the future.

Ujima Housing Association

1 pm

Mr. Rob Wilson (Reading, East) (Con): I am delighted to have secured this important debate. The collapse of Ujima housing association is a warning to the entire sector that must be taken extremely seriously by the Government. If more disasters of a similar nature are not to occur, lessons must be learned, and quickly. There is a danger that we will believe that what happened to Ujima is an isolated case, but we cannot be so complacent. When I consider the scale of what happened there, I am astonished by the national media's lack of interest in the matter, for example. Ujima is the first housing association ever to have become insolvent and effectively gone into receivership, putting at risk the homes of more than 5,000 families in London, Slough and Reading, including a number of families in my constituency.

The case came to my attention at about 4 o'clock on new year's eve, when I received an e-mail from the Housing Corporation, which regulates the sector. Perhaps I am being unfair, but the fact that the e-mail had been sent on new year's eve made me think that there might be a little more to the matter than the Housing Corporation was letting on, and I asked myself whether late on new year's eve was perhaps a good time to bury bad news. I decided to dig deeper into the matter, and I quickly found a series of whistleblowers who felt that the whole episode had, at best, been handled incompetently. I found fraud and corruption on a sizeable scale within Ujima, as well as considerable incompetence. The Housing Corporation's management were asleep at best, and negligent at worst.

I shall deal first with the fraud and corruption within the housing association. I reported the case to the police on 17 January this year. They came to see me, and I provided them with an extensive dossier of information. In a letter of 20 February, they confirmed that an investigation was under way. I have now heard that it is coming to its first fruition, as three arrests have been made on suspicion of money laundering and conspiracy to defraud Ujima housing association. I sincerely hope that the police will be able to make further arrests, but as a formal criminal investigation is under way, I must be careful about what I say, and I will avoid referring to particular individuals.

I shall outline the areas in which I believe fraud and corruption has taken place in Ujima housing association. First, considerable funds were paid to suppliers without any recognisable form of the tender process required by EU procurement legislation. Secondly, large invoices flagged as dubious by loyal and committed staff were ordered to be paid by those in authority at the housing association. Thirdly, a director and shareholder of Ujima's primary maintenance contractor was also appointed as Ujima's acting property services director, in direct breach of schedule 1 of the Housing Act 1996 and the Housing Corporation's good practice note 3, "Maintaining standards of probity". The note also sets out what action might be taken. Strangely, the Housing Corporation seems reluctant in this case to follow the advice in its own briefing note.

Fourthly, loan covenants were consistently breached, yet it is alleged that further loans were sought without the breaches having been declared to the banks concerned.

[Mr. Rob Wilson]

There is some evidence that banks are now much more careful about lending money to housing associations. Andrew Heywood, deputy head of policy at the Council of Mortgage Lenders, said that the demise of Ujima would exert "upward pressure" on the sector "on its own", meaning without any reference to the current credit crunch. In a briefing note on the Housing and Regeneration Bill, which has just gone through the House of Commons, he refers extensively to the same subject and the results of Ujima's effectively going into receivership. As a result of what happened at Ujima, the cost of lending to the sector has risen, adding to the global credit crunch. That means that there is

"'no certainty' housing associations will be able to raise the estimated £15 billion private finance needed to meet government house building targets".

That comes directly from the Council of Mortgage Lenders.

Fifthly, no management accounts were produced for Ujima's audit committee for nine months, yet no formal questions were raised about that, which I find astonishing. Sixthly, Ujima did a series of land deals about which the best that one can say is that they look unusual and irregular. Whistleblowers allege that some of the deals were actually corrupt. I have passed information about some of those deals to the police, and I hope that they will thoroughly investigate them.

As an aside, the matter throws up a wider issue within the sector. I have been alerted to the fact that a number of other housing associations are failing to get best value on deals for land development sites, thus failing to get full value for taxpayer money. However, that is not a matter for today's debate. Perhaps I will be able to return to that on another occasion.

Further allegations revolve around the expensive and luxurious redevelopment of Ujima's offices at a cost of several million pounds while tenants' basic maintenance problems were not being fixed. A small number of the senior team were alleged to be leading lavish lifestyles well beyond their personal means.

I hope that the Minister will listen carefully to what I am about to say. If only a tenth of the allegations are true, it is jaw-dropping that the problems were not spotted and stopped. But, of course, many of them were spotted—by Ujima's committed, hard-working and loyal staff. I have rarely seen such a procession of whistleblowers from a single organisation. Several were sacked for their honesty and dedication. One employee took his case to a tribunal, which criticised Ujima severely, stating:

"We don't understand why an employer would want to get rid of this employee."

It is obvious to me and any other independent observer why Ujima would want to get rid of an honest, hard-working staff member: because of how the organisation was being run.

Where was the Housing Corporation in all this? What was the regulator doing while the company was being pulled apart and destroyed bit by bit? Some in the sector allege that because Ujima was a black housing association, the Housing Corporation backed off for fear of being accused of racism. We need to know whether that was the case and to understand whether there is any substance to that allegation. Unfortunately, the Housing Corporation has many more questions to answer. For example, it called in Ujima's auditors, BDO Stoy Hayward, in both 2006 and 2007 to ask questions about Ujima's affairs, so it must have had concerns. What were those concerns, and what did the corporation do on each of those occasions? What answers did it receive? In early 2007, Ujima's development partner status was removed, yet it was given the green light for governance later that year.

In addition, the auditors say that they wrote a very critical management letter to Ujima's board on 11 December 2006. As I understand it, housing associations must submit such letters to the Housing Corporation. Ujima did not respond to the letter until May 2007. The response should also have been copied to the Housing Corporation. Despite those letters, in June 2007 the Housing Corporation gave Ujima a clean bill of health for viability, governance and housing. Why did it do that? How could that happen, given that six months later Ujima was nearly £200 million in the red?

In recent years, the Housing Corporation has received a number of complaints about Ujima and on several occasions asked it to carry out independent investigations, which in fact do not appear to have been very independent. What were those complaints about, and what happened as a result of the investigations? Did any of the complaints relate to financial health? If so, did the Housing Corporation look at the management accounts and cash flow projections? How was it reassured about Ujima's overall health? In 2006, Ujima's statutory accounts were filed late. Did that not ring any alarm bells?

In the light of the complaints to the Housing Corporation, did it attend any board meetings or look at any board minutes? If so, was it not concerned about the lack of management accounts produced between February and October 2007, which means that there were nine months without any management accounts? Was the Housing Corporation aware that Ujima's acting maintenance director was also its primary maintenance contractor's director and a shareholder with a direct pecuniary interest? When did it become aware, and what action did it take when it did? Was it aware of the constant breaches of European Union procurement rules? Ujima's own rules restrict its chairman to 10 terms in office, but the chairman continued into his 12th term, before being removed in the middle of the crisis that then hit the organisation. Did the Housing Corporation know about that? If so, why did it let that happen?

According to the whistleblowers, Ujima's board was informed that it breached its loan covenants throughout 2006. Why did the board not do anything? Was it minuted, and if so, what action did the Housing Corporation take? How did the board appoint a finance director with no accountancy background or qualifications? Did it ask any questions? What references did it take up? When did the Housing Corporation become aware that Ujima had a totally unqualified finance director, and how did the Ujima board appoint its chief executive? What checks were made on his previous employment and qualifications? What references were obtained from previous employers? What did the Housing Corporation know about his previous activities, and when did it know it? Who was checking that Ujima was getting best value for money for taxpayers with its land deals? What process does the Housing Corporation have in place to ensure that value for money?

As can be seen, there are a considerable number of questions about the performance and directors of Ujima. However, there are also questions about the Housing Corporation as the sector's regulator. Public money seems to have been used for personal gain and the glorification of certain individuals. The organisation was run at best incompetently and, at worst, corruptly. Either way, those responsible should be prevented from ever again taking up positions in public sector-related organisations. Is action being take to ensure that that happens?

I am aware that Simon Braid of KPMG is chairing an inquiry at the moment and I await his team's report with interest. We will see whether the scope of the inquiry enables the sector to learn lessons. Many in the sector who have spoken to me feel that it will be a whitewash, but I remain totally open-minded. Clearly, we need to be reassured that the current regulation system works. Was Ujima an isolated example of merely a few corrupt individuals taking advantage of the system, or is this kind of behaviour endemic in the sector? That question at least needs asking and, indeed, answering.

What can be done to ensure that such behaviour is not repeated and to prevent those responsible from continuing to work in the housing sector? What changes can be made to the Housing Corporation to ensure that whistleblowers are listened to more seriously? I believe that the collapse of Ujima requires full ministerial engagement and a persistence that gets those questions answered. The Government must take this matter very seriously. A regulator exists to ensure that public money is not misused and that housing association properties receive the investment that they fully deserve. Housing association tenants are often some of the most vulnerable in our society. It is a scandal that they have been left with a poor standard of accommodation while public money has been misused for personal gain.

Despite the investigation taking place, I believe that the Minister must launch a full departmental investigation into the actions, or indeed lack of action, of the Housing Corporation in response to Ujima. I would welcome today an assurance that measures will be put in place to ensure that no other housing association will find itself in the same situation as Ujima. This scandal occurred on the Government's watch, and it is incumbent on them to act to ensure, first, that it is not repeated and, secondly, that it is not being repeated now in other housing associations.

I look forward to the Minister's response with interest. I fully intend to continue to pursue this matter energetically. I cannot, and will not, accept a repeat of a situation in which thousands of families have their homes put at risk due to the incompetence and corruption of others, and I hope that he agrees.

1.16 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): It is a pleasure to serve under your chairmanship, Mr. Cook. I apologise for not being my hon. Friend the hon. Member for Hartlepool (Mr. Wright); he had some difficulties with trains this morning. However, I am very happy to congratulate the hon. Member for Reading, East (Mr. Wilson) on securing this debate and on his dogged pursuit of this matter, not only in today's debate, but through parliamentary questions.

The fact that this is the first such serious case in which the Housing Corporation has had to step in and use insolvency powers is a sign that, in the vast majority of cases, housing associations are very well run. However, that does not diminish the seriousness of the case before us and the importance of what needs to be done in respect of the police inquiry, which the hon. Gentleman mentioned, and the work of Simon Braid.

I hope to demonstrate that we are taking this matter very seriously, to chart some of the history of the case, and to point the way forward. In October last year, the Housing Corporation placed Ujima under regulatory supervision using its statutory powers to appoint three additional independent members to Ujima's board. That followed a review of Ujima's governance and took into account a number of other matters of concern relating to the management of its business. The hon. Gentleman rightly says that there have been whistleblowers and allegations dating back to 2006. The Housing Corporation got involved and, although it did not find problems of fraud, it found some control weaknesses.

The review was prompted by Ujima's very poor development performance. The Housing Corporation considered that such underperformance raised questions about the governing board's oversight of a key area of Ujima's business, which in turn raised questions about its oversight of the business in general. The review identified serious weaknesses in the governance of the housing association, as the hon. Gentleman mentioned. Following the statutory appointments, significant further changes were made to Ujima's board, including the appointment of a new chair. As a result of concerns about the management of the organisation, the new board suspended the chief executive and finance director and commissioned an urgent review of the financial position.

On the 30 November 2007, on the basis of the financial review, Ujima's board concluded that the association was in breach of its loan covenants, which meant that some £164 million of loans had become current liabilities. Management accounts to 31 October showed losses of more than £4 million and forecast a loss of £7 million for 2007-08, against a budgeted surplus of £1 million. Furthermore, cash resources were likely to run out by the end of December, with a £20 million cash shortfall by March 2008. The scale of the financial problems meant that further loan finance was unlikely to be available. The board of Ujima agreed that its financial difficulties were such that it could not sustain an independent future and sought to work closely with the Housing Corporation to identify a solution.

Having considered proposals from a number of housing associations, the board of Ujima concluded that the best option involved transferring its stock to London and Quadrant Housing Trust. London and Quadrant is a large London-based housing association which had sufficient capacity to manage the financial situation and a good track record of providing high-quality services to tenants. The proposal was unanimously supported by Ujima's board, but did not secure the necessary 75 per cent. majority of Ujima's shareholders at a meeting on 17 December.

Mr. Wilson: Is the Minister aware that the financial impact on London and Quadrant of the fall-out from Ujima is somewhere in the region of £30 million?

Mr. Dhanda: I am about to discuss London and Quadrant's role, its liabilities and responsibilities and why the Housing Corporation thinks that it is the right partner.

On 20 December 2007, at the request of lenders, Ujima issued a notice to the Housing Corporation under section 40 of the Housing Act 1996, and presented a winding-up petition to the court on the basis that it was unable to meet its debts. As the hon. Gentleman pointed out, that was in the run-up to new year's eve. On 21 December 2007, four secured lenders served notices to the Housing Corporation and took action to appoint a receiver. Those actions triggered a 28-day moratorium under part one of the 1996 Act. It is fair to say that a 28-day moratorium over a holiday period can provoke a few issues as well. I believe that that is a matter that Simon Braid will consider in his inquiry into governance and how things can be done better.

During the moratorium, the Housing Corporation put a proposal to secured creditors under which London and Quadrant would receive a transfer of the assets and liabilities of Ujima, including all of Ujima's housing stock. In preparing the proposal, the Housing Corporation considered all other potential options, including those from a number of other housing associations. It concluded that a transfer to London and Quadrant was the best possible option to deliver statutory obligations to tenants, creditors and taxpayers. The proposal was agreed by the secured creditors on 14 January 2008. The corporation appointed as manager Grant Thornton, which applied to the Financial Services Authority for a transfer of engagements; the transfer was registered by the FSA on 16 January. Plans to integrate Ujima into London and Quadrant's operations have been implemented. The statutory appointees will remain in place on Ujima's board until the accounts have been signed off and the association can be removed from the FSA's register.

As the hon. Gentleman said, the Housing Corporation commissioned an independent inquiry, which will be led by Simon Braid of KPMG, to assess the handling of the Ujima case and whether any lessons can be learned in the context of the Housing and Regeneration Bill and the establishment of Oftenant and the new Homes and Communities Agency. The inquiry team has been interviewing key witnesses and has been commissioned by PricewaterhouseCoopers to carry out an information-gathering exercise and to consider some legal issues. As the hon. Gentleman said, the inquiry must not be a whitewash. I do not anticipate that it will be: I am sure that Simon Braid will be aware that this debate is taking place and will listen to the hon. Gentleman's contributions attentively.

Mr. Wilson: May I place on the record my enormous concern about the number of witnesses who are not being interviewed but who have very important information to give to this so-called independent inquiry? A number have contacted me saying that they are very anxious to put their comments on the record. That is why some people in the sector think that the inquiry will be some form of whitewash.

Mr. Dhanda: It is useful that the hon. Gentleman has put that on the record and thrown down the gauntlet. There will now be further rounds of interviews. PricewaterhouseCoopers is expected to submit its report to the inquiry team by the end of May, provided that it is able to schedule all its interviews promptly. I appreciate that many people will want to be interviewed, but we must let Simon Braid and his team continue with their work independently.

The inquiry team will aim to publish its full report in July 2008, so the hon. Gentleman will not have too long to wait. I know that there have been concerns that a black and minority ethnic housing association has been transferred to a mainstream housing association rather than to another BME association. Ujima's board considered a proposal from a black-led association but did not think that it represented the best solution for the association and its tenants. Because of the scale of the financial problems faced by Ujima, only a solution involving a very large housing association with considerable financial capacity, such as London and Quadrant, was likely to be appropriate.

Having set out the history of the case, I will now draw out some issues and relate them to the powers in the Housing and Regeneration Bill, with which the hon. Gentleman must be familiar. I need to reassure hon. Members that the financial circumstances of Ujima are exceptional. As regards the overall financial position of housing associations, most appear to be well managed. Traditionally, the Housing Corporation has paid very strong attention to the viability of associations. That is borne out by the fact that the moratorium and winding-up process has only been used very rarely—twice in the past 10 years, as far as we are aware. No lender has lost money in lending to registered social landlords and no property has had to be sold because a lender enforced security. In other words, the system has been overwhelmingly successful in ensuring the viability of the sector. Lenders recognise that and their lending rates reflect the fact. At the same time, we must ensure that we learn lessons from the Ujima case and that we are not complacent.

It has been claimed that the corporation has seen viability as the overarching objective of regulation and has paid insufficient attention to quality of service to tenants. Without criticising the corporation, it is clear that many hon. Members have agreed with that view over the years. That is why I am pleased to see that the Housing and Regeneration Bill places tenants at its heart. Quality of service is a key objective, with tenants being involved through consultation in the setting of standards, and the regulator ensuring that tenants have information on which they can judge the performance of their landlords. The new social housing regulator, Oftenant, will be established at arm's length from Government and separated from investment panels. It will be focused on the activities of registered social landlords and on what they have to offer to tenants. The Bill gives the regulator new powers to secure improvement in management and new measures that are more responsive than the nuclear options that are now available to the Housing Corporation.

Taking on board the comments made by the hon. Gentleman and his assiduous work on the matter, may I say to him that, across the board, housing associations are doing a good job. However, when they do not, it is important that we learn lessons. I hope that Simon Braid's inquiry will help us to do just that.

Post Office Closures (Great Yarmouth)

1.30 pm

Mr. Anthony Wright (Great Yarmouth) (Lab): It is a pleasure to serve under your chairmanship again, Mr. Cook. I am sure that my hon. Friend the Minister has responded to many such debates over the past few months, and that he is well versed in his responses. To set the scene, this debate comes on the back of the difficulties that the Post Office faces across the UK. The Government's commitment to support the network to the tune of £1.7 billion over the next three years is certainly to be welcomed, and is not seen as unimportant.

There has been an imbalance in the expectations of the Post Office's closure programmes in different areas. I wish to make it perfectly clear where I stand on the proposals for my constituency. Most of the post offices there that might be closed are in urban areas, but two are in rural areas. I shall deal with each in turn.

We must not lose sight of the fact that this is nothing new. There has been a significant number of post office closures since 1979. From then to 1997, there were 3,500 closures, and there were no compensation packages for postmistresses and masters or for sub-postmistresses and masters. The current programme is different, because there is a compensation package for those people. However, what about the communities that are being left behind?

We can consider technology, and I am as guilty as most people of using direct debit, internet banking and such like, rarely going into the post office. No wonder post offices are making a loss. The figure being bandied around is that out of 12,500 or 13,000 post offices, only 4,000 make a profit. It is a bit disconcerting when the Opposition parties make points of political expediency, given that they say clearly in their campaign documents that they will prevent the closure of any profit-making post office. Under a Conservative Government, the post office network would be reduced to 4,000, which I do not want to happen.

I wish to go through the six post offices affected in my constituency and make the case that I shall make to the Post Office in the consultation process. There are two in rural areas, the first of which is in the very small community of West Somerton. It is open two mornings a week, I believe, for four hours on Monday and Friday mornings, but it is used extensively by that small community. By and large, it is a community without access to transport, including a bus service. Given the costs involved, I question whether the post office there should be part of the closure programme. I estimate that the savings on it would be in the region of £80 a week at most. On that basis, perhaps it would be worth while for the Post Office to consider the effect that its closure would have on the 30, 40 or 50 people, mainly pensioners, who rely on it to get their benefits.

The effect of the closure would go across into my neighbouring constituency of North Norfolk, where the small community of Hickling is suffering from the closure of its post office. A number of people there use the West Somerton post office, and that has not been taken into account. Without it, the nearest one would be at Winterton and the next nearest in Martham, some miles away. People could not rely on that. I suggest, as I will to the Post Office, that if the hours were to be reduced even further so that the post office were open one morning a week as an outreach, that would contribute a little towards the savings required.

The next post office affected is in Stokesby, another small community that has about 260 people. The people there are slightly worse off, because they are really out on a limb. The community is mainly surrounded by water, and it is three miles from the closest post office. The Post Office's access report states that in the case of both alternative post offices, the terrain between the branches is hilly and there is no street lighting or footpaths along the whole road. The nearest branch is 2.9 miles away in Acle, which is another constituency, and the second nearest 3.1 miles away in Filby. So can people go by bus? If they are lucky, there is a bus to Acle every two hours one way, and then they will probably have to wait another two hours to come back. On the other route, to Filby, there are buses at 8 o'clock, 10 o'clock, 1.30 pm and 2.47 pm. One can see the difficulties that there will be for the small community of Stokesby. Okay, only 100 people a week use that facility, but I suggest that that number increases in the summer months, because boats on the broads land there and holidaymakers use the facility.

I shall move on to discussing the town area and to a post office in the north of the town in Beresford road. I know that one, because my mother, who is a pensioner, uses it. People will say, "Well, you are going to support that one", but I support every single one. I certainly do not put any more weight on that one than on the others. My mum tells me how she gets to the post office, which is probably a quarter or half a mile from where she lives. She struggles down there to get her pension and also to get her papers and other shopping from the local shop. If the post office closed, she would have to walk another 200 yd to the bus stop to catch the bus to the alternative branch. It is only about six or seven minutes away, on Salisbury road, but it would not lend itself to the significant increase in the number of people using it that would occur if people were asked to migrate there. It is expected that about 1,000 extra customers a week would migrate there, so there are serious issues to be addressed. A quarter of the people in that part of my constituency are pensioners, which is a high proportion.

Moving further into the town, one post office affected is in the town centre and another is on the other side of the river. The Northgate street post office is close to the town centre and is very busy. It handles a considerable number of people each week. I wish to mention it together with the Lichfield road branch, because the alternative branch to both is at WHSmith in the marketplace. In the past two weeks, I attempted to encourage the customers of both those branches to take part in an exercise by going to WHSmith at the same time and day as they would go to their normal branch to prove that WHSmith would not be accessible to the significant number of people involved. Unfortunately, or fortunately for the post offices, people remained loyal to their local branches. In fact, those branches had an uplift in their customer base. That shows the loyalty that people have to their local communities. In both those locations, there are rows of shops that rely to a certain extent on the local population and local business.

The bus stop is 300 yd to 400 yd away from the alternative branch, and the car parks are quite a way away and operate only on Mondays, Tuesdays and Thursdays. On the other days, a market operates and there are stalls on the car park. There is no parking

[Mr. Anthony Wright]

outside the branch, because the area is pedestrianised. The post office is right at the back of the building, and people have to weave their way through the shelves. Another disadvantage of asking customers to migrate to WHSmith is that during the summer months, the population of Great Yarmouth increases, probably threefold or fourfold. The number of people that mill around in the town centre is phenomenal. This branch of WHSmith, as a popular shop in a popular destination, would certainly experience difficulties. I would defy anyone, if there were two or three wheelchairs in the shop, to suggest that that is the right and proper place for people to go.

These two shops, in Northgate street and Lichfield road, have the full support of the community. As I have said, they are fairly busy and their closure would lead to something in the region of 8,000 to 9,000 people migrating to the WHSmith shop, unless, of course, the Post Office is again looking for a reduction in the number of people using a post office. I do not want to see that reduction; I want to see the Post Office grow. I want to see it taking forward what it has left to offer in terms of the open market and trying to encourage more people to use post offices.

I fear, however, that the number of people that we have lost over the last year or so—4 million, I understand—will be revisited next year and again we will say, "Sorry, we have lost another 3 million or 4 million". Part of that loss will be due to the effects that these closures have had on particular communities.

The last post office that I want to talk about is the Springfield road post office. Again, it is on the other side of the river and the Post Office is encouraging people to go to the main post office on the high street in Gorleston-on-Sea. The Springfield road post office is also part of a shop and, by closing it, the Post Office would encourage up to 1,500 customers to migrate to the local shopping centre, where parking is certainly limited. The centre is very difficult for some people to access and there is a fair amount of hilly terrain, too. Such a change would be extremely difficult.

In all these cases, there is also the question of the criteria to be considered. That is where I have a particular problem, because the criterion in question states quite clearly:

"99% of the total population in deprived urban...areas across the UK to be within 1 mile of their nearest Post Office branch."

Originally, I just thought that that was okay, but let us look at the vast majority of people in the deprived areas. We have one or two of the most deprived communities in the UK in my constituency, where some of these post offices up for closure are based. The sad thing is that, when the picture is taken across the UK, it is clear that in a constituency such as Great Yarmouth, which is a mix of urban and rural areas, the 99 per cent. criterion in question nationwide could result in a situation where as few as 75 per cent. of people are within a mile of a post office. That contrasts with largely urban areas, such as inner London, the metropolitan areas and the cities, where it is quite clearly possible for everybody to be within 1 mile of a post office.

If we take an average—I have not done the figures and I am sure that it would be very difficult to do so—the 99 per cent. criterion may well be justified. However, I make a plea: why should areas such as mine, with the deprivation that they experience, have to suffer on the basis of a UK average? I respectfully ask the Minister to have another look at the criterion and consider whether it should apply to each area of closure rather than across the UK. That would be much fairer; why should my constituents have to walk further than a mile when people in the inner cities certainly have a post office within that distance?

This campaign has obviously benefited from uniting the various communities. When I have looked at the situation in many of the areas that will be affected, I have received hundreds and hundreds of letters and I have seen that petitions have been signed all over the place. The campaign ranges across all ages. For instance, in the communities of Lichfield and Cobham, there was an issue because there are two communities together. I received a letter from Jim West, the chairperson of the local Lichfield community group, that said:

"Not very long ago, the post office in Cobham was closed. We were given an assurance that our branch would therefore not be threatened."

That branch in Cobham was within probably a quarter of a mile of the branch that was closed not very long ago, so the community in Lichfield were pretty miffed that another branch was going to be closed. The other factor is that the Lichfield branch is also separated from the other one by a river and a main road.

At the other extreme, even the pupils at the local schools are getting involved in the campaign, which shows how the whole community is involved. Just recently, I received 50 individual letters from pupils at the Edward Worlledge community middle school in Southtown. They were very concerned about the effect that post office closures would have on their parents and grandparents.

The campaign against post office closures is certainly gathering speed and strength. Every MP will no doubt have their own story as to why their post offices should remain open. However, what I am trying to do is to put together a case for each individual post office when I believe that that post office is genuinely needed, but also a case for trying to increase the trade and business of the post office network. I fear that, if the Post Office takes this particular action, it will, next year, drive people into greater use of IT and other technology and will keep them out of their local post office. We will reduce the number of customers even further. My fear is that, in the next few years, we will see another round of cuts because there will have been a further reduction in the number of people using the post office network.

There is another side to the issue. Has there been any consultation with the branches that will be regarded as the alternatives to those that are to be closed? Will they face difficulties with increased numbers of customers? A sub-postmaster at one of the branches that I have mentioned commented that the changes will create difficulties in his shop if so many people migrate to his shop. He will have to take on extra staff and probably look at other alternatives, too.

There are a number of issues that the Post Office needs to take on board. However, people can rest assured that I will be putting my comments forward in the consultation process and I sincerely hope that that process is not just a practice for the Post Office, but one that will see it taking seriously all the comments from wherever they come.

1.46 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Great Yarmouth (Mr. Wright) on securing this debate on post office closures in his constituency. He knows a lot about post office closures as he serves on the Business, Enterprise and Regulatory Reform Committee, which has conducted several inquiries into post office provision and published a report just a couple of months ago. I thus acknowledge his expertise and knowledge about this subject. As he said, the consultation proposal is that six of the existing 27 post offices in his constituency should close. The consultation is still open, but that is the initial proposal.

I thank my hon. Friend for acknowledging the extent of the Government's support for the post office network. I will go on to say a bit more about that support, but it is not always acknowledged in such debates and it is a very important part of the picture, because whatever difficulties the network is facing—in his constituency and elsewhere—they would be far greater were it not for the huge Government support and subsidy for the network.

My hon. Friend went through in some detail the cases for the individual post offices in Beresford road, Northgate street, Lichfield road, Springfield road, Stokesby and West Somerton. Of course, I bow to his knowledge of his constituency. As he said, there is a wide variety of branches in the constituency, ranging from one with less than 50 customers a week to others with between 1,000 and 1,500 customers a week.

Although my hon. Friend knows this, I want to set out some of the rationale behind why some post office branches have to close, because this is a difficult process and, I acknowledge, one that is unpopular in those communities affected. No one likes to see their post office closing; even people who do not use their post office very much do not like to see it closing.

This programme of closures is happening because the network is losing a significant amount—some £500,000 a day—and the losses have more or less doubled in the past few years. It has lost 4 million customers a week. My hon. Friend touched on some of the reasons behind those losses. Part of the cause is lifestyle and the way in which people get their benefits and pensions paid. Nine out of 10 new retirees have their pension paid directly into their bank account. The service for paying car tax online did not exist a few years ago, but it is now used by more than 1 million people a month. Those 1 million people would have used the post office to renew their car tax. Although that choice is still available, an increasing number of people choose to pay online. There is also now direct debit and competition from companies such as PayPoint, which won the contract for TV licences. Several big challenges concerning competition, technology and lifestyle mean that the Post Office is in some financial difficulty.

My hon. Friend was absolutely right to say, as I believe he did, that a commercial network would be 4,000 branches rather than the 14,000 or so that currently exist. As a Government, we do not want the network to be reduced to that level, and that is why we have put in a subsidy of £150 million a year, which is part of a total package of up to £1.7 billion in the years up to 2011. Without that, far more post offices would be facing closure than is the case under even the current proposals.

The need for closures is not just recognised by the Government, but accepted by the general secretary of the National Federation of SubPostmasters, who said at the start of the programme:

"Although regrettable, we believe that closures are necessary to ensure the remaining post offices are able to thrive in the future."

Indeed, the hon. Member for Rutland and Melton (Alan Duncan), the Opposition spokesman on business and enterprise, said in a debate on this issue some weeks ago that

"we have to face the facts about the future of postal services in this country...we fully expect the network to shrink in size. We have never given a guarantee that no post offices will close"...[*Official Report*, 19 March 2008; Vol. 473, c. 947.]

I am not sure what the Conservative campaign literature says, although I think I have seen the literature that my hon. Friend referred to, but the truth is that, in the House of Commons, the Opposition Front-Bench spokesman accepted the need for the network to reduce in size.

Alongside the proposals for closures, there are proposals for outreach and part-time services. My hon. Friend will have heard the announcement by the Post Office about a month ago that it would pilot such services in urban as well as rural areas. It is looking at alternative ways to provide post office services, perhaps in a more flexible way and at lower cost than has traditionally been the case.

My hon. Friend referred to the consultation. In truth, I doubt whether it is possible to do something like closing post offices in a way that satisfies everyone. There will always be questions raised about consultation, but one point that I want to make, which I also tried to make to the Business, Enterprise and Regulatory Reform Committee, is that the consultation is not simply a referendum on whether there should be post office closures. I believe that we know what the answer to that would be. The decision to reduce the size of the network was announced to Parliament exactly a year ago by the Chancellor, who was then the Secretary of State for Trade and Industry. Instead, the question is how closures should be made against the backdrop of the announcement. In fact, Post Office Ltd wrote to MPs last July and stated that the consultation

"would not concern: the principle of the need for change of the network, nor its broad extent and distribution...Rather consultation will be seeking representations on the most effective way in which Government policy...can be best implemented in the particular area in question."

In other words, the Post Office is asking about the detail. It is asking, given that the network has to reduce by about 17 or 18 per cent., "Have we got it right? Have we taken all the factors into account in making the best decision about what is, inevitably, a difficult process?"

The consultation has two parts. There is a pre-public consultation phase and then a public consultation phase. In the area plan that covers my hon. Friend's constituency, nearly one in eight of the initial proposals were changed as a result of detailed input from key stakeholders, including Postwatch.

My hon. Friend raised the issue of some offices being busy, and some being busier than others. He did not get into profitability, although some hon. Members do in such debates. Profitability is judged on not just the books that the sub-postmaster keeps, but central support costs covering things such as information technology,

[Mr. Pat McFadden]

cash delivery and distribution, and other services that are paid for centrally. They do not appear on the sub-postmaster's books but are, nevertheless, very real costs to Post Office Ltd. Taking all those things into account, some three out of four post offices run at a cost to Post Office Ltd rather than a profit.

My hon. Friend asked about the capacity of receiving branches to deal with custom directed to them. That should be part of the process, and Post Office Ltd should be talking to sub-postmasters whose branches will not close, but who might be in the position of receiving business from other branches, and sometimes from Crown offices, too. That should be taken into account.

I appreciate the difficulty of this issue for my hon. Friend and his constituents, but we must have some sense of perspective. Even after the closure programme is over, the post office network will still be three times bigger than the top five supermarket chains put together. Even under the plan that covers his constituency, more than 90 per cent. of people will see no change to the local post office that they use, although I appreciate that that is of little comfort when one of the 8 per cent. affected is his mother—the last thing that I want to do is to inconvenience her.

I acknowledge that although most people will be unaffected, there is concern about those who will be affected, but with the access criteria that will ensure reasonable provision in rural and urban areas, we are led to the fact that in the plan covering his constituency, some 98 per cent. of people will either see no change in the post office branch that they use, or will be within a mile by road of the nearest alternative. I do not pretend that the closures will have no effect, but we must retain some sense of perspective and acknowledge that we will still have a very large network.

Finally, my hon. Friend spoke about the future and whether the process will need to happen again. Let me just say a couple of things about that. Through the subsidy, which we have guaranteed until 2011, we have given the post office network some financial certainty for the next few years. Obviously, we will then have to make a decision about the future. Like any Minister, I cannot say what subsidy or expenditure will apply after that. That means not that there will not be a subsidy, but that I cannot set out today what it will be.

Mr. Anthony Wright: We all understand that the Post Office card account is very important to the post office network. There is a debate about whether its future use can be guaranteed. Is there any way in which pressure could be put on the Department for Work and Pensions to ensure that the Post Office card account remains with the Post Office?

Mr. McFadden: My hon. Friend raises a good point about the card account's importance to the future of the network. His expertise will tell him that that has to be judged as part of a proper tendering process. That is the legal basis on which to do it. The last thing that I want to do is to say anything that interferes with a proper legal tendering process. I hope that he will not mind if I do not get drawn too much into the matter, but I acknowledge that the Post Office card account is important for the future of the Post Office, as are areas of service provision such as foreign currency services, the car and home insurance that it is expanding into, and the broadband service that has been launched in conjunction with British Telecom. We cannot—

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 7 May 2008

[HUGH BAYLEY *in the Chair*]

RAF Aldergrove

Motion made, and Question proposed, That the sitting be now adjourned.—*[Mr. Watts.]*

9.30 am

Dr. William McCrea (South Antrim) (DUP): It is a pleasure to serve under your chairmanship this morning, Mr. Bayley. I know that it is a beautiful morning outside; nevertheless, we have our duties to do. It is a pleasure to have the opportunity to introduce this important debate.

I am grateful for the opportunity to raise a matter that is causing grave concern and anger in my constituency, namely the proposed cutbacks at RAF Aldergrove. If they are not changed, the proposals will have a devastating impact on many people in my constituency who rely upon the base as a means of providing much-needed employment. Many of those people, who have worked diligently and loyally there for many years through difficult and dangerous times, are civilian staff, for whom the prospect of relocating somewhere else in the UK is obviously not an option.

As I shall explain, the people whom I represent in the Antrim area feel let down by Her Majesty's Government, having loyally supported the presence of Royal Air Force military personnel in their community for almost a century, since before there was even an RAF base there. Sadly for them, the Ministry of Defence has repaid that loyal support, offered so freely by the people of Antrim, by ushering in proposals that will add many of them to the unemployment statistics.

In common with those affected, I was absolutely shocked to learn the news through the media, rather than from the Minister or the military authorities. I therefore wish to oppose strenuously the decision to remove so many RAF personnel from my constituency and to expose the disgraceful and uncaring manner in which the proposal was announced. Absolutely no consideration was granted to a community that would feel decimated by the decision, which was taken without consultation. Now, they are rightly frustrated and angry at what they feel to be an abuse of parliamentary procedure and of common courtesy to elected representatives, whether myself as the Member of Parliament for South Antrim or Antrim borough council, which over the years has established an historic and fruitful bond with the RAF. In the past when the Government sought to impose such cutbacks, consultation and relief efforts for local communities were at least attempted. It seems that that is not the case for the people whom I represent. To many of my constituents, and to many people beyond the base's immediate Antrim area, the cavalier manner in which the MOD made the announcement is galling. I shall provide some more detail on that, but first it is appropriate to put on record again the long and proud association that my constituency has had with the RAF at the Aldergrove site.

RAF Aldergrove is situated some 18 miles north-west of Belfast and adjoins Belfast International airport. In local Ulster parlance, the international airport is almost universally referred to simply as "Aldergrove", which is the name of the surrounding area. That reflects the fact that the RAF base existed long before the commercial civilian airport. The station shares the Aldergrove runways but has its own separate facilities and helipad.

RAF Aldergrove first opened in 1918, before there was even a Royal Air Force, but it was not designated an operational RAF station until 1925. Its location made it a vital station for RAF Coastal Command during the battle of the Atlantic in the second world war. From the base, long-range reconnaissance aircraft were able to patrol the eastern Atlantic, searching for and destroying German U-boats. Local people are extremely proud of the base's history and the front-line role that it had in the fight against fascism during the second world war.

Aldergrove was designated a dispersal airfield for the RAF's V-bomber force in the 1950s and was included in a reduced list of 26 airfields in 1962. In 1968, a maintenance unit, No. 23 MU, was established at Aldergrove for the F-4 Phantoms in the RAF's service, with 116 aircraft passing through on their way to front-line service. From 1991 until its disbandment in 2002, as part of the first MOD cutbacks to affect the base adversely, 272 Squadron operated Puma and Wessex helicopters from Aldergrove.

Aldergrove is currently home to a mixed force of 230 Squadron's helicopters, which operate across the Province in support of the Police Service of Northern Ireland. One of the base's main functions has been to provide designated air and aviation capabilities to support the police service in the maintenance of public order. When Northern Ireland descended into chaos in the early 1970s, it was via RAF Aldergrove that many of the much-needed military personnel arrived to prevent the escalation of the bloodshed and the complete collapse of society in the Province.

Sammy Wilson (East Antrim) (DUP): Although many people welcome the fact that a bit of normality is returning to Northern Ireland, does my hon. Friend agree that, in parts of south Armagh, the police say that there are still occasions when it is safe to go in only by helicopter? If the facility at Aldergrove is removed, it could impair police operations, particularly against the fuel laundering mafia that seems to have taken over south Armagh and is using semi-paramilitary tactics.

Dr. McCrea: I thank my hon. Friend for that intervention. I certainly agree that the service that has been given to the police service through RAF Aldergrove has provided vital assistance against attacks and possible attacks from the people whom he identifies.

The proposal to relocate 230 Squadron will have a far-reaching and serious impact upon Northern Ireland. It is the only Northern Ireland-based squadron of the RAF. It was part of the RAF in Germany, operating the Puma HC1 there from 1980. Following the draw-down at the end of the cold war, the squadron was disbanded. As with many of the MOD's decisions, the short-term advantages of saving money were outweighed by longer-term considerations of the defence of the realm, and the decision had to be reversed. The squadron re-formed at Aldergrove in early May 1992, again with the Puma HC1.

[Dr. McCrea]

Today, 230 Squadron operates 18 Pumas. Those aircraft are rotated with 33 Squadron's 15 Pumas to even out flight hours among the fleet—Northern Ireland-based helicopters have a much higher operational tempo. In 230 Squadron's service, the main role of the fleet is tactical support for the security forces, mostly the British Army, to patrol either points or one of the military bases dotted around Northern Ireland. My hon. Friend made that point. A well travelled route for the Pumas, as well as for visiting Chinooks, is to the military base at Ballykinler in South Down. The squadron is well experienced in night flying, with almost a third of flights undertaken after dark.

The wide range of activities engaged in by 230 Squadron has entailed the engagement of a significant number of civilians in site-specific activities. It is those people who will be the most adversely affected by the MOD's decision to move the squadron from its home in Aldergrove to RAF Benson. The move will result in 140 of the 420 civilian staff currently employed at Aldergrove being made redundant. The Minister has said in his correspondence with me that the Government have a long-term commitment to basing in Northern Ireland. That is not reflected in the decision to relocate 230 Squadron from its home in Ulster.

I welcome the fact that the MOD has said that 38 Engineer Regiment will be relocated, although we must remember that it is removing the regiment from another historic base in Antrim, the Massereene base. Even the MOD has acknowledged that that will not be enough to save the valuable jobs at Aldergrove that will be affected by the decision to withdraw 230 Squadron. We are facing the real prospect of 140 of my constituents losing their means of employment and support for their families because of this regrettable decision.

When I hear about such decisions, I seriously begin to wonder whether the MOD has any grasp whatsoever of the reality outside Whitehall. This country is engaged in two wars: we are bogged down in Iraq, where our troops are largely confined to barracks, and we are overstretched in Afghanistan, where, many contend, the lack of proper military equipment is costing the lives of many of our dedicated, heroic troops. Couple that situation with other military commitments elsewhere in the world and it becomes abundantly clear that our defence capability is overstretched and that we could be beyond breaking point.

How does the MOD respond to such a situation? By introducing a programme of sweeping cuts in which RAF Aldergrove is merely the latest victim in a long line of casualties. No doubt the Government will assert that defence spending is rising, but the clear and obvious truth is that it is inadequate to meet the challenges that we face. I agree wholeheartedly that soldiers who patrol dangerous streets in Helmand province must be assured of proper body armour and that failure to provide the best would be a shocking reality.

Some people might foolishly say that those who will lose their job or are otherwise affected by the RAF Aldergrove decision are only civilian staff, but the truth is that that devoted staff are important to performing a vital function at a strategic base of eminent value to the defence of this country in these dangerous times. The fact that the MOD considers them to be expendable is exactly the sort of slipshod and short-term thinking that saw 230 Squadron abolished and then re-formed in the early 1990s, because it was later proven to be a valuable necessity. I have no doubt that the MOD will live to regret the decision on RAF Aldergrove if it is not reversed now.

Our civilian staff perform a vital function in the defence of the realm, and to cast 140 of them aside in this manner is extreme folly. Dismissing 140 civilian staff is just as threatening to the defence of our country as dismissing 140 front-line soldiers, airmen or sailors. Our civilian staff provide the necessary behind-the-scenes back-up to allow our hard-pressed armed forces to carry out their duties. Among the 140 people who will lose their livelihoods as a consequence of the decision is an enormous wealth of talent and expertise that has been given over to defence of the United Kingdom. Sadly, those people are now to be treated shabbily by their employer, the Government Department charged with our protection.

I am pleased that the Government have indicated that there were no Northern Ireland-related political reasons for the decision. For too long, elected representatives and the people of Northern Ireland witnessed compliant Governments negotiate over the defence of the law-abiding people of Ulster with the representatives of brutal and murderous terrorism. Thankfully, in Northern Ireland, because people who once espoused the use of politically motivated violence have been made to commit to the rule of law and support for the institutions of the British state, the days of our Government negotiating behind our backs with those who want to remove us from our place of citizenship inside the UK have been ended.

Seemingly there is nothing so glamorous in the reasoning behind this decision. Instead, my constituents find themselves merely the latest victims of Ministry-inspired cuts. However, I would like the Minister to confirm that political considerations had nothing to do with the announcement. The vast majority of people in Northern Ireland from both main political traditions have grown sick and tired of the culture of side deals that the Government have operated since coming to power in 1997, particularly in the context of their kid-glove treatment of republicans. The Minister must detail whether there was any contact with any political party in the Province regarding this matter prior to the announcement's being made.

For a good example of how the announcement has been spun for political purposes, one need look no further than the comments of my immediate predecessor as the Member of Parliament for South Antrim, Mr. Burnside. When the news first broke, he became hot under the collar and demanded to know why the First Minister of Northern Ireland—my party leader—had not been aware of the situation. Mr. Burnside made all sorts of party political comments. Quite why a member of the pro-Belfast agreement Ulster Unionist party believed himself to be on safe ground when denouncing military cuts, I do not know. After all, his was the party which, through its support for the joint declaration, presided over the demise of the three home battalions of the Royal Irish Regiment. It was only through the intervention of the Democratic Unionist party that those who were affected by that disgraceful decision were guaranteed an adequate redundancy package. His

was the party that presided over and supported the demise of the Royal Ulster Constabulary and the massive reduction in police numbers that followed from it via the insidious Patten report.

On issues of national defence and safeguarding local communities, neither Mr. Burnside nor his party has a leg to stand on. Besides, this issue is far too important to be dragged into the mire by a defeated candidate seeking to make cheap political headlines to re-establish himself as a media presence in the constituency that he served so poorly during his time as its MP.

Sammy Wilson: Mr. Burnside accused the First Minister of not fighting hard enough, but does my hon. Friend share my feelings about how the announcement was made? Rather than giving prior notice or even an opportunity for discussion in the House, the Government issued a written statement. That is not how such a far-reaching decision should have been announced.

Dr. McCrea: I thank my hon. Friend for intervening once again. In fact, in many ways, that goes to the very heart of the problem, which is not only about 140 people losing their jobs but about 100 years of history and 100 years of support from the south Antrim community. Overnight, a decision to remove 1,100 people from my constituency was announced. Hon. Members should remember that it is not only the RAF personnel based at RAF Aldergrove who are affected, but their families as well. My constituency is losing 1,100 people who are active in the community and who give economic advantage to it.

The manner in which the announcement was made—my hon. Friend must have been reading my notes—leaves much to be desired. The story of the cuts hit local news and media outlets on Thursday 24 April. I happen to be the MP for the constituency most affected by the decision, but I heard about it on a morning news programme that was broadcast before the letter had been received and the written statement delivered.

There had been absolutely no consultation with those whose lives and incomes will be affected by the decision, and no consultation with the Member of Parliament for the area or the borough council, which has had a wonderful relationship and bond with the RAF at the Aldergrove base over 100 years. What sort of way is that to treat people? The first time many of my constituents heard about the decision was when they were driving to work. Frankly, it is a disgraceful state of affairs when people who have loyally served the Crown and their country and a community that has welcomed the RAF and other military units into their homes and hearts are treated in such a contemptible fashion by the MOD.

I want to place on the record the profound sense of hurt and offence caused by the MOD's handling of the issue. Many people in the Antrim area feel aggrieved to have been treated in such an offhand manner by the Ministry. On their behalf, I am calling for an apology from the Minister today. It is incumbent on him also to inform us what protocols exist in the Ministry of Defence on making such announcements.

Many people were left flabbergasted by the manner in which the announcement was made. My constituents deserve—nay, demand—to know the Ministry's procedures for disseminating information about matters of such public interest. What are the protocols for making important announcements such as this, which, if they are followed and adhered to, will have a serious impact on people's lives? It is hard to believe or to accept that the standard procedure for making major announcements such as this is to time them to appear in the press and on the airwaves and television on the day on which the local Member of Parliament receives his or her first item of correspondence about the matter from the Ministry, or that the removal of 1,100 people from a constituency should be announced in a written statement to the House, without prior notice and without discussing such an important matter with the local Member of Parliament.

The Royal Air Force operates an RAF community support website—rafcom.co.uk—but the people to whom I have spoken and who will lose their livelihoods as a result of this decision will need a little more than a website to help them out of the predicament into which the MOD has dropped them. They are now going to talk to the unions.

Let me make it perfectly clear that I do not accept this decision, which is foolish and will be regretted later down the line if it is not corrected now. I beg the Government to change their decision. My constituents are totally committed to RAF Aldergrove.

When examining the resources available at RAF Benson and RAF Aldergrove, it seems to me that Aldergrove is better equipped to meet the requirements being assigned to Benson. Why is there to be no outsourcing of work and responsibility from other stations to the well equipped Aldergrove? The comparative superiority of Aldergrove over Benson raises serious questions about the Government's motives. What we have before us are proposals to force through at Aldergrove in my constituency cutbacks that will cost 140 jobs in the Antrim area and lead to the removal of 1,100 RAF personnel and family members from the council area.

Is it possible that the fact that people of South Antrim do not have the opportunity to punish the Government at the polls for forcing through a damaging programme of job losses may have been a consideration in MOD thinking? I sincerely hope not, because that would be disgraceful. I trust that the Minister is in a position to provide hon. Members with a detailed explanation of the logic behind the decision. At the very least, my constituents deserve to know the Government's motivation and logic for deciding to make 140 of them unemployed. I am deeply disturbed by this announcement, and I strongly urge the Government to re-examine it before proceeding.

During the coming days and weeks, people in my South Antrim constituency will be in a position to see for themselves just how seriously the Ministry of Defence takes its obligations to the communities in which it operates and from which its staff are drawn. It is a position that neither I, as their Member of Parliament, nor they, as loyal people who have faithfully supported the military's role in Northern Ireland for many years, wanted to be in. The Government have said that they intend, via headquarters in Northern Ireland, to consult the trade unions on what the Government call "the management of civilian reductions", which to the layman means job losses.

I urge the Government not only to consult, but to reconsider their initial announcement. The MOD must engage positively to ensure that necessary arrangements

[Dr. McCrea]

are put in place to help those most adversely affected by this decision, if the Ministry of Defence refuses to change course and the decision is implemented. It is essential that the MOD puts in place a comprehensive package of relief, not only by way of compensation and redundancy arrangements, but with a programme of reskilling to enable people to gain access to the employment market after their service at Aldergrove comes to an end. Given the loyal dedication and proud service given by the civilian staff and the faithful and enduring support offered by my constituents in Antrim, that is the bare minimum required of the Ministry of Defence.

We must bear in mind that many of those civilians operated during the years of trouble. They faced great personal danger and even a threat to their lives, but in a written announcement, their future is being cast aside and their jobs are being put on the heap.

9.56 am

Mr. Gregory Campbell (East Londonderry) (DUP): It is a privilege, Mr. Bayley, to serve under your chairmanship. I congratulate my hon. Friend the Member for South Antrim (Dr. McCrea) on securing this debate on an important topic in his constituency.

Job retention at military bases is often overlooked, because there is a tendency, particularly in Northern Ireland, to assume that it is an employment factor that was relevant during the troubles—of course, it was relevant, and it provided a sustainable backdrop for many people for 30 years. Hopefully, we are now reaching the point in Northern Ireland when a vicious page has been turned in a chapter of our history—we all hope and pray that that is occurring and that there will be no regress. That being so, the Government have a duty to assist Northern Ireland, whether in the case of the retention of RAF Aldergrove, which my hon. Friend and local people demand, or in the case of the adoption of other sites for utilisation in the local economy, which has been done in a few cases in Belfast and Londonderry and which could become an economic driver, if the MOD were flexible enough to allocate those bases free of charge to the Northern Ireland Executive. That has happened in a few cases, but it should happen in other cases, because we shall probably not have another such opportunity.

We have come through 35 years of tyranny and terror, and we are now almost in a hiatus with the economy still heavily dependent on the public sector, as my hon. Friend has outlined in relation to Antrim. We must promote the private sector in Northern Ireland, and this is a golden opportunity for the Government to assist communities in Northern Ireland. Retaining a base such as RAF Aldergrove and considering whether other bases could be handed over to the Executive for the private sector to provide sustainable, long-term employment will enable us all to enjoy a peaceful, prosperous and progressive Northern Ireland.

Dr. McCrea: The base is associated with not only 30 years of trouble, but the 90 years of history from 1918 in which the RAF has been based in the Antrim area, so the issue goes far beyond the trouble. The trouble was a vital part—there was great personal danger—but when the nation called on the people of the United Kingdom, RAF Aldergrove was a vital part of the nation's defence. I believe that my hon. Friend has referred to Massereene barracks. Another regiment is to be brought in and Massereene will be left vacant. I think that he was pointing out that the base should be handed over to the people of Northern Ireland, that is if the Minister does not change his mind—and I trust that he will—about RAF Aldergrove.

Mr. Campbell: I thank my hon. Friend for his intervention. Indeed, one would have thought that 90 years of service would have merited more than simply the release of a statement. I would have thought that intensive consultation and discussion with the local Member of Parliament would have been a prerequisite. Perhaps the Minister will address that in his response.

In conclusion, I want the Minister to look at the overall concept in Northern Ireland and give a lifeline to Antrim and other places, such as Coleraine, Portadown and Belfast. If a lifeline were provided, the economy could be revitalised through a contribution from the Ministry of Defence. I hope that the Minister will review the MOD's decision and assist us in our plight as we try to step out of a morass of violence and move into the 21st century.

10 am

Sammy Wilson (East Antrim) (DUP): I congratulate my hon. Friend the Member for South Antrim (Dr. McCrea) on securing this debate about an important issue in his constituency. The proposal will also have a spill-over effect on my constituency, because many of those employed in the civilian work force at Aldergrove live in the East Antrim area—indeed, a number of people have already come to my office to talk about the blow caused by the announcement. I would like the Minister to respond to a number of points. The fact that the announcement was made by written statement perhaps did not provide the opportunity for a closer examination of the decision and this debate at least gives the Minister the opportunity to respond to the relevant points that have been made.

I recognise that defence needs and public spending priorities change. I also recognise that the Northern Ireland economy needs to change—both speakers this morning have referred to that. The Executive of the Northern Ireland Assembly have prioritised moving away from public sector dependence to greater private sector involvement. That transition period will cause pain. The Executive already have grand plans to cut the public sector in Northern Ireland—for example, reviews of public administration, doing away with quangos, amalgamating councils and so on. That will move resources towards the private sector, but if on top of that, Northern Ireland receives a disproportionate reduction in public service employment from central Government at Westminster, the transition period will be made much more difficult and some areas will be badly hit.

As my hon. Friend the Member for South Antrim has mentioned, a decision about the Massereene site in Antrim has been made, and that will, of course, lead to reduced spending power as a result of a decrease in employment there. The loss of a population of about 1,100 people plus the civilian jobs that pump money into the local economy will have a downward multiplier

effect at a time when changes and decisions are already being made in relation to public employment in the area by the Northern Ireland Executive.

The proposal will also have a sudden impact on local schools because a number of nearby schools are heavily dependent upon children from the base at Aldergrove. I cannot compare Aldergrove with other bases here in England, but I have toured the base on a number of occasions and seen its excellent facilities, which include not only workshops, hangars and mechanical resources, but excellent domestic housing facilities for service staff. After hearing about the conditions in which service staff are forced to live at some bases in this part of the United Kingdom, one must ask how far the total costs and benefits of the Aldergrove site were considered. How much of a business case was made and was Aldergrove compared with other sites in England before the decision was taken?

I have no doubt that there are economies of scale in bringing all those activities together, but, as my hon. Friend has asked, was a business case worked out for sourcing work done in England and bringing it to Northern Ireland? Aldergrove has the facilities, and it has excellent conditions for the personnel who work on the base. I have been in the houses of many of the personnel based at Aldergrove, and the facilities are first class. Will the Minister say whether it was simply a case of asking what savings could be made by closing Aldergrove, rather than looking at the opportunities to use such a cost-effective and well-resourced facility in Northern Ireland and considering whether some activities could be moved from other parts of the United Kingdom?

I would also like the Minister to indicate whether the MOD looked at the kind of adjustments that are already being required as a result of running down military bases across Northern Ireland? Historically, I know the reasons for that, and I am glad that we do not need the level of troop allocation to Northern Ireland that we did in the past because it shows that we are moving towards greater normality. As a result of the endeavours of members of our party, we are moving Northern Ireland away from a conflict situation towards a much more peaceful and bright future. That has necessarily caused adjustments to be made in constituencies all around Northern Ireland. I understand that this proposal is not related to the need to run down the security forces backing up the police in Northern Ireland and that it is part of the general adjustments being made.

Dr. McCrea: As I said to my hon. Friend the Member for East Londonderry (Mr. Campbell), let us remember that this base is not a conflict-related base. For 90 years, it has been an RAF base and therefore we are not talking about the general issues that would relate to other bases, but about something that is for the benefit of the United Kingdom as a whole.

Sammy Wilson: That is exactly my point. I understand the run-down and that there is no point in keeping bases that were purely needed for the service personnel who dealt with the troubles. However, it is gratuitous that on top of the necessary removal of bases that are no longer needed because of the greater normality in Northern Ireland, reductions are to be made to a base that has existed for a long, long time and that has provided a service not directly related to the troubles. Again, the Ministry of Defence should have taken into consideration the fact that we have already borne a sizeable reduction in personnel and bases in Northern Ireland. The local economy has suffered as a result of those necessary adjustments, but the adjustments to Aldergrove are not necessary—particularly if no cost-benefit analysis was done to see how money or work could be reallocated to Northern Ireland to offset some of the cuts that have already been made.

In the long term, as my hon. Friend the Member for East Londonderry (Mr. Campbell) has pointed out, some military bases could be used to regenerate local economies. The Minister has received considerable representations about the base in Omagh, which people wish to use for an educational facility, bringing together five of the schools in the area. That will happen only if the base does not have to go out at market rates and if the commitment that the Government made to turn over many of these bases as an asset to the Northern Ireland Executive is fulfilled and the promise kept. There are many other such bases.

In the long run, the contraction of the RAF may mean that there is no use for the base at Aldergrove. The adjustment over time is important. That time adjustment may well lead to the base being made redundant in the very long term, but the current reduction, coming at a time when we have had all the other reductions in the armed services in Northern Ireland, is a reduction too far. I am sure that there is considerable economic potential in the longer run, with the development of Aldergrove airport and the plans for the area around it, but given the changes that are already occurring in the Northern Ireland economy, the decision that we are discussing will have a detrimental short-term impact. I believe that it is to lead to facilities being relocated to less desirable facilities elsewhere in the United Kingdom and that efficiency will suffer. If the Minister can tell me differently and show us that the costs have been carefully considered and that there are considerable benefits, I suppose that we will have to examine those figures, but the decision has been a blow.

I think that the decision is indicative of the way in which the Government at Westminster sometimes treat Northern Ireland. I do not think that something as important as this would have been done without consultation in an English constituency. For the Member for the area to hear about the matter on the news, rather than there being prior consultation, and for things to be done outside the normal parliamentary procedure—it is fortuitous that we have this debate today—has been regrettable and causes people in Northern Ireland to believe that sometimes they are an afterthought in these decisions, rather than part and parcel of the proper way in which governmental decisions should be made. I hope that that is not because there are no votes for the Government party in Northern Ireland and that it is therefore felt that Northern Ireland can be disregarded.

Dr. McCrea: Rather than there being no votes, there could be very important votes in this House from Northern Ireland at the next election.

Sammy Wilson: When I said "no votes", I meant for the particular party, as it has refused to stand in Northern Ireland.

Mr. Gregory Campbell: So far.

Sammy Wilson: Indeed. I hope that it is not the case that people feel that Northern Ireland can be disregarded in that way because the governing party at present is not organised in that part of the United Kingdom. We are part of the United Kingdom. We believe that we should be treated in the same way as any other part of the United Kingdom and that, when major announcements such as this are being made, a proper consultation process should be undertaken.

10.14 am

Willie Rennie (Dunfermline and West Fife) (LD): It is an honour to follow three great speakers. This is my first foray into Northern Ireland politics and I will tread carefully—Scottish politics is complicated enough, and I do not regard myself as an expert on that. Westminster Hall debates are an interesting discipline, because they force us to examine and explore issues that we might not explore in our usual work in Parliament, and it has been very interesting to discover the rich history of the RAF Aldergrove base.

I have been on the Puma helicopters that are based at RAF Aldergrove. With the Select Committee on Defence, I flew over Baghdad last year and witnessed the extraordinary professionalism of the crew and pilots on those craft as they flew us over the city. They moved at a fair lick through the suburbs of Baghdad, which was probably the right thing to do at the time. When we got into the green zone, about 27 mortars came over the wall in the space of an hour, and that was supposed to be the safe area.

I wish to cover four issues this morning. Many points have been made already, but I wish to rehearse some of the arguments. The first issue is the technical, military aspects of the decision—the reasons behind the decision from an MOD perspective; the second is the political significance for Northern Ireland and wider politics; the third is the economic impact; and the fourth is the social impact. All four aspects are extremely important and must be considered in their own right.

The significant history of the RAF base has been referred to. It goes back over 90 years, to a time well before the recent troubles. It played a role during the second world war in the battle of the Atlantic, when reconnaissance aircraft from the base searched for U-boats. For the V-bombers, it was one of only 26 airfields in the UK in 1962. So the base has played a very important role in the past, as well as in more recent times in Northern Ireland.

The RAF Aldergrove website, which I have been scrutinising over the past few days, clearly states:

"Aldergrove is now home to a mixed force of helicopters, which operate across the province in support of the Police Service of Northern Ireland."

However, it is clearly stated on the BBC website, although not in the Minister's statement to the House in April, that the cutback

"is unconnected with the peace process reductions in troop levels and base closures which were finally completed in Northern Ireland by the MOD last autumn."

I find it quite difficult to believe that the decision is nothing to do with the peace process, when the role of the base was clearly to do with supporting the PSNI. I would therefore like the Minister to clarify whether the move is part of the peace process. Perhaps it is not part of the technical troop withdrawal, but is it part of the wider peace process? If it is, we should be open about that and make it clear in the statements.

If the move is connected with the military aspects, we need more explanation of why a single site is required now when that did not seem to be an imperative at an earlier stage, during the troubles. The Minister needs to be clear about the justification for the single site. If there is a requirement for a single site, which military experts may recommend, was Aldergrove considered—the excellent housing facilities there were mentioned—especially given that there is a profusion of military bases in the south-east of England? It may not be now, but that was part of the overheated south-east economy. Would it not have been better to consider Aldergrove as part of the job dispersal programme that the Government are keen on, so that the wider needs of the community in the UK as well as Northern Ireland were considered and not just the narrow needs of the MOD? Was wider consideration given, as opposed to the restrictive silo mentality that has often marked various Departments?

Was there a requirement for a single site? If so, why was Aldergrove not chosen, if it was considered at all? Will the Minister also explain why Massereene is being closed and why the Engineers will be going from there to Aldergrove? What will the Massereene site be used for? I would like the Minister to go into some of those matters.

I found the contributions of other hon. Members extremely interesting, as there are many parallels in my part of the world as the result of a transition from coal mining and dockyard operations to more private sector involvement. Such a transition is difficult, so it is important that we have a plan and that we do not have various Departments making different decisions at different times, without the whole picture being considered. It is important that the Minister addresses those points.

The second aspect is the political impact of closure. As we heard, there has been a bit of a political scrap between the various Unionist parties in Northern Ireland about who was consulted and who was not. If the Northern Ireland Executive are to operate effectively, it is vital that they are consulted and included in the decision-making process. Was the First Minister of Northern Ireland consulted? Why was the MP for the area not included in the early notification process? If he had been, he would have been prepared and ready to ask questions before the decision was finally announced.

Does the Minister find it significant that there will be no RAF base in Northern Ireland? That is an important historical point, which we should consider before making the final decision. There are many bases elsewhere in the United Kingdom, and the people of Northern Ireland will be puzzled about why Northern Ireland is the only place with no base. Some RAF personnel and the Army Air Corps will be based at Aldergrove, but it will be a significant change from having had an RAF base established there for more than 90 years to no longer having a base. That point should be noted and the Minister should reflect on its wider significance.

Various figures on how many jobs will be lost have been bandied about—mainly ranging between 100 and 140. Does the Minister have any information on that?

What support will be put in place to ensure that those people have the best opportunities made available to them?

I apologise for referring to Scotland so regularly, but there we have the PACE—partnership action for continuing employment—team. Jobcentre Plus, local councils, the enterprise agencies and others get together as a hit team. They support personnel, such as those from the Lexmark factory in my constituency who have lost their jobs, and they provide round-the-clock support with CV writing and training; they also offer advice on what further training might be available elsewhere. Is similar provision made in Northern Ireland, and if not, can it be put in place? What role does the Ministry of Defence play in providing such support for people who are to lose their job?

We have heard that 1,100 personnel, families and support staff may move out of the area. If we were to lose 1,000 people from my constituency, we would know about it. We would feel the impact on the local economy, as people would no longer be spending money and would not be using the local post office, the local shops or the local library. What measures will be put in place to support the community? I do not know how widely dispersed those people are in the area, or whether they live close together.

Dr. McCrea: The written statement about the massive change that will come about if the Minister goes ahead states that unions will be consulted. Removing 1,100 people from a community will cause serious economic problems, but there was no mention of consultation with the borough council or the community on how they would pick up the pieces afterward. The unions are to be consulted about the 140 jobs, but it seems that no one else has the right to be consulted.

Willie Rennie: I sometimes think that the 90-day consultation with unions is a proxy for real consultation; it is sometimes a bit too strict and does not enter into the spirit of the wider consultation that is required. We should look in a more holistic way at involving councils and others in the area in order to ensure that they understand the consequences and engage in a transition strategy to deal with the loss of 1,100 people. The hon. Gentleman makes a most relevant point. It is essential that the Minister explains what wider consultation there will be beyond the trade unions; consultation is vital, but it needs to be wider to cover the economic impact on the area.

We also need to ensure that mitigation measures are in place. What extra support can be supplied to councils and the enterprise agencies to ensure that alternatives, such as business start-ups, can be put in place? We need to utilise the skills not only of the base personnel who are to lose their jobs, but of those who support the base in the wider sense, as I have no doubt that there will be further job losses.

If I were to lose 1,100 people from my constituency, it would also have an impact on schools and hospitals and other health services. GPs and hospitals might welcome having fewer patients, but I am sure that the local school would suffer, as there would be a direct impact on class sizes—and perhaps on the school's critical mass. I do not know what assessment has been made of the impact on schools and whether extra support will be provided to ensure that they do not fall below critical educational levels. If classes sizes are reduced to the point that they become too small, it will have an impact on the quality of learning. We need wider consideration to be given to that point.

I am grateful to an Alliance council member from the constituency of the hon. Member for South Antrim (Dr. McCrea), Councillor Alan Lawther, who briefed me yesterday on some of the local aspects of the issue. He was full of praise for the work done at RAF Aldergrove. He said:

"These staff have been integral in the normalization process within our society. They established good community links, worked closely with local sporting groups"—

across the spectrum, and not only from one part of society—

"and organized educational trips for schools."

Indeed, his daughter took part in a recent trip to RAF Aldergrove, and she enjoyed seeing the aircraft and the base. I understand that science classes and other lessons take place in Aldergrove, which is part of the wider learning remit of schools. That, too, will be lost if community use does not continue. Will more formal programmes be established to ensure that those good community links are not lost? I understand that the local mountain rescue service operates from Aldergrove. What impact will the closure have in that respect?

I am disappointed to hear about the lack of consultation. I hope that it is not because none of the three main parties are represented in Northern Ireland. I hope that the Minister takes the opportunity this morning to put some of those things right.

10.28 am

Mr. Gerald Howarth (Aldershot) (Con): I, too, am delighted to be here under your chairmanship, Mr. Bayley.

I salute the hon. Member for South Antrim (Dr. McCrea) for securing the debate, and for doing so so swiftly after the decision was announced. That is some achievement. I am also pleased to hear that the hon. Gentleman has been making common cause with my great friend David Burnside—it is good to see local politicians working together. I am sure that the hon. Gentleman's constituents will appreciate the fact that he has raised the issue in the House and brought it to the attention of a wider audience.

I welcome the hon. Gentleman to the world of the United Kingdom. I hope that he will forgive me for saying so, but that he and his colleagues are somehow being singled out for such adverse treatment is news to me. Welcome also to the world of defence closures, which we on the mainland have had to live with for a long time. What he and his colleagues and many of us called the troubles over the past 30 or 40 years ensured that military facilities remained in Northern Ireland that might otherwise have closed earlier. He should therefore regard himself not as singled out, but very much part of the United Kingdom.

I agree with the hon. Gentleman that the manner of the announcement is very much to be regretted, and I am sure the Minister will respond to that concern. It is important that Members of Parliament are consulted in advance of decisions. There is a well rehearsed facility by which Members are taken to one side and briefed privately in advance, particularly when an announcement

[Mr. Gerald Howarth]

will affect a large number of jobs in their constituency. I add my voice to those of others, including the hon. Member for Dunfermline and West Fife (Willie Rennie), who have said that the Minister owes the hon. Member for South Antrim an explanation in that regard.

Today's debate brings home to us the fact that the decision effectively marks the end of 90 years of RAF presence in Northern Ireland. I do not want to let the event go by without recording my own tribute to the RAF, a service with which I am associated, as the Minister knows, having been commissioned in the Royal Air Force Volunteer Reserve, Britain's last hope—in my case, not that of the rest of the RAFVR. All I would add to the history set out by the hon. Member for South Antrim is that the RAF presence actually began a year earlier than he said, in May 1917. Major Sholto Douglas MC DFC, a member of the Royal Flying Corps, was recuperating after being injured in France and was asked to survey sites in Ireland that might be suitable for creating bases for the putative RAF. One such site was Aldergrove. It is therefore 91 years almost to the day since Major Sholto Douglas discovered Aldergrove for the purposes of military aviation.

Reference was made to the importance of RAF Aldergrove during the second world war as an RAF Coastal Command base. Of course, in those times, bases as close to the Atlantic ocean as possible were needed, because aircraft had much shorter ranges than those that are available today. Aldergrove was well located for that purpose. The base was a V-bomber dispersal base in the 1950s, as was mentioned. I can tell the hon. Member for South Antrim that, as a trustee of the Vulcan to the Sky Project, I hope that we shall be able to display to him, his constituents and others in Northern Ireland the Vulcan bomber this summer, as a reminder of the part that that marvellous, iconic aeroplane played in our security during the cold war and providing the deterrent that kept the Russians at bay.

The hon. Gentleman made the point that the RAF in Aldergrove has been well supported by the local population. The public at large are suddenly recognising the huge sacrifice that is made in their name by the men and women of our armed forces, so the local population has a role to play. All service units are keen to ensure that they enjoy good relations with the local population, which the hon. Gentleman made absolutely clear.

I flew in a Puma in Northern Ireland under the auspices of the armed forces parliamentary scheme four or five years ago. Although it was not at the height of the troubles, nothing brought home to me the skills of RAF crews more than that trip, and they ought to be recognised. In the great tally of casualties of those who laid down their lives for the sake of the people of Northern Ireland and for the wider interests of the United Kingdom, 3,524 people were killed, of whom 505 were members of the British Army or Territorial Army, 301 were members of the Royal Ulster Constabulary, and four were from the RAF. The four came from 230 Squadron, which is currently based at RAF Aldergrove. Three aircrew were lost in an airborne collision with an Army Air Corps Gazelle at Bessbrook Mill on 26 November 1992, and an Army major who was on a familiarisation flight was also killed.

It is important to recognise that not only the Army was involved in Northern Ireland. Just as it is today in Iraq and Afghanistan, the RAF is absolutely at the front line, in harm's way, in danger and relying upon the incredible skills and courage of the pilots and crew of the aircraft involved in operations. Hon. Members may be interested to know that Bessbrook Mill, which was a converted linen mill, was the base in Armagh, I believe, in the heart of bandit country. At one time, it was the busiest heliport in Europe, with something like 600 flights per week moving something like 15,000 passengers per month. Those statistics encapsulate the extraordinary intensity of the military operations in which all three services—the Royal Navy was involved, especially in rotary operations—participated.

That brings me to 230 Squadron, which is the current serving squadron at RAF Aldergrove. It was formed at Felixstowe on the east coast of England on 20 August 1918 by combining three locally-based sea plane flights, and took up maritime reconnaissance over the North sea flying the Felixstowe F2A. To bring us up to date, the squadron moved to RAF Aldergrove on 4 May 1992—almost 16 years ago to the day—and formed the Puma squadron to provide service in Northern Ireland. It was a re-formed squadron, as the hon. Gentleman said, but it was effectively 230 Squadron. It undertook day and night duties in County Fermanagh, operating from St. Angelo airfield, and similar tasks in south Armagh, operating, as I said, from Bessbrook Mill, as well as Province-wide tasks.

The squadron was engaged in a wide range of operations and carried on in the Province until the cessation of Operation Banner on 31 July last year. During that 15-year period, it amassed in excess of 37,000 flying hours in the Puma. Twenty-six individuals were awarded honours and decorations, including 14 Queen's commendation for valuable service in the air, seven MBEs, one OBE, one Air Force cross and one distinguished flying cross. Together with the other statistics I have given, that illustrates the commitment that those men and women have given to our country and the people of Northern Ireland.

The hon. Member for East Antrim (Sammy Wilson) said that times change, which they do, and acknowledged that the armed forces are under immense pressure—I have mentioned Iraq and Afghanistan. The RAF does not have enough people to undertake the tasks that it is asked to do. It is finding it difficult not only to recruit people but, more especially, to retain them. That is a problem because of the constant tempo of operations. It therefore comes as no surprise that the Government are seeking to minimise the commitment that they are calling on those people to make, and if Northern Ireland presents an opportunity to reduce the commitment, the Government will seize it. We should be in no doubt that those people are doing an tremendous service.

I have a few questions for the Minister—*[Interruption.]* The Minister is gesticulating from a sedentary position, but I have only about a minute's worth of questions. We still have 20 minutes to go, so he is not going to get away with saying that he does not have enough time to answer questions from the hon. Member for South Antrim and the rest of us.

It is true that the base was not established to deal only with IRA-sponsored violence, and it has been there for 90 years. It would be helpful if the Minister

told us whether any alternative uses were considered. Was consideration given, for example, to basing the long-range maritime reconnaissance aircraft—the Nimrod—at Aldergrove? I say that partly because the base is closer to the field of operations—the Atlantic ocean—as it was in the days of Coastal Command.

The troubles are not completely over, and there is still sporadic violence, as those Northern Ireland Members who have spoken will tell us only too graphically. The Army Air Corps will continue to operate from RAF Belfast, but does the Minister have any other contingency plans that he can tell us about?

The Royal Air Force presence at the Aldergrove site will continue, with a limited number of RAF personnel remaining there, but will the Minister tell us how many? Does he have any information about the role that they will play?

Finally, I make no apologies for ending my contribution by repeating that we in the House owe a huge debt of gratitude to all the armed forces, not least the Royal Air Force. The 37,000 flying hours done by one squadron alone illustrate the extent of the commitment shown by members of the RAF, as well as their unfailing sense of duty to their country and their courage in the face of considerable danger. We should not lose this opportunity to pay tribute to them.

10.42 am

The Minister for the Armed Forces (Mr. Bob Ainsworth): I thank you for presiding over our proceedings, Mr. Bayley. I also thank the hon. Member for South Antrim (Dr. McCrea) for the support that he and his constituents have given, and continue to give, to the armed forces in Northern Ireland, and particularly in the Antrim and Aldergrove area. Aldergrove is a popular posting with the armed forces, and the units that have been, and currently are, based there have built strong links with the local community. I am sure that the units that will be based there in the future will continue to receive that support and will make the same endeavours to develop such links.

I join the hon. Gentleman and other hon. Members in paying tribute to the role played by the RAF in Northern Ireland over 90 years. I very much welcome the strong connections that it has developed in Northern Ireland through, for example, the Aircrew Association, the Royal British Legion and the Air Training Corps, as well as through its frequent presence at airshows at Portrush and elsewhere. Again, I am sure that those links will continue.

I also join the hon. Gentleman and others in paying tribute to the Ministry of Defence civilians who support our armed forces in Northern Ireland. As I made clear in my statement about the end of Operation Banner on 25 July 2007, I recognise the role that they have played and their commitment. I had the opportunity to meet and talk to some of those civilians, and their dedication, as well as the personal difficulties that they faced over many years, is palpable. I take this opportunity to pay tribute to them and to make it clear that I recognise the essential role that they will continue to play in this new era, when we all hope that our military personnel in Northern Ireland will train for and undertake deployments worldwide.

At this point, I must say something about the consultation, because the hon. Gentleman was vociferous in his anger about the way in which it has been handled. I have no desire to upset him, because I have great affection for him; indeed, I admire him from afar from this side of the Chamber. I must tell him, however, that it is extremely difficult to know how to handle such situations. As the hon. Member for Aldershot (Mr. Howarth) has suggested, I have announced many changes at bases and training establishments throughout England, Scotland and Wales in my time in this job. The idea that the hon. Member for South Antrim is somehow being treated differently, or that he is being treated differently because he cannot, like others, vote against the Labour party, simply does not stand comparison with the way in which other announcements have been dealt with. In a previous life, I tried to get the hon. Gentleman's party to support the Government on the odd occasion, and I cannot remember ever having been successful, so his threats are a little empty and do not hurt very much.

The hon. Gentleman's anger and the issues that he and other hon. Members have put to me raise the question of where Parliament sits in the consultation process. Do we tell Parliament at the start of the process, halfway through or at the end? That is enormously difficult. Where do our employees sit in the consultation process? Are they entitled to know right at the start, once we have developed plans? It has therefore been the norm to make a written statement about such changes, and I wrote to every single hon. Member who would be affected, including the hon. Gentleman's colleague, the Assembly's First Minister, the right hon. Member for North Antrim (Rev. Ian Paisley), to try to ensure that they were aware of my statement.

I cannot say how or why the story wound up in the press, or who was responsible, although it could have been the result of one of those letters or of something leaking from the Northern Ireland Office management establishment or the MOD structure in Northern Ireland. I am sorry for the anger that has been caused, but the hon. Gentleman has been treated in the same way as other people when we have had to review RAF locations, the basing of particular aircraft, changes to the training establishment and the rest of it. Generally speaking, we announce such things to Parliament; if we did not, we would be criticised for not doing so. We also announce them in written statements; if we dealt with them all in oral statements, we would be popping up pretty regularly, which would destroy the rest of the day's business far too often for the liking of other parties and take up valuable time for scrutinising the legislative process.

Dr. McCrea: Does the Minister not understand that this decision is being made by the United Kingdom and Westminster-based Parliament and Government? Given that there is one Member for the constituency, it is only natural for members of the community to say, "When did you, as my Member of Parliament, know? What part did you play in this decision?" The finger is pointed at the individual Member of Parliament, who has to be able to say, "I got it in a written statement."

Mr. Ainsworth: I understand those difficulties, and I have been subject to them myself in my role as a constituency MP. The hon. Gentleman is not the only

[Mr. Bob Ainsworth]

hon. Member whose constituency is affected by this announcement—the Massereene barracks will be, too. I spend a large part of my time as a Minister writing to all kinds of Members of Parliament—sometimes to 50 and 60 at a time—who are affected by particular aspects of MOD life. I try to consult hon. Members to ensure that they are not left out of the loop or left in a difficult position like the hon. Gentleman. I do not know why he received the letter a little late, but perhaps he needs to examine his side of the chain of communication and not just point the finger at my side. However, there was no attempt or desire to put him in a difficult position.

We need to discuss the substance of the issue. I have set out the background, and I want now to set out the rationale for our decision to relocate 230 Squadron and the RAF supporting personnel from Aldergrove to RAF Benson; to explain the further garrison restructuring that that relocation has enabled; to expand on the reduction in MOD civilian posts in Northern Ireland and the potential redundancies associated with that; and to offer some reassurance, I hope, as regards our commitment to maintaining a military base at Aldergrove.

Puma helicopters, with which 230 Squadron is equipped, play a key role as part of our support helicopter force at home and on operations. They provide tactical troop and load movement by day or night, carrying up to 16 fully-equipped personnel or two tonnes of freight. Relocation of the squadron to RAF Benson, where 33 Squadron, which also operates Pumas, and 28 Squadron and 78 Squadron, which operate Merlins, are already based will allow consolidation of the Puma force and greater coherence in the support helicopter force. It will improve the capability of the fleet by co-ordinating all front-line Puma basing, training, forward fleet maintenance and personnel at a single base.

Hon. Members have asked whether I considered the reverse arrangement of using Aldergrove in that way, and yes, of course I did. One of my first questions was why not do that—why move people into the south-east of England, when potentially we could move them out? Had we considered that? However, the weight of facility and capability and the gain from consolidation into RAF Benson was considerable. To conduct the process in the opposite direction would mean moving training facilities that were well established and embedded, at huge cost, and creating an awful lot of nuisance from helicopter flights in Northern Ireland, which would not be welcome. The logical approach, from the military and consolidation point of view, was the move to Benson, by which the smaller part of the helicopter force would be consolidated into the much larger operation already at RAF Benson.

The relocation of 230 Squadron will free up significant facilities at Aldergrove. Those include not only office and hangar space, but family quarters, single living accommodation and welfare facilities of a high standard, as hon. Members have mentioned in the debate. Having reviewed the options available, we have concluded that we will make best use of the defence estate and deliver the best quality of life for our personnel if 38 Engineer Regiment, which will move to Massereene barracks in Antrim later this year, relocates to Aldergrove once 230 Squadron has departed. We will still use that good estate that hon. Members have talked about. Aldergrove will remain a base, although of course it will primarily be an Army base. It is only about five miles from Massereene to Aldergrove, so some people will want to go, and some facilities associated with Massereene will still be usable. The move will allow the consolidation of 38 Engineer Regiment's technical and domestic accommodation on one site and enable the unit to benefit more fully from the additional facilities available at the larger site. As the hon. Member for South Antrim is aware, that will remove the requirement to retain the Massereene barracks. While he may regret that decision, I am sure that he shares the Department's objective of making the best use of available defence estate and infrastructure and delivering the greatest possible coherence for our units and the best possible quality of life for our military personnel.

As to the matter of gifting the base, all I can say is that Democratic Unionist party Members know that their party leader raised the issue at Prime Minister's questions, and they heard that the Prime Minister was prepared to meet him to discuss it. My view is that we need the receipt to pay for the many facilities and necessities in the Ministry of Defence. We are dependent on the estate. However, I cannot pre-empt the discussion that will take place between the leader of the DUP and the Prime Minister, and I do not know what agreements they will reach.

For staff whose posts are removed, such as those whose posts are associated exclusively with the security and maintenance of the Massereene barracks or for personnel unable to relocate to Aldergrove with 38 Engineer Regiment, everything possible will be done to find acceptable alternative employment in the Ministry of Defence. Where redundancies are inevitable, we will pursue voluntary release on compulsory terms, as we have done successfully in the current civilian draw-down associated with normalisation. It is our intention to make every effort to avoid compulsory redundancy. The Ministry of Defence will, in any case, remain a significant employer within the Antrim area.

The hon. Member for South Antrim has talked about 140 redundancies, but it will be much less than that. We want to retain many people at Aldergrove, which we want to develop. Some of the people who are associated with the basing at Massereene will be given the opportunity to redeploy, but their jobs will not exist if we close the Massereene barracks. However, that would involve fewer redundancies than the 140 figure that the hon. Gentleman has mentioned. We estimate that there will be fewer than 100 job losses. That, of course, will be subject to consultation with the trade unions, which is starting now.

Dr. McCrea: Does the Minister appreciate the serious economic implications of the removal of the RAF personnel and their families from the constituency? The important points include not only the job losses, but the loss of 1,000 people and their buying power from the constituency.

Mr. Ainsworth: The hon. Gentleman is right. Of course that will have an impact, but we are moving to a position in which we shall base 19 Light Brigade in Northern Ireland. The move into Aldergrove will facilitate part of that, so Aldergrove will continue to be used, and

families will be based in Northern Ireland. Of course, the numbers will fluctuate, depending on whether those mostly Army personnel are deployed or home-based in Northern Ireland at any given time, but there will still be considerable activity at Aldergrove, which will replace what has gone on there to date, and there will be a commitment to the site by the MOD over a considerable time.

To deal further with the future of Aldergrove as a military base, the announcement in the House on 30 January 2006 by the then Secretary of State for Defence of the move of 19 Light Brigade from Catterick to Northern Ireland demonstrated our commitment to basing significant units in Northern Ireland. As the hon. Member for South Antrim may be aware, two key units of 19 Brigade are already in place: 2 Rifles in Ballykinler and 2 Mercian in Holywood. Further units will arrive over the coming months: 40 Regiment Royal Artillery, 38 Engineer Regiment, the Combat Service Support Regiment and the headquarters of 19 Light Brigade. Just as the relocation clearly demonstrates our commitment to basing in Northern Ireland, the decision to relocate 38 Engineer Regiment to Aldergrove clearly demonstrates our commitment to maintaining a base there.

I am grateful to the hon. Member for South Antrim for seeking the debate. I am sorry that he was upset about the consultation process, but the House was told the news in the normal way, following the normal procedures, and the hon. Gentleman's constituency was treated in much the same way as the rest of the United Kingdom.

Thatched Roofs (Planning Policy)

10.59 am

Sir George Young (North-West Hampshire) (Con): I welcome this opportunity to raise the problems faced by many owners of thatched cottages and houses when the time comes to renew their roofs and they apply for planning consent. There are a number of players in the game: the home owners themselves, the thatchers who do the work and the farmers who grow the straw. The planners and English Heritage are the referees, and the man who makes the rules is the Planning Minister, whom I welcome to the debate. There are also many spectators: the visitors to and fellow residents of the many traditional villages in this country with thatched cottages, of which there are many in my constituency. They form part of our cultural heritage—a heritage threatened by the very rules designed to safeguard it.

Thatched roofs need to be replaced every 15 or 20 years. Until the last part of the 20th century, the choice of style and material for replacement was left to the owner and thatcher. Replacement was evolutionary, reflecting the availability of materials and the thatcher's craft and style. In the past 20 years, intervention and control have begun to halt that evolutionary process. The balance must now be shifted away from conservationists, who have tried to freeze-frame the process, and back to owners and thatchers.

English Heritage now insists on a policy of like for like in materials and thatching styles for listed building consent. A cottage thatched with traditional long straw must be re-thatched with traditional long straw. However, that straw is becoming scarce due to changing farming practices. The problem is now critical as a result of the poor harvest last year. Re-thatching with any straw—whether long straw or combed wheat reed, as in Hampshire—is impossible, because there is none.

Farmers can increase their crop yield by replacing cereal straw for thatching with other crops. The rising price of wheat makes that shift yet more imperative. English Heritage seems reluctant to recognise the changing trends in cereal farming and will not accept alternative thatching materials, which are indistinguishable from traditional materials to most of us and last much longer. Its so-called guidance containing the like-for-like policy is being slavishly followed by planning officers.

My interest derives from a lady outside Andover who wrote to me thus:

"Dear Sir George,

As you are a highly respected MP with a good reputation for trouble-shooting, we are hoping you may be able to assist our somewhat desperate situation."

I shall précis the next bit of the letter, but I wanted to read that first bit out in full. The lady's home had been re-thatched in 1992. She applied to have it re-thatched again with combed wheat instead of long straw, as she was simply unable to get long straw. Planning permission was refused, although two years before, she had received listed building consent to re-do the adjacent barn in combed wheat, and other nearby properties, including listed buildings, use combed wheat. She continues:

"It would seem the decision of English Heritage to dictate that long straw must remain is ill-timed since there is none available at all this year… All we ask is permission to preserve our home in this way, since the availability of any long straw is impossible to

[Sir George Young]

obtain. We have lived here 25 years and now we see how the dips and gullies are appearing all too soon. Combed wheat straw is a far more durable method than traditional style, and English Heritage should be proud to see that there are some of us who fight for this way forward."

The English Heritage guidance reflects the Government's planning policy guidance note 15, which was published in 1994. I quote from paragraph C.29:

"Thatched roofs should be preserved, and consent should not be given for their replacement by different roof coverings... When roofs are re-thatched, this should normally be done in a form of thatch traditional to the region".

However, Hampshire must now import its traditional thatch from Poland, leaving a substantial carbon footprint. Locally grown alternatives, such as water reed, are forbidden.

Shortly after the guidance was issued by English Heritage, it was challenged, not just by thatchers, who rightly argued that theirs was a dynamic and living craft that should reflect the availability of local materials, but in an article in *The Building Conservation Directory*:

"This issue has been made more complex by the imminent removal of the only two wheat varieties suitable for thatching and remaining on the UK National seed varieties list. It is illegal to trade and plant any seeds not on the current National list; to overcome the problem growers have been planting Triticale for both combed wheat reed and long straw thatching. This is a cross between wheat and rye. It has the advantage of being less susceptible to some of the climatic problems that have caused the poor harvest of other forms of wheat straw in the past two seasons. Many thatchers are now using it for combed wheat reed and the long straw style of thatching. On the roof, it is indistinguishable from the latter."

The article reported on the national conference on thatching organised by English Heritage in 1999:

"English Heritage speakers acknowledged that, with poor harvest of thatching straw in recent years, many householders are turning to the traditionally more expensive water reed, principally because it has a reputation for longevity."

I understand that it lasts twice as long as long straw. It was used in Scotland in the late 19th century, and it has been used widely for thatching in the past two decades.

An article in *The Observer* in March made the point well:

"Prices for home grown specialist straw have doubled in the past year and 2007 stocks are already used up. Foreign growers are unable to make up the shortfall because they have also suffered a disastrous year."

The article quoted Bob West, a spokesman for the National Society of Master Thatchers:

"Within five years there will be no wheat straw left for thatching".

Thatchers complain that some conservation officers have clamped down on alternatives, insisting that only traditional materials be used on listed buildings. In one case, officials allegedly ordered the home-grown substitute to be taken off the roof of an ancient barn in Sussex and replaced with Polish cereal straw. Typically, officials decree that roofs must be repaired with exactly the same materials as before.

There are signs in the appeal decisions that go to the Department for Communities and Local Government that planning officers' excessive zeal is being tempered. In an appeal against a decision in west Dorset, the inspector said:

"I have already considered the possible differences in appearance created between water reed and wheat reed. Overall, I feel these would be small and from most viewpoints would be insignificant. The importance of retaining traditional forms of thatching must be tempered by the availability of good quality material. Local thatchers have confirmed that good crops of wheat reed are rare".

Mr. Oliver Letwin (West Dorset) (Con): My right hon. Friend might be aware that I was involved in that case and have been fighting a battle against English Heritage on the matter for some years. As always, he has been enormously tempered and sagacious in his observations, but does he agree that underneath it all, what we are actually facing is "Yes Minister"?

There is a patent absurdity in regulators trying to regulate the invisible. Nobody in west Dorset can see the difference between the two. My constituents observe that, in some cases, English Heritage backs the replacement of old farm buildings with modern monstrosities that no one wants to buy on the grounds that they are an interesting development, but then prevent others, as my right hon. Friend rightly says, from using home-grown materials to achieve a perfectly acceptable effect. Is it not an example in fact of regulation gone mad? Is not what we really require from the Department simply a sense of humour?

Sir George Young: I am grateful to my right hon. Friend for his support, and I commend him for his efforts on behalf of his constituents. I agree: if ever there was an area ripe for deregulation, it is this one. I hope that the Better Regulation Commission will be invited to consider the thatching regime with a view to deregulating it.

In other decisions, inspectors have given weight to the quality and lifespan of water reed, but only after the appellant has gone to the expense of appeal. The flexibility should appear right at the beginning of the process: upstream with planning officers, not downstream with inspectors.

Another appeal is outstanding against the decision of South Cambridgeshire district council. I do not expect the Minister to comment on that, but I raise it as an example. In 2004, an appeal was lost to change the style of thatching from long straw to combed wheat reed. The property was then re-thatched in the long straw style using triticale, but the council have now imposed an enforcement notice specifically prohibiting any re-thatching using triticale.

I gave those examples to demonstrate that the current policy is inflexible, as my right hon. Friend said, unsustainable and in urgent need of review. As he pointed out, this area is crying out for deregulation. All the owners whom I have met and spoken to are passionate about doing the right thing for their property. They want to live in thatched cottages and maintain their value and historical integrity. They have taken advice from experienced thatchers who know their trade. They want a cost-effective and sustainable solution to the problem of roof replacement, but they find obstacle after obstacle placed in their path.

I have also spoken to thatchers, including one from Andover who told me this morning that a lack of good quality straw—long straw and combed wheat—due to bad harvests last year means that homeowners cannot replace their roof with the same material. Planning

officers are not being flexible either with new builds or listed buildings needing repair, and English Heritage does not seem to accept newer, more robust cereals for thatching even though they might save the homeowner money in the long run. That restricts the types of material available to the industry. Indeed, some thatchers might go out of business because, although the work is available, the necessary materials are not, so they might not survive.

I want three things out of this debate, if the Minister is to emerge as the hero, which I confidently expect that he will. First, I would welcome a meeting with myself and representatives of thatchers, such as the National Society of Master Thatchers, so that they can explain to the Minister and officials with more eloquence than I can muster this morning both the problems and the solutions. I should also like English Heritage to be present at the meeting, because its role is critical.

Secondly, I would welcome an indication from the Minister that he is prepared to revise the section of PPG15 that I read out, which is now some 14 years old, with a view to replacing it with something more sustainable that takes account of available materials and is much more flexible. I hope that he will encourage English Heritage to do the same, because we need a policy that reflects the changes in agriculture and the dynamic nature of thatching. Thirdly, I should like the Minister to urge planners to be more flexible as from today and to listen to the advice that they receive from experienced thatchers in how they deal with applications and to recognise that, as resources, climate and economic conditions change, what was last placed on the roof might not be the most appropriate for the next generation.

Although I am a Conservative, I have never been called a Thatcherite. However, today, I find myself wholly aligned with those craftsmen and women, and I hope that the Minister can bring comfort to them and to the home owners on whose behalf I have spoken.

Hugh Bayley (in the Chair): The right hon. Gentleman was Lady Thatcher's Housing Minister; I did not realise that the post had had such a great effect on him.

11.12 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I never thought that I would stand in this Chamber and celebrate the work of thatchers, but on this occasion I am very pleased to do so. I am pleased, and find it interesting, that you are presiding over the debate, Mr. Bayley, because you represent a beautiful constituency in York with real architectural gems. I am genuinely pleased that the right hon. Member for North-West Hampshire (Sir George Young) secured this debate. He and I have only just finished the Housing and Regeneration Public Bill Committee, where my respect for him grew by the day, not only because of his huge housing experience, to which you have referred, Mr. Bayley, but because, frankly, he had the uncanny knack of simultaneously praising me and pulverising my argument. He has deployed the same skills today in raising the important matter of the current shortages and subsequent rising prices of cereal straw suitable for thatching, and related planning policies.

This issue affects a significant number of people. Some 24,000 thatched buildings are listed, and countless others are unlisted but located in conservation areas where local policies may impose restrictions on the materials used for re-thatching. The key theme of this debate was brought out by the right hon. Member for West Dorset (Mr. Letwin)—the sensible and humorous exercise of planning controls. The Government attach great importance to the protection of the historic environment. Buildings are listed because of their special architectural or historic interest. Once lost, they cannot be replaced, and they can be robbed of their special interest as surely by unsuitable alteration as by outright demolition. They are a finite resource and an irreplaceable asset, and I think that we have a responsibility to protect such gems for future generations—something that you will know only too well, Mr. Bayley, with your constituency of City of York.

The starting point for the exercise of listed building control is the statutory requirement on local planning authorities, under section 16 of the Planning (Listed Buildings and Conservation Areas) Act 1990, to have

"special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses."

That reflects the great importance to society of protecting listed buildings from unsuitable and insensitive alteration, and it should be the main consideration for local authorities in determining applications for consent.

As the right hon. Member for North-West Hampshire has mentioned, guidance on the operation of the planning controls, insofar as they affect the historic environment, is given to local authorities in PPG15, published in 1994, which states:

"There should be a general presumption in favour of the preservation of listed buildings, except where a convincing case can be made out...for alteration or demolition."

Again, as he has said, specific guidance on alterations to listed buildings, prepared by English Heritage, is annexed to PPG15. It makes the point that each historic building has its own characteristics usually related to an original or subsequent function, and that these should as far as possible be respected when proposals for alterations are put forward.

I think that the right hon. Gentleman quoted the following piece of guidance on thatched roofs, but I want to reiterate it, because I take a slightly different subjective view:

"Thatched roofs should be preserved, and consent should not be given for their replacement by different roof coverings.... When roofs are re-thatched, this should normally be done in a form of thatch traditional to the region, and local ways of detailing eaves, ridges and verges should be followed."

The words, "should normally be done" represent an important consideration, to which I shall return.

In addition to that annexe to PPG15, English Heritage has produced a detailed guidance note specifically dealing with thatch and thatching. It describes the three thatch types commonly found today—water reed, combed wheat reed and long straw—and makes the point that the material, in the form in which it reaches the roof, has a strong influence on the method and resulting appearance. The guidance note advises that, when a change of material or style is proposed, the onus should be on the applicant for listed building consent to explain the need for change. In turn, the local authority's policy should be based on a thorough knowledge of local traditions of thatching. The policy should aim to recognise regional

[Mr. Iain Wright]

diversity, sustain materials and techniques, conserve the character of an area and protect material of archaeological interest.

That is the important background against which planning authorities exercise listed building control. I stress that it is for local authorities to take account of the available guidance but, ultimately, to consider and reach a decision based on the specific circumstances of each case. As the right hon. Gentlemen are aware, where listed building consent is refused, there is a right of appeal to the Secretary of State. Where listed building consent is granted, there is a wide power to impose conditions, which may require the preservation of particular features of the building, the making good of any damage following the works consented to and the reconstruction of any part of the building after the works, with

"the use of original materials so far as is practicable".

Again, the last five words of the guidance are important.

PPG15 advises that all conditions must be necessary, relevant, enforceable, precise and reasonable in all other respects. Unless a condition fairly and reasonably relates to the circumstances of the building and its conservation needs, it could be ultra vires. As the right hon. Member for North-West Hampshire has stated, the guidance clearly leans towards a replacing like-for-like policy as far as re-thatching is concerned—I agree with his interpretation. Again, I must stress the central point of my contribution: I do not think that wording in guidance, such as "should normally be done", or

"so far as is practicable",

which I have quoted already, is over-prescriptive. It gives planning authorities scope to take account of specific difficulties and circumstances at both national and local level.

Sir George Young: The Minister has been enormously helpful. My ears pricked up earlier when I heard him say that he took a slightly different view. Does he think it practicable to expect someone to wait for 12 months before their roof is re-thatched in the hope that next year there is an appropriate harvest for the material on which the local authority planning department insists?

Mr. Wright: That brings me neatly on to my next point. I represent a constituency in the north-east in which there are very few thatched roofs. However, I have researched the matter and found there to be a range of views in the thatching profession on the future viability of the industry. Among the representations received by my Department in recent weeks, I have had letters from the National Society of Master Thatchers, to which the right hon. Gentleman has referred, and the Thatching Information Service. The society has expressed the concern, which was eloquently reiterated by the right hon. Gentleman, about the limited availability of suitable quality cereal straw. It says that the problem has been exacerbated by this year's poor harvest coupled with what is referred to as the inflexibility of some local conservation officers in not allowing thatchers to work with other materials. It recommended that officers should relax their approach by, for example, allowing water reed to be used instead of combed wheat reed. The society also implies that councils are taking an even harder line than they have done in the past. For example, they will not allow roofs to be thatched with a wheat-rye hybrid called triticale—I hope that I pronounced that correctly, because the right hon. Gentleman did so superbly—which they say has been used for the past 30 years and is approved by English Heritage.

The Thatching Information Service has drawn attention to the need to protect straw thatching as a craft. It says that the poor harvest is not an uncommon occurrence in recent decades and should not give credence to those within the industry who, it says, have been trying for the past decade to dispense with it as a thatching material. It makes the point that relatively few straw thatched houses remain and that, if we wish to preserve their uniqueness and the method of thatching, they should remain under the like-for-like policy of local councils. It says that if we pursue an argument based only on economic reasons, straw is destined to be abandoned. If listed buildings are worth preserving in all their glory, the type of material and the way it is used must be wholly relevant.

Those may be extreme points of view, but there seem to be regional variations in the seriousness of the position. Representatives of the East Anglia Master Thatchers Association say that, although stocks of thatching straw are lower than normal, they do not envisage running out before the next harvest. Some say that they are switching to more ridge and repairs in the short term, delaying large straw re-thatches for up to four to five months, but not seeing any need for panic or unnecessary sheeting of roofs. Therefore, a wide variety of views have been expressed on the matter.

English Heritage's guidance note encourages local authorities to evolve and publish local policies on the issue. It makes the point that owners and thatchers need to know as far as possible not only the actual policies against which applications will be judged but the reasoning behind those policies. Publication enables the policies to be debated in the light of research and the experience of all interested parties, which seems to be sound advice.

Mr. Letwin: I do not understand why the Minister thinks that it makes sense to try to keep a particular material in place if no ordinary human being looking at two houses thatched with the two different materials could tell the difference.

Mr. Wright: We are preserving not only the visual effect, but the method of construction and the materials used—traditional materials must be used as far as is practicable. I think that that is a sensible approach. It is extremely important that we preserve not only the visual appearance of a building, but its traditional construction. I am obviously not making myself clear, so I will give way again.

Mr. Letwin: On the contrary, the Minister is making himself entirely clear. He is also being entirely inconsistent. If it were the case that his listed building and English Heritage arrangements were intended to preserve techniques rather than appearance, he should surely be asking people to rebuild stone-built or brick-built houses using the same methods that people used in the 17th and 18th centuries. Nobody does that at present, so why is the Minister not changing the law to achieve that?

Mr. Wright: I disagree with the right hon. Gentleman. Such work is carried out with regard to some listed buildings. I maintain the point that visual appearance is

crucial. I also think that it is not the sole consideration. When it comes to construction, other things are important as well. The main theme of my contribution today is that flexibility is necessary. None of us wants to see an erosion—quite literally—of the thatching profession. We want to see thatchers prosper as much as possible. As regards energy efficiency, thatched roofs are on the increase, because of the sustainable and green technique that is used for insulation.

Planning officers should have the flexibility to ensure that we preserve the historic environment as much as possible while taking into account local circumstances, which was eloquently mentioned by the right hon. Member for North-West Hampshire with regard to shortage of materials and rising prices. I hope that that explains the point.

English Heritage's guidance note also recommends that the relevant Government bodies and specialist organisations should investigate the supply of thatching materials and endeavour to remove some of the uncertainties that have distorted the market. It recognises that that is probably the most intractable problem facing the thatching industry and points out that, while the importation of foreign materials is not promoted under general conservation philosophy, it can be argued that those sources provide a degree of reliability. It says that the reasons for straw shortages need to be explored to create a climate that is more attractive to the specialist branch of agriculture and to experimentation with thatching strains.

None of that suggests that the Government or their specialist advisers have taken an extreme or excessively rigid line on heritage issues in compiling guidance on thatching and listed building consent procedures. As the right hon. Gentlemen know, I will not comment on specific instances in which a local authority might have refused consent, or adopted conditions, on grounds that the applicant might consider are due to an inflexible approach. In such circumstances, as I have mentioned, there is recourse to the appeals procedure.

I recognise that concerns exist about the present state of the market and the effect that that is having on the trade and, therefore, on owners of thatched houses. The important message that I want to get across today is that there should be full discussion and consultation with all concerned, including conservation and planning officers, owners, specialist bodies, trade associations and relevant arms of Government to resolve such difficulties as they arise.

That brings me on to the three points mentioned by the right hon. Member for North-West Hampshire. I certainly agree to attend a meeting with relevant people, including him, not only because this is an important issue that needs to be thrashed out—so to speak—but because of my respect for him following his work on the Housing and Regeneration Bill. I am keen to meet him shortly to discuss the issues more comprehensively.

I am more reluctant on the right hon. Gentleman's second point, which concerns revising particular sections of PPG15. The existing planning framework is appropriate and gives sufficient flexibility to take into account particular circumstances.

Sir George Young: I put out PPG15 when I was Planning Minister. As the author, it is my view that the time has come to revise it. There would be no disloyalty if the Minister indicated that the time had come to move on.

Mr. Wright: When I was preparing for this debate—and also when we were working on the Housing and Regeneration Bill—I dreaded the right hon. Gentleman standing up and saying, "Well, I actually did that." His authorship of PPG15 was exemplary, and the document should therefore be maintained as much as possible.

As I have said, the planning framework is flexible and can take into account local and specific circumstances. The crucial point is that the planning system should have that flexibility to take into account the sort of concerns that have been raised and to balance them against the need to protect the historic environment that is of such importance not only to owners of historic buildings but to the cultural identity of the wider community and country. I am keen to meet the right hon. Gentleman to discuss the matter further, and I am grateful to him for widening the debate today. I look forward to meeting him shortly.

11.29 am

Sitting suspended.

Democratic Republic of the Congo (Development)

2.30 pm

Jeremy Corbyn (Islington, North) (Lab): I am pleased that we are having this debate. I wanted a debate on the Congo, and the question was whether the Department for International Development or the Foreign Office would reply to it. In reality the issue is coterminous, because we wish to examine the problems of poverty in the Congo and developments there and how this country and others can assist.

I have just returned from the Congo, where I was part of a delegation including my hon. Friends the Members for Falkirk (Mr. Joyce) and for Amber Valley (Judy Mallaber). The trip was funded by a combination of the Catholic Fund for Overseas Development, International Alert and Christian Aid. That is my declaration of interest. We are grateful to Stephen Carter, the secretary of the all-party group on the great lakes region and genocide prevention, who accompanied us and stayed on afterwards to visit some courts and observe some justice processes. He was extremely helpful in organising the visit and ensuring that we had a packed programme. I also wish to put on record our thanks to our ambassador in Kinshasa, Nick Kay, who was extremely helpful in arranging a lot of things at short notice and giving us a full briefing, and to the DFID representative there, Phil Marker, who was equally helpful and very supportive of our delegation.

I have the pleasure of representing a constituency that includes a Congolese community, many of whom have been in this country for a long time and are victims of the history of the Congo. I find it constantly depressing that one of the world's greatest current conflicts is largely ignored by the world's media, as are the good works done by many people in the Congo who are trying to bring about significant improvements and changes.

There is not time to go into the country's history today, but we should be aware that Leopold's rule in the Congo was among the most brutal anywhere on the face of the earth. It was a wholly extractive and acquisitive rule, intended simply to take out the natural resources. Such infrastructure as King Leopold and the Belgians developed was solely related to the extraction of the riches of the Congo. It was nothing to do with the internal development of that country. Sadly, that pattern has continued for a long time. With the new hope for a long-term period of peace, one hopes that the Congo's resources will be developed for the benefit of its people rather than to be exported to the nearest coast and off to the rest of the world. However, we are quite a long way from that.

On independence, the country did not achieve the peace and concord that was due it. There was interference from outside and then a long period of Mobutu's dictatorship, which was finally ended with the current elected Government. I shall return to that later, because it is important that we all support the development of a democratic process, accountable administration and an independent judiciary.

Our delegation came into the country through Rwanda and went first to Goma, in the east. It is difficult to comprehend from the outside just how devastating the war has been in the east of the country. In the past 10 years, 5.4 million people have been killed in the conflict there, which is far more than have died in Iraq and Afghanistan combined or in almost any other war in the same period. It is the biggest death toll by armed conflict anywhere in the world in the recent past. First world war proportions of death and destruction have been visited upon the people of the east of the Congo. As ever, the victims of war are the poor, children, women and civilians. Half of all those who have died in the conflict are children. During our visit, we met a number of organisations that are doing their best to support people and help them get through the terrible process.

One must understand what Goma is like as a town. It is potentially beautiful; it is on the east, next to the lake, and contains the remains of what I suspect are the holiday homes of various wealthy Belgians from the colonial period. Yet the streets are potholed, the administration is shaky at best, there are large numbers of refugee camps all over the town, there is constant traffic chaos and there are destroyed and blown-up buildings. In the midst of that, luxury hotels are in use and various fairly luxurious office blocks have been constructed. Goma is to some extent a frontier town, in which the civil war is being played out. At the same time, large quantities of minerals, particularly coltan but other precious metals as well, are being exported through Goma and either being flown from there or going directly through Rwanda. There is a sense of lawlessness about the place.

While we were there, there was a plane crash in which more than 80 people died. It was a wholly preventable accident. The runway has a lava flow across it from the volcanic eruption three years ago, and nobody has got around to removing it. Planes therefore have to take off using half the runway. As I understand it, the plane was unlicensed for that runway. It tried to take off, burst a tyre, was probably overloaded and ploughed into a lot of very poor houses alongside the airport. The local hospitals had great difficulty in coping, and but for the presence of an Indian United Nations force nearby, the death toll would have been far higher. One should pay tribute to the Indian army for what they did to save lives.

I found it depressing that we all immediately got calls from various media sources in this country to ask our views, what had happened and so on. Although they never said it, the subliminal questions from the news media were, "How many westerners were involved? How many tourists were involved? How many international business men were involved in the death toll?" It turned out that the answer was zero to all three. I checked the news media carefully when I came back, and the story had disappeared unaccountably from the media. That shows a quite disgusting sense of news values. If a light plane overshoots a runway in Florida, the world knows about it the next day. If 80 people die in a plane crash in the Congo, it is just one of those things that are ignored. I appeal to people in the media to have some sense of humanitarian values in their reporting of things.

As soon as we arrived, my hon. Friend the Member for Falkirk and myself went to a women's centre, where we spent some time talking to women who were victims of violence in the war. Rape is a weapon of war in the Congo and those women had been brutally treated.

They had been raped and injured severely, and many were disabled as a result. They were frightened to go out of the centre and were in a parlous and desperate situation. They treated us extremely well, but unless there is a legal process whereby legal judgment will take place against people who have committed rape and sexual violence, it will continue and probably get worse. Although I pay the greatest tribute to ActionAid and the other groups that are doing a great deal to support such women's organisations and centres, a great deal more needs to be done. We raised the matter with representatives of the armed groups when we met them.

We also went to Mugunga II, a very large refugee camp which mainly contained women and children while we were there. There were large numbers of people living in tiny bender tents with a UN tarpaulin covering a few sticks, and food was brought in by the UN every day. They were doing their best to provide some degree of education for the children there. Within the camp, there was also some degree of medical support and some degree of activities to encourage people to keep their lives and families together.

There is a difficult decision that must be made by anybody who is operating refugee camps. Goma is probably one of the most fertile places in the world: it has very high rainfall, a very warm climate and fantastically fertile volcanic soil. It is possible to grow anything there very quickly. I am told that tomatoes come up in six weeks and any of us who have tried gardening in Britain will find that amazing. However, none of the people in the refugee camp are allowed to grow any food there, because those running the camp do not want to encourage people to stay in the camp for ever more. So there seemed to be something slightly bizarre and absurd about a UN truck arriving with rice and maize from the United States to feed people in the most fertile place in the world. The lack of security, the instability and the fear of returning to the villages are the factors that have led us to this crazy and completely illogical situation. So we must look seriously at the whole peace process and what is happening in the east of the country.

While we were there in the east, we met all the non-governmental organisations, and representatives of the European Union, United States Agency for International Development, the United Nations and, of course, DFID and the Foreign Office. We also met representatives of a lot of Congolese NGOs and they were very impressive people.

We also had a very long meeting with two of the armed groups that are currently on ceasefire following the Nairobi and Goma accords: the Mai Mai group, who are dealing with north and south Kivu, and the Congress for the Defence of the People, or CNDP. We had a meeting with both the groups, then they divided and we spent some hours talking to them separately.

At one level, everything that they were saying was logical, political and well-put, demands were made and so on. We then raised various questions with the armed groups: their use of violence; their treatment of women; their use of child soldiers; their arms; their equipment; their money and where it comes from; and how serious they were about a long-term peace process.

We are not the interlocutors who will bring about peace; we were there as a visiting parliamentary delegation. However, we obviously did our best to urge that a peace process should go forward. Having said that, if we do not seize this opportunity that is there now, following Nairobi and Goma and the ceasefire that is more or less holding at the present time, goodness knows what will happen in a year or two, further down the road.

In the east of the Congo, there are riches, potentially a lot of money and also an awful lot of weaponry, including guns. At the same time, only half the children—maybe even less—manage to go to school and the health service really does not exist for most people there. The prize for the people in the east of the Congo of a lasting ceasefire and a meaningful peace process is a very great one indeed, but it requires the co-operation of all the neighbouring countries, disarmament and, I believe, a continuation of an arms embargo on the country.

As I have said, the issues of justice, recognition and treatment of women are very important. As this is a debate about development, it is also important to recognise what help, support and assistance we can give.

I pay tribute to the DFID aid package—we spent a long time talking to DFID representatives in the country—and to the other support that has been given by Britain. I am also looking forward to reading Lord Mance's report. Lord Mance has been to the Congo on an extended mission to look particularly at the treatment of women and the justice process that is going on there. Apparently, he is due to produce a report in July and that is very welcome; all the people that we met in the Congo were certainly very welcoming of his visit.

We then went to Kinshasa and had meetings with representatives of the National Assembly, the Senate and various Government Departments, as well as with representatives of many NGOs. All of us in our group had been to the Congo previously as election observers and we had watched the election process. Personally, I have no great criticisms of the voting process itself that I observed during the election, but I have concerns that an election campaign that was dominated by the very great wealth of two of the candidates and a lack of any kind of robust political debate will not necessarily bring about a very strong democratic result.

The reality is that the Congo is potentially a very rich place indeed, but it lacks the necessary political infrastructures to control the mining companies, the logging companies or anyone else. It is a question of building the capacity for the democratic involvement of the people; that process was a very important part of what we were looking at in the Congo and hopefully we will be looking at it in the future. However, unless we move some way down the road of the peace process, we will not get very far in building up that democratic involvement.

Before I conclude, I will look at some of the issues that are facing the country as a whole. First, although I have already said quite a lot about the peace process, it is essential that everyone recognises that, if they want to see the wealth of the Congo being used for the benefit of the people of the Congo, alongside peace and development in the entire region, supporting the ceasefire is important but so is supporting the development of democratic institutions.

Therefore, where people have been demobilised from any particular armed group, the provision of some degree of financial support for demobilised fighters to return to their village and have something to do there is

[Jeremy Corbyn]

very important, as has been done in Burundi and Rwanda. I think that my hon. Friend the Member for Falkirk will talk to some extent about security sector reform. Clearly, however, a very large Congolese army that is mainly unpaid but universally equipped with some type of gun should not be disbanded willy-nilly; instead, the members of that army should be given some incentive to resume normal civilian life. The experience of Iraq, where the whole army was disbanded without much thought for the future, has been pretty disastrous and I would not want to see the same thing repeated in the Congo. However, it is important to look at this issue of security sector reform.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Let me try, if I may, to give some reassurance to my hon. Friend by posing some questions to him. On his visit, did he and the other members of the delegation have the opportunity to discuss the £50 million that we have put into a multi-donor fund that is assisting with demobilisation and, crucially, reintegration of troops into society? Indeed, was he also aware that we have recently committed a further £1 million to assist in the demobilisation of the remaining 30,000 troops? In particular, was he aware that we hope that that £1 million will be specifically used to tackle the problem of the numbers of child soldiers who still remain in the Congo?

Jeremy Corbyn: Yes, we were aware of that aid and we had that discussion about its use; I thank the Minister for that intervention. That support is very welcome indeed and obviously I hope that it is successful in its aims.

The peace process is central to everything in the Congo, but what is also central is to look to the future. As I have said, more than 5 million people have died in the recent past in this conflict and huge numbers of internally displaced people are either living in refugee camps around Goma or they have made their way to Kinshasa. Kinshasa is a difficult city, to put it at its very mildest. It is a very difficult place to administer: it has very large numbers of people who are homeless, including large numbers of young children; there are many children who are victims of war; and there are a lot of children, particularly boys, roaming around the city without very much to do and without any real means of support.

It is very hard to determine exactly the number of children in school, but it is probably rather less than half of the total child population. The schools themselves vary greatly between quite well run private schools, some quite well run church schools and some private schools that are not particularly well run—one wonders what standard of education those schools are providing for the children in them. There are also a large number of children who do not go to school at all.

There is no way that the millennium goal of conquering illiteracy by 2015 will be met in the Congo; with a growing population, the rate of illiteracy is probably rising rather than falling at the present time. So, a great deal must be done in that sector. To quote from a Save the Children document that the charity sent me, almost half of the internally displaced people are children and Save the Children believes that

"About 5.3 million primary aged children (6-11 years) and six million 12-17 year olds are out-of-school in the DRC."

Therefore, we are talking about more or less 12 million young people who are not receiving any education at all in the country. Save the Children urges us to do all that we can to ensure that there is support for education in the Congo.

That leads to the question of what demands we make for the Congo's future. I spoke about the peace process and education. Unless there is some stability in the Congo, education is unlikely to develop.

The health service is rudimentary. Those who happen to be near a town that has a large hospital and who are able to get to it get a degree of service, but many others get no health care or health services whatsoever.

What can we do from the outside? It is not a question of our telling the Congo how to run its affairs but of our recognising that there are humanitarian questions and that there is a humanitarian disaster. However, there is also enormous wealth in the country, which—should be harnessed for the good of all its people.

I spoke about the abuses of women, but there are many other human rights abuses, and the legal justice system is inadequate. We would like the UN Human Rights Council to have a new mandate for a permanent mission and observer in the DRC. The UN should have a presence in the country to recommend, assist and improve its human rights record.

The mineral wealth of the Congo has always been its bedevilment. In many ways, the country has been damaged by its riches. The Government of the Congo signed the extractive industries transparency initiative, which is an extremely important document. We had long meetings about it. Unless that agreement is carried out to the fullest extent, the corruption that goes with the mining industry and extractive industries will continue. DFID and other agencies have given a great deal of support to that agreement.

We raised several questions about the forest reserves and natural resources. The forests are massive. Congo has the biggest rain forest in the world, and there are huge implications for the whole planet if it is felled willy-nilly or if there is destruction of the forest ecosystem. The forest is also the livelihood of some 40 million people who survive in an entirely sustainable way within it.

A debate is taking place on the resumption or otherwise of industrial logging in the Congo. I have a copy of a letter sent to the Minister of Environment, Nature Conservation, Water and Forests. It was signed by a large number of people and calls for a continued moratorium on industrial-style logging, sustainable use of the forests and protection of the lives of the people who live in them.

The British Government have contributed a considerable sum of money through the Congo basin forest partnership to assist in tackling deforestation and promoting the sustainable use of the forests. I am sure that when the Minister replies he will say something about it. What has been done in that respect was wholly welcome.

We were confronted many times about the amount of money that western countries contribute. We spoke to people in the Assembly and so on about money given

through DFID and other European sources. They said, "Hang on. The Chinese are here, and they are offering us billions."

While it is understandable in an economic sense why the Chinese Government should want to make large loans that are to be repaid through mineral extraction in the future, there is a question about the kind of pressure or otherwise that the Chinese will put on administration, human rights and so on. Clearly, the infrastructure will improve. Major roads are being built, railways are being planned and so on. The Minister may want to say something about the relationship with the Chinese, which needs to be positive and constructive. In that way, things could get better, but the question is whether the country's natural resources will be protected during a period in which mining and forestry activity will probably increase.

The UN's programme in the Congo is the largest of any in the world. The UN was there before the election; it helped to bring about the ceasefire and the election; and it clearly is a major force in the country. Allegations have been made at various times about the behaviour of UN forces. I do not propose to go into them at present, but it is essential, for the good of the UN and the principle of having an international force to assist with peacekeeping, that if allegations are made, they are not covered up but vigorously investigated, examined and dealt with as appropriate. If there is no trust in UN forces, there will be no trust in anybody else either. I hope that the mandate of the UN Mission in the Democratic Republic of the Congo—MONUC—continues, but I also hope that there will be some transparency.

The UK has provided $60 million for the humanitarian pooled fund. It was presented while we were there. That is very welcome indeed, but we need to ensure, first, that our programme of support for the Congo continues; secondly, that the UN continues its work and that there are human rights monitors; and, thirdly, that we support capacity building and development of infrastructure in the country. That is crucial.

The DRC is one of the richest countries in the world, yet it has some of the poorest people in the world. They are victims of the most violent wars imaginable to anyone. It is up to us to do our best to support a peace and development process so that people can live decent, reasonable lives rather than live through the hell of one of the worst wars the world has seen since the end of the second world war.

2.57 pm

Mr. David Drew (Stroud) (Lab/Co-op): I had no intention of speaking when I entered the Chamber, although I thought that I might make a couple of helpful interventions. It is important to put on the record, first, my thanks to my hon. Friend the Member for Islington, North (Jeremy Corbyn) and my other hon. Friends who went to the Democratic Republic of the Congo. Also, I wish to thank Stephen Carter, who is brilliant at organising trips to that part of the world.

It is so important that we, as British parliamentarians, keep in contact with that desperately difficult part of the world. We owe its wonderful people an interest and a commitment to try to do what we can to bring peace and stability to that bedevilled area. I do not intend to say much, and I apologise that I have to leave shortly after 3.30 p.m, but it is important to put a few things on the record about the DRC and to highlight some of the issues raised by my hon. Friend's brilliant speech.

I went to the DRC nearly five years ago and was shocked by the conflict and its aftermath. As someone who spends a lot of time trying to deal with the problems of Darfur, I think that it is difficult for us in the west to comprehend the scale and complexity of what has been happening in the DRC.

I begin, understandably, with the conflict. Although this is not directly part of his responsibilities, it would be good to hear an update from the Minister on what is happening in the eastern part of the country. How are the various peace talks—the Nairobi and Goma accords—working in practice? Are the National Congress for People's Defence—CNDP—rebels associated with General Nkunda beginning to lay down their arms and find alternative occupations, rather than fighting?

On the role of the Interahamwe, I know that President Kagami of Rwanda is in this country at present. Clearly, the Rwandan genocide is also very much on our minds. When I went to Rwanda last year, the party expressed the clear view that we need to ensure that all is being done to deal with the Interahamwe and any overreaction from the Rwandan army, which has always been alleged and needs to be understood. One understands the reaction of trying to stop the Interahamwe coming back, but if that involves invading another sovereign nation, there will clearly be repercussions.

Another issue is the DRC army's role and the degree to which it can cause problems. We understand the difficulty in trying to pacify areas, but the issue is how they do it and how they perform. Human rights are always uppermost in our minds.

Last but not least, allegations have again arisen recently about UN peacekeepers—Pakistani and Indian troops—involving themselves in trading and worse. That is unacceptable, but understandable inasmuch as if per diem troops are not paid or properly supported, they tend to take the law into their own hands. I was shocked when we went to Rwanda last year to find that Rwandan troops in Darfur had not been paid for a year. I hope that the Minister can give us good news about the basic responsibility of all those who are affiliated to the UN to ensure that MONUC is properly supported and the troops are paid.

I want to re-emphasise the point made by my hon. Friend the Member for Islington, North that the losers are inevitably the poor and the vulnerable, particularly children and women. It would be good to hear what the Department for International Development is doing in the east of the country to provide greater protection for women and children, and what impact we are beginning to have in moving from a purely conflict situation to a development situation. What programmes are there to reduce infant mortality and to reintegrate child soldiers? I saw something of that when I went to Kinshasa, but given the huge distances involved, running programmes in Kinshasa will not make much difference to those who live in the east, so it would be good to have an overview of what types of activity DFID is responsible for, either alone or with the wider international community.

Mr. Thomas: Is my hon. Friend aware that perhaps one of the most ambitious aims in the DRC is to begin to introduce free health care. Hon. Members will be

[Mr. Thomas]

aware of how difficult that ambition is, so I do not want to suggest that it will be an easy challenge, but we have begun to put in place the programmes to build the capacity for such support. Is my hon. Friend aware of that, and does he support it as part of the right approach to begin to end some of the terrible experiences that the DRC's people have suffered?

Mr. Drew: I thank the Minister for that. I was aware of that aspiration, but it would be good to hear from him how it is beginning to pan out on the ground. Oak trees start from small acorns, and the reality is that when there is no health service, one must start by providing something in the way of a health service. It would be good if the Minister, not necessarily in formal debate but perhaps in writing to hon. Members who are interested or the all-party group, would indicate how the programme will open out, so that we can advertise it. It is good that the British Government are taking a lead.

An issue that always exercises me is violence against women. The DRC is not unique, but it is at the end of the spectrum whereby women have been deliberately targeted for all sorts of reasons, which has resulted in horrible consequences that one need not look far to see. Again, it would be interesting to know to what degree we would highlight that with an incipient health service. There are, understandably, always cultural and sometimes religious reasons for it being difficult to become involved with that, and particularly—I have tried to push for the joint African Union-UN force to go into Darfur—the degree to which we ensure that peacekeepers reflect the gender balance of an area and the way in which troops are at least trained to deal with violence against women. When I was in Congo, the force seemed to be very male-orientated, and we must ensure that there are sufficient women not only to talk to women who have been violated and worse, but, more particularly, to police such situations and to follow up inquiries.

As an officer of the all-party group on women, peace and security, which is known as the all-party group on UN resolution 1325, one of the proud things that this country has done—the hon. Member for North-East Milton Keynes (Mr. Lancaster) knows about this—is to try to ensure that we provide some element of education for all our troops on gender issues, so that we do not stumble into that and think it terrible, but go in with our eyes open and recognise that one outcome of any conflict, sadly, is that women will have been used as part of the conflict, which has never been more clearly demonstrated than in the Congo.

Mr. Thomas: My hon. Friend is making a number of good points. I will take away his point about gender balance when monitoring missions, and I am sure that others will reflect on it, too. Is he aware that dedicated conduct and discipline teams are embedded in the UN mission in the DRC and, more generally, in other UN missions to help to ensure that the type of misconduct and human rights abuse that both he and my hon. Friend the Member for Islington, North (Jeremy Corbyn) have described do not happen again? Is he also aware that all peacekeeping personnel must undergo training on UN standards of conduct relating to sexual exploitation and abuse? I am not downplaying past allegations, but I hope that my hon. Friend will take some reassurance from the UN's upgrade in procedures on its peacekeeping standards.

Mr. Drew: I thank my hon. Friend for that. One comes to such debates to be educated, as well as to speak and, hopefully, to make sense. That is important, because it shows that the rhetoric of resolution 1325 is beginning to make a difference in organisations including the UN. It is good to hear, and I hope that because of the quality of our armed forces we play a key part in ensuring that we are available to do that training. That is something, if nothing else, that I can take away from the debate with pride.

My hon. Friend has more or less answered the points that I was going to raise. Nevertheless, it is worth while looking at some of the things that are beginning to be got right, and I hope that some of the bad news stories from the DRC can be balanced by things that are beginning to go right. We cannot fool ourselves: this is part of a long process, and many of the parties to it do not always have peace at the back of their mind. Conflict has always paid some people well, which, sadly, is why it continues to exist. Nevertheless, the UK, Europe and the wider world have an obligation and a duty to remain involved in the DRC. That is why the all-party group on the great lakes region and genocide prevention is so fascinating and important. Its work has allowed us to have such debates, and it can find ways of getting parliamentarians to that part of the world.

As I have said, I have learned from the debate. I hope that the Government will take the issues on board and that we will be able to do even more in the future.

3.10 pm

John Barrett (Edinburgh, West) (LD): When we in Europe look back at the atrocities of world war one and world war two and at the scale of death and destruction in places not so far from here, we often console ourselves by saying that such things could never happen again so close to home. In too many parts of Africa, however, the slaughter of the innocents still takes place on such a scale. Death and extreme suffering—whether caused by the gun or by easily preventable disease—are part of everyday life for far too many people in a part of the world that is more easily reached by plane than eastern Europe was 50 years ago. That is why it is good that we are having a debate about that part of the world that is not often in the news or on the television. I therefore congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing time to explore the issue further.

I want to pick up a couple of the points made by the hon. Gentleman, and I hope that the Minister will deal with them in his response. First, the hon. Gentleman mentioned that the Chinese are providing £8 billion of support to the DRC Government to build a railway, clinics and universities, and that the money will be repaid over 30 years in the form of minerals. How will that pouring in of untied aid or support for the country affect our approach to what should be happening in the DRC? Clearly, such straightforward commercial deals to improve the infrastructure will result in aid being more effectively delivered where it is needed; on the

other hand, such money cannot be introduced without distorting what happens there, including aid-driven involvement.

Secondly, although I appreciate that the Government have announced that they will donate £50 million of British money to help to conserve the forest in the Congo, there have been reports—most recently in *The Guardian* on 23 May last year—of a group of rogues and vagabonds who may benefit from that funding. A range of corrupt individuals who have been involved in forestry in the Congo and elsewhere own sections of the forest. I give the Government credit for having ensured that DFID money has been effectively spent and has not worked its way into the wrong pockets and the wrong bank accounts, but *The Guardian* article about the individuals who may be involved in the forestry business in the Congo sent a shiver down my spine.

Mr. Thomas: Let me reassure the hon. Gentleman—again through an intervention. I, too, saw that article, and I felt the same shiver go down my spine. Corruption is a serious problem in a number of sectors in the DRC, including forestry. We will put in £50 million down the line, and we are looking to spend £8 million on these issues. As part of that, we are looking at ways of making the spending of money generated by forestry more transparent and at ways of building up the effective governance of the forest sector. I hope that that is some reassurance to the hon. Gentleman.

John Barrett: It certainly is, and it is good to know that the Minister and I have the same concerns about such articles. However, action must be taken to ensure that the money of taxpayers in my constituency and other constituencies is being spent effectively. The Minister's comments are certainly reassuring.

We have heard that the DRC has been brought to its knees by a civil war that has cost the lives of literally millions of people. Ceasefires have been signed, and false dawns have come and gone, but the country remains in the grip of a humanitarian crisis more than five years after the signing of the formal peace agreement to end the war. As a result, the DRC is now one of the poorest countries in the world and looks likely to miss many of the millennium development goals.

We cannot, however, simply talk about the need to increase aid in the DRC. As the United Nations millennium development goals monitor recently noted, the principal obstacle to the achievement of the MDGs in the Congo remains the continued instability in that land. Information collected by the International Rescue Committee shows that a staggering 5.4 million people have died as a result of the conflict between 1998 and 2007, and 1 million people have died since the signing of the peace agreement. It is not for nothing that the DRC has been called Africa's first world war.

The DRC differs from many other places in that relatively few of these deaths are directly due to armed violence. The vast majority of people die from easily preventable and treatable conditions such as malaria, diarrhoea, pneumonia and malnutrition. Children make up less than 20 per cent. of the population but account for almost half—47 per cent.—of the deaths. It is one of the tragedies of the DRC that so many people have died quietly and unnecessarily, almost unnoticed by the international community. It is estimated that 1,000 people continue to die every day as a result of conflict and conflict-related issues. Many of those who survive are left with physical and psychological scars as a result of a brutal campaign of rape and sexual abuse. As in other conflict zones, the displacement of civilians has been a major problem, with 400,000 people displaced in the recent escalation of violence in north Kivu. The insecurity in the region makes it difficult for aid agencies to help displaced populations.

Modest progress was made last year on the political, security and humanitarian fronts, which has given some people in the DRC hope that the country will be able to break free from the circle of conflict and crisis. The elections in 2007 resulted in a relatively peaceful transfer of power, while an extended peacekeeping presence was able to prevent a number of major clashes among the disparate militia groups and armed forces. Significant increases in humanitarian funding have given relief agencies the muscle to make progress. In that respect, DFID deserves praise for its announcement in March that it was increasing funding for the DRC over the next three years. Despite that, conflict has again flared up in north Kivu in recent months, and lasting peace looks as distant as ever.

The Minister will be aware of the call by 63 non-governmental organisations last month for the full implementation of the Goma peace agreement, and I would welcome his views on their call for a high-level independent special adviser on human rights for eastern Congo to focus attention on protecting civilians at risk. I would also appreciate an update on what role we are playing, along with international actors, to help ensure that the agreement that has been reached does not unravel. Getting the parties to sign the agreement was an important first step, but there must now be political follow-through on the ground.

As other hon. Members have said, the war in the DRC contains a more sinister war against women. The hon. Member for Stroud (Mr. Drew) mentioned the problem of rape being used as a weapon of war, and there are tens of thousands of victims every year. Some victims are as old as 80, while others are as young as three. Women are raped in front of their villages and families by militia fighters who spill across the border from Rwanda and Burundi. Some women are killed outright by their attackers, while others are taken into the bush for service as sexual slaves. The atrocities are beyond imagination, and I will not go into great detail today, suffice it to say that rape with broken bottles, bayonets and lengths of wood is commonplace.

Hon. Members may have read an interview in *The Economist* with Denis Mukwege, a doctor treating women in the DRC. He reported that 90 per cent. of the women in some villages have been raped. He said:

> "We are no longer talking about 100 women, or 1,000 women...We are talking about 100,000 women."

These are not random acts by misguided or crazed individuals, but a deliberate attempt to dehumanise and destroy entire communities. What is the Department doing to improve security for women and girls? Mass rape thrives in the current climate of impunity, so ending conflict and instability, strengthening accountable state institutions and securing long-lasting peace deals that involve all militant groups must be a top priority.

There is also a grave need to ensure that the crisis does not spill over the border. So far, a degree of

[John Barrett]

restraint has been shown in Kinshasa and Kigali, even if it is not always possible to control the more radical factions on the ground. However, the Congo's natural wealth has in the past fuelled corruption—it will continue to do so, if that is not checked—as well as state collapse and conflict. Better regulation of the sector is not only a development issue, but a strategic one. Hon. Members will know that although the DRC has signed the extractive industries transparency initiative, it has yet to implement it fully. What is the UK doing to ensure full implementation of the EITI? I am thinking in particular of the inclusion of figures disaggregated by mine or project, rather than just by company or sector.

The persisting humanitarian crisis has been called

"the most complex, deadly and prolonged ever documented".

In such a complex political environment, recovering from years of conflict will take many years, but a political solution, involving all parties, remains the only credible solution. I am sure that all hon. Members want to commend the Congolese and international aid workers on the ground across the DRC for their work in one of the most volatile political environments on the planet. In particular, I commend the International Rescue Committee for its extraordinary research work on mortality rates, and the International Crisis Group and Human Rights Watch for their efforts to keep the DRC on the political radar.

It is right that we should have this debate today. The continued fighting in the DRC and the resulting humanitarian disaster have not received the international attention that they warrant in this place or the media. Perhaps that is because the conflict has outlasted presidents and UN Secretaries-General; perhaps it is because it does not seem to threaten the world balance of power; or perhaps it is because it is not as easy to distinguish between the criminals and some victims as it is in some comparable conflicts. However, none of those is a good enough excuse for indifference or inaction by the international community. We have probably devoted more parliamentary time to the appalling situation in Darfur, and it is right to debate what is happening there. It is difficult to argue that the situation in the Congo is any less serious, or the outlook any less bleak. It would have been a fine thing to come here today and discuss logistical difficulties in aid delivery and how to increase the effectiveness of our aid. However, finding a political solution to the recurring conflicts is a precondition for development and must continue to be the top priority for all involved.

3.22 pm

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to follow the hon. Member for Edinburgh, West (John Barrett), and to speak under your chairmanship, Mr. Bayley. I congratulate the hon. Member for Islington, North (Jeremy Corbyn) on securing this timely debate. He gave an excellent opening speech, providing a broad perspective on the current situation in the Democratic Republic of the Congo. That highlights the importance of first-hand experience; he gave a very clear view.

I was intrigued by the hon. Gentleman's opening comment about whether the debate he applied for would be replied to by the Foreign and Commonwealth Office or the Department for International Development, because it was a coterminous responsibility. I might go even further, and argue that, although the Ministry of Defence has no direct responsibility, if we were to consider what, for example, the British Government are doing in Afghanistan, we should take a more comprehensive approach; the third string to our bow would be the role of the United Nations in the Congo, which the hon. Gentleman and other hon. Members touched on. I intend to explore that issue.

I was very encouraged to discover that Nick Kay is our ambassador in the DRC. He was the chap who was responsible in Helmand, for the last two years before going there. He will have first-hand experience of how that comprehensive approach can come together to maximum effect. The hon. Member for Islington, North also gave an excellent summary of what needs to happen in the justice system, to ensure that justice is given, and of the greater efforts needed on demobilisation.

Jeremy Corbyn: I did not say, but perhaps should have, that one problem is that, until now—and probably still—the police, soldiers, magistrates and judges are largely not paid. If public servants are not paid their only source of income is either robbery or corruption. Unless the justice system is properly funded, it is unlikely that proper justice will ever be available.

Mr. Lancaster: That is a very fair point, which the Minister will probably pick up. It clearly needs to be addressed.

The hon. Member for Stroud (Mr. Drew) also made an excellent contribution, albeit rather unexpected by him. He has shown a considerable interest in the subject for some time and is widely regarded as something of an expert on the region. His comments about violence against women were incredibly well made, and that is something to which I shall return. His comments about the need for gender balance in the UN forces were also well made. I have had some experience of that world, as the hon. Gentleman knows, and although it is easy to aspire to that goal the practicalities of an attempt at gender balance are quite different, not least because all too often there are national caveats from contributing nations, which will not allow women to be part of UN teams. The hon. Gentleman also mentioned the need to mentor police and armed forces. I guess that I would look to the Minister to find out whether he felt we should be considering with reference to the DRC the sort of role carried out by British military advisory teams in Sierra Leone. Perhaps, if it was not something that came directly from the British Government, that model could be used to help things move forward.

The hon. Member for Edinburgh, West also made a very thoughtful contribution and I shall return to some of his points, but for my own part I intend to raise three things, broadly along the lines of the comprehensive approach that I have mentioned. Those are DFID's programme; where we are with the DRC Government—especially the poverty reduction strategy paper and the country assistance paper; and the role of the UN in the DRC. I hope to make some positive suggestions about how that role might be enhanced.

DFID has been very active in the DRC and the increase in aid to the country from £5.56 million in

2001-02 to about £75 million in 2007-08, along with future pledges of up to £130 million a year, is welcome. However, given that there is still considerable conflict in the country, I want first to ask the Minister whether he can offer some reassurance about how the money is being spent. Given, too, the concerns about corruption that other hon. Members have raised, how can we ensure that that will not be a factor affecting DFID spending?

The hon. Member for Islington, North outlined the broad problem in the DRC quite well. Part of the impact of the conflict is that it is not directly visible, but is none the less devastating. Large-scale displacements, violence and human rights abuses, as well as impoverishment, have caused tremendous psychological suffering and a deterioration of the social fabric, breaking up families and other solidarity networks. As a result, many traditional safety nets no longer function effectively. The deterioration of education and health services during the war years has dealt a powerful and lasting blow to the well-being of the population and their capacity to recover.

Overall, the DRC is likely to miss most of the millennium development goals by 2015. Detailed statistical information is lacking, but available indicators suggest that the conflict has caused development in reverse in the social sectors. Life expectancy is 43 years. The DRC's human development index has declined by more the 10 per cent. in the past 10 years. Detailed study of the MDGs reveals that target 1, to eradicate extreme poverty and hunger, stands at just 71 per cent. For target 2, to achieve universal primary education, there is no current status. In 1990, the figure was 54.5 per cent., but we do not know where things stand today. Target 3 is to promote gender equality—a factor raised by the hon. Member for Islington, North; once again there is no current status. We do not know where things stand as far as achieving that goal.

Jeremy Corbyn: The question of gender equality is linked to the large number of dispossessed young men who hang around, particularly in Kinshasa, but in other cities too, who grow up with no family structure or boundaries, just trying to survive. Unless education, including some degree of social education, is available to them, the violence now happening against women will be replicated again and again. Investment in education in all its forms is a top priority.

Mr. Lancaster: The hon. Gentleman has got it exactly right, and I will return to the topic of education in a moment. We must ensure that such violence is not simply replicated.

Target 4 is to reduce child mortality. It has already been said that half of the 5.3 million deaths in the country are of children under five. The child mortality rate is currently 205 per 1,000, which is exactly the same level as in 1990. Target 5 is to improve maternal health. There are currently 990 deaths per 100,000 live births, so we are simply failing to achieve that target.

Despite a Government who have set out a bold agenda for development, an integrated international community funding development system in the country assistance framework and numerous peace agreements over the years, combat between rebels, militants and the Government army continues at an alarming rate. In turn, the conflict has led to intolerable suffering for the million or more DRC citizens who have been displaced. Child soldiers have been mentioned, and around 11 million children under the age of 17 are currently not in education. It is obvious that the majority are not child soldiers, but a substantial number have been or are currently serving as child soldiers to the militias. A recent report by the Institute for Security Studies has suggested that children between the ages of 11 to 17 are favoured because they are more susceptible to indoctrination. It is imperative for the DRC's future that its future doctors, bankers, architects, nurses and teachers get back into the education system. We should highlight activities such as the Royal Society of Chemistry's "archives for Africa" programme because they are an excellent way of trying to give education facilities directly to countries, such as the DRC, that otherwise simply would not have them.

On health, the UN news platform—the Integrated Regional Information Network—recently suggested that between half a million and 1 million people die of malaria every year in the DRC. According to its sources, more than 5 million people a year are infected with malaria and despite drugs being sold up to 10 times cheaper than the internationally recommended retail price—thanks to partnerships with key international organisations—they are still not readily available to the majority of the DRC's population. Indeed, with 70 per cent. of the population living on less than $1 a day, the drugs are still out of the price range of many people. The alarming rate at which refugee camps have sprung up means that effective sanitation and clean water are not a luxury many people escaping from rape, torture and killing are provided with.

In the Kichanga camp, there is only one water pump for 5,000 people and no latrines. If we are going to get serious about meeting MDGs 4, 6 and 7, we must rectify simple development problems such as that.

Mr. Eric Joyce (Falkirk) (Lab): I am listening to the hon. Gentleman's comments and I agree with pretty much all that he has said. I am sure that he has considered the scale of the problem. The UK Government are arguably the largest bilateral donor. My hon. Friend the Minister recently mentioned the £50 million put into the pool to which the MOD, the FCO and DFID all contribute. The scale of the problem in the Congo is enormous and there is only so much any one country can do, which is why the EU, the UN and other potentially large donors—it is notable that the French and to some degree the Belgians were the biggest donors on record—should do more. Essentially, this is a matter for the international community, rather than just the UK solving the MDG goals.

Mr. Lancaster: That is a fair point, and I hope that my comments are balanced. I should also pay tribute to the hon. Gentleman, who has a keen interest in this subject. I am attempting to be balanced in my comments and am simply saying that DFID has done a good job in the DRC. I commend it on that, but there is much more that all of us can do. The British Government have a role to play as a leader to try to draw together the other nations to ensure that more is done in the region. The hon. Gentleman referred to that point.

[Mr. Lancaster]

Time is quite short, so I will move on to talk about peacekeeping, which was mentioned by all hon. Members. As has been mentioned, the United Nations has its largest peacekeeping force in the world stationed in the DRC. There are about 17,000 UN troops and approximately 1,000 police. Although progress has been made, it is clear that the United Nations Mission in the Democratic Republic of the Congo is spread too thin and is finding it difficult to defend civilians. The hon. Member for Islington, North also raised concerns about the potential crimes that have been committed by the UN. Although I do not want to discuss that in detail, because I understand those crimes are being investigated, I would like to make some sensible suggestions about how the UN could do more in relation to peacekeeping.

First, we could insist that the Security Council approve peacekeeping missions with rules of engagement designed to protect civilians from grave harm. The Security Council can in theory exercise that authority under chapter VII of the charter, but in the past, council members have attempted to water down peacekeeping operations. That has meant operations have not always happened when perhaps they should. Secondly, we should challenge UN member states to increase their support for the rapid and effective deployment of peacekeeping missions in the world's most troubled regions, such as the DRC. A report by the US Council on foreign relations released last year summarised the problem. It stated that

"The enduring problem of the UN peacekeeping ability is the inability to field forces in sufficient numbers when it counts."

Existing forces lack the ability to respond rapidly to emerging crises and suffer from a deficit in military doctrine and expertise specifically to protect civilian populations. The hon. Member for Stroud mentioned that point. Perhaps the Minister could comment on whether he believes that Britain should exert leadership by channelling more of its international development budget into funding for training, equipment and the deployment of a new breed of regional as well as UN peacekeepers? Perhaps we should consider having forces that are prepared to engage in peacemaking in order to prevent massive human rights abuses—that may be a step too far, but it is at least a thought.

Thirdly, we must greatly enhance the peacekeeping capacities of regional organisations. We should begin with the African Union. The UN charter is clear on that point, under chapter VIII article 53, the Security Council has the authority to support the efforts of regional organisations committed to promoting international peace and security. Will the Minister say whether he feels enough is currently being done in that area? Perhaps finally the Minister could outline whether he feels that the current level of UN peacekeepers is adequate and whether he believes greater work should be done in investing in mentoring schemes for the police and army, as mentioned by the hon. Member for Stroud.

As we know, a new Government were elected in 2006 and despite heavy fighting, democratic elections took place. Notwithstanding the comments of the hon. Member for Islington, North, since their election, the DRC Government have promoted a policy of containment and appeasement. In line with international wishes, they have highlighted the importance of holding free and fair elections. It remains a continuing problem that, unless we can reintegrate some of those militia forces into the DRC army or demobilise them completely, they will continue to contribute to the conflict.

Following the signing of the Goma agreement between the Government and 22 armed militias, the Government have set up a peace programme for eastern Congo—the Amani programme. They have appointed Abbé Apollinaire Malu Malu, a Catholic priest, to spearhead the efforts towards peace. That has been seen by many in the DRC as an important stepping stone towards peace in eastern Congo, especially north and south Kivu. However, to date, the Amani programme has achieved very little. It is crucial that the DRC Government and the international Government work together to move from rhetoric on paper to strong action.

The DRC Government have recently published the poverty reduction strategy paper—PRSP—which will be partly funded by the country assistance framework. The CAF is a common strategic approach for economic assistance to the DRC in the post-election period. It has been drawn up by key international donors and the DRC Government. The PRSP emphasises the need to break with past practices to ensure a dramatic improvement of living conditions throughout the country as a condition for sustained peace and eventual economic recovery. The PRSP builds on the 2001 interim PRSP and enjoys broad support among all key constituencies.

What is most appealing to me regarding the PRSP is the manner in which it has been drawn together. Each district produced its own PRSP drawn up by local consultation with faith-based organisations, labour unions, non-governmental organisations, women's groups, youth associations and community representatives. Those were then amalgamated into provincial-level PRSPs and were eventually made into the national PRSP. In total, around 35,000 people participated in drawing up a grass-roots-based development programme. We should congratulate the DRC Government on that. We should also congratulate DFID on the role that it played in achieving that aim. One hopes that we can achieve the same in Afghanistan, where a similar process is taking place.

The aims of the PRSP are to promote good governance and consolidate peace; to consolidate macro-economic stability and economic growth; to improve access to social services and reduce vulnerability; to combat HIV/AIDS; and to promote community dynamics. Those are all worthy aims, but I should be grateful if the Minister outlined exactly how DFID will continue to channel its funds to ensure that they are met.

3.40 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I join other hon. Members in congratulating my hon. Friend the Member for Islington, North (Jeremy Corbyn) on securing the debate. As ever, it is a pleasure to have the opportunity to respond to his questions and those of other hon. Members with an interest in this topic.

The hon. Member for North-East Milton Keynes (Mr. Lancaster) raised a series of issues that have considerable resonance in the context of the DRC, but are also of wider strategic importance in relation to peacekeeping. I will write to him to set out in more detail our view of the current peacekeeping capacity of the UN system and the efforts that we are making to improve that capacity. We do not believe that there is enough peacekeeping capacity worldwide at the moment,

and it is incumbent on the entire international community to meet that challenge. As the hon. Gentleman said, part of that must be to raise the capacity of regional organisations such as the African Union, with which we are already working and we intend to continue to do so. I will happily write to him with more detail.

Mr. Joyce: The hon. Member for North-East Milton Keynes mentioned British military assistance training teams. My instinct is that the Congo would be unlikely to succeed in a bid in that respect, because those teams are in great demand all over the world, but does the Minister agree that security in the Congo is the No. 1 priority, the greatest imperative, and that there are things that the UK Government could probably do that do not involve providing military assistance but that could help in time to improve the region's security? For example, we are heavily involved in EUSEC—the European security co-ordinating body in the Congo—and there are things that we can do as civilians in that theatre. In another theatre that the hon. Gentleman mentioned, Afghanistan, we could be involved in training and similar efforts to facilitate other trainers going out there, for example, to assist with security capacity in the region, but it does not have to be military assistance. Ultimately, DFID has a big role to play in that.

Mr. Thomas: I agree that we can do more on security sector reform and more generally. It is also appropriate to make the broader point about the need for more peacekeeping capacity, at least in the strategic context. My hon. Friend refers to broader ways in which we could engage with security sector reform. Given his long-standing interest in this area, he may be aware that we are working on a comprehensive programme to tackle security sector reform, which we estimate will cost collectively £80 million. We are not yet able to launch such a programme: the detailed design work is still under way. However—my hon. Friend and other hon. Members may not be aware of this—we have already given significant funding to help with different elements of improving security, not least during the transition. We provided support to enable the police and justice systems to begin to develop, so that they could handle security during the elections. No one would say that the elections in the DRC were perfect, but most international observers would agree that they went better than many would have expected. Some of the work that we did with the UN Development Programme, for example, in helping to put in place effective election security, was undoubtedly important.

In the defence sector, we are working on the demobilisation and reintegration workstreams that are needed, particularly if we are to tackle the problem of child soldiers and, more generally, demobilising those who have been part of conflict. A key challenge that we face, to which all hon. Members have alluded, is building up an effective justice sector that can end the culture of impunity in the DRC. Again, we have been providing support with a range of organisations to begin to develop what is a fledgling sector.

The other strategic point that the hon. Member for North-East Milton Keynes touched on but did not go into detail on related to reform of the operation of the UN development system. The UK, through DFID, with Foreign Office colleagues, has been championing that with some success. The humanitarian pooled fund, to which a wide variety of donors contribute and which has NGOs on the board, is, after some initial problems, working effectively and helping to ensure that all donors work together to tackle the many different problems in the DRC, so instead of many individual programmes, there is now better co-ordination. UN development system reform is by no means complete, but that is one area in which there has been success.

Mr. Joyce: Christian Aid has recently pointed out that, from to time, it can be quite difficult to find where the UNDP has added value. By no stretch of the imagination does this apply to all parts of the UNDP effort, but in some cases, it might be worth examining whether there is scope for funding to be given directly to local NGOs to perform roles on the ground, because that gives some of those very competent local NGOs much greater buy-in to the process than if the funding comes through the UNDP. Often, it makes perfect sense for things to be co-ordinated in that way, but there is sometimes scope, from time to time, for funding to go directly to those NGOs, and it is worth while the Minister, from time to time, having a look to see whether that might be possible.

Mr. Thomas: I accept that point. We need to have a series of ways in which we fund organisations to respond, but NGOs, as well as other aid agencies, need to co-ordinate much more effectively than they have done in the past, not only in the DRC but in a range of other development and humanitarian situations. Helping to establish pooled funds is one way to help to incentivise better co-ordination, but I take my hon. Friend's point that, on occasion, we need some of the more traditional funding routes to be available to NGOs.

As my hon. Friend the Member for Islington, North said, there has never been a better chance to help the democratically elected Government and the people of the DRC to achieve the permanent end to conflict and the routes out of poverty to prosperity that all hon. Members want to see. As my hon. Friend made clear, the DRC matters, not only because its 60 million people deserve much better than they have had to date, but because that vast country, with nine neighbours, is of huge strategic importance: it is vital to the stability of central Africa.

The DRC is also of international importance in the context of the fight against climate change. The Congo basin forest, which straddles 10 countries although the vast bulk sits within the DRC, is the second largest tropical rainforest in the world and is suffering deforestation at an alarming rate. Again, the international community needs to work with the Governments in all 10 countries, but particularly the DRC, to begin to slow down that deforestation. In that context, the Congo basin forest fund, for which my right hon. Friend the Prime Minister has set aside £50 million and which we will launch shortly with the support of COMIFAC—the Commission for the Forests of Central Africa—countries and, we hope, with other donors, is potentially of huge importance to helping to achieve that objective.

Jeremy Corbyn: I support the fund that has been set up, which is very welcome. Will the Minister also say something about what is being done to prevent the sale of illegally logged tropical hardwoods, many of which emanate from the Congo basin and which find their way into the furniture factories and on to the building sites of western Europe, north America and China?

[Jeremy Corbyn]

This is not easy, but unless we choke off the sales of that illegally logged timber, the deforestation will continue apace.

Mr. Thomas: My hon. Friend raises an important issue. He may be aware of work being driven by the European Union, in which DFID has been playing a part, on forest law enforcement, governance and the trade agenda. The EU seeks to create incentives for developing countries such as the DRC and others to improve the governance of their forest sectors, to demonstrate that the timber supplied to international markets is from a verifiably legal source. The EU is considering what further steps it can take beyond providing simple resources to support improvements in governance, and we are working with it to identify further ways to help curb the trade in illegal forest products.

The hon. Member for North-East Milton Keynes asked for evidence of the continuing successes that have resulted from the aid we have already given. Through our programme, we have already provided funding to help to vaccinate more than 1.2 million Congolese children against killer diseases. We have been working on education and on health, as I said earlier. We have provided supplementary food to some 350,000 people; we have ensured that about 70,000 children were treated in feeding centres; and we have provided medical assistance directly to some 23,000 victims of sexual violence. We have also supported the provision of 1 million bed nets, which will protect approximately 2 million people in the DRC from malaria every day.

Infrastructure is another key issue for the DRC. Our funding has helped to ensure the reopening of a key road from Ubundu to Kisangani. Trade has increased dramatically as a result, with 33 times more agricultural produce moving along it. Again, that is a direct result of our DRC funding.

Hon. Members will, I hope, be pleased to hear that my right hon. Friend the Secretary of State is to visit the DRC shortly to see the situation for himself. We hope that he will be able to go to the east, to see for himself how the peace process has developed. As hon. Members know, a peace conference took place in Goma early in January. It produced not only a ceasefire, but a series of resolutions and reports on the causes of conflict, and it set out possible solutions.

The hon. Member for North-East Milton Keynes referred to the Amani programme, the follow-up mechanism to the peace conference. He rightly noted the appointment of Abbe Malu Malu, who I am told is an extremely impressive individual. He is leading at the commission on peace and security, and he is the national co-ordinator of the Amani programme. The commission, which includes representatives of all armed groups, is making slow but positive progress. We seek to support that conference. We have had a diplomat stationed in the east since November, to support the conference proceedings and to help with the follow-up, and we have seconded a stabilisation adviser to MONUC—the United Nations mission in the DRC—to provide further support following the conference. More generally, we have provided some £35 million in humanitarian assistance, the bulk of which went last year to eastern DRC.

I hope that I have been able to reassure hon. Members that we are continuing to follow closely events in the east. My hon. Friend the Member for Islington, North is keen to take matters forward, and clearly, much more needs to be done in the DRC. That is one reason why we have a rapidly growing programme.

Jeremy Corbyn: Peace in the eastern Congo is clearly essential for many obvious reasons. Is my hon. Friend aware of any better contact between the DRC and the Governments of Burundi and Rwanda? Unless there is good cross-border co-operation and without agreement on what is to happen, the return of former fighters to their homes could result in the tensions continuing and the possibility—one hopes not—that conflict will break out again.

Mr. Thomas: Let me say publicly that we are engaging diplomatically with both Governments about the tensions, and we will continue to do so. We are engaged diplomatically both in-country and in-capital there and in the east, and through the various other opportunities for conversations with key Ministers from DFID and the Foreign Office.

We will provide some £70 million this year, £100 million next year and £130 million by 2010-11. Our focus is to support the people of the DRC in building a capable and accountable state to tackle the culture of impunity in sexual and gender-based violence and more generally. We must help the people of the Congo to achieve a peace dividend. We want to continue our work to reopen the road network, which has been largely devastated by the conflict, and we want to improve access to primary education—a key issue raised by the hon. Member for North-East Milton Keynes. In that context, we are considering how to provide further funding to bring school fees down—indeed, we want to have them abolished. The third element of our strategy will be to continue to focus on tackling the remaining conflicts and their impact, hence the continuing large portion of humanitarian assistance that we seek to provide.

All Members spoke of the terrible sexual and gender-based violence that has occurred in the DRC. We are providing a range of support to tackle the devastating impact of that violence, including medical treatment and psychosocial counselling for victims. Our efforts to reform the security and justice sectors are an important part of that process. We have been lobbying for further efforts in the capital to ensure that all senior Ministers in the DRC Government take action to ensure prosecutions, including of those members of the security forces who are responsible for abuses. As I said, we need to establish a new culture to replace the present culture of impunity. We need a culture of accountability in which the perpetrators of these appalling abuses are brought to justice, so that those who might be tempted to use similar tactics in future will know that there is no hiding place.

I congratulate the all-party parliamentary group on the great lakes on the relaunch of the UK-DRC parliamentary friendship group that resulted from its recent visit. I know that my right hon. Friend the Secretary of State is looking forward to launching DFID's new country plan for the DRC in a joint event that the all-party parliamentary group will be hosting shortly.

A series of questions were asked during the debate. I have not had to time to answer them all, but I shall reflect on those questions and provide written answers to all who participated in the debate.

Flooding (West Oxfordshire)

3.59 pm

Mr. David Cameron (Witney) (Con): I am well aware that these debates are predominantly introduced by Back Benchers, but there are times when a particular issue dominates a particular constituency. That is true of west Oxfordshire, my constituency and the floods of last July—not only the problems an d clear-up that took place, but the fear that flooding could happen again. In fact, in villages such as Clanfield, Bampton and Kelmscott, it has already happened again. I went back there to see people and businesses that were affected by floods all over again in January. I must say to the Minister that every time that there is hard, big rainfall in west Oxfordshire, the fear starts all over again that rivers will burst their banks, that there will be flooding, and that businesses will be hit again. There is a large-scale concern about that.

What is more—the real reason for having this debate today—is that there is an element to the local concern that I do not believe is automatically covered by the general debates about flooding that we have in the House. I want to major on the concern about rural communities. In a nutshell, our concern is that because rural communities inevitably have fewer homes—even if there is wide-scale flooding, fewer homes are actually flooded—and a relatively sparse population, we will miss out on the help, the flood defences and the compensation.

I shall briefly set out what happened and some of the specific problems that the experience of my constituency highlights, and end by asking the Minister some questions. Clearly, what happened was exceptional. I say to all my constituents who suffered that everybody knows that some flooding was inevitable after rainfall on such a scale. People accept that. We saw the largest daily total of rainfall at Brize Norton in my constituency since 1968. Some 1,633 homes flooded internally and many more had flooded gardens or garages. People saw on their television screens clearly what happened in Witney, where the water came right over the bridge and up the high street, but they did not necessarily see what happened in some of the smaller communities such as Clanfield, Ascott-under-Wychwood, Shipton-under-Wychwood, Milton-under-Wychwood, Bablock Hythe, Asthall, Kelmscott and many others. When we look at the claims for flood grant, we see that about 55 villages were flooded, some incredibly severely. We are not talking about water up to knee level; in some cases it was 5 or 6 ft high in people's houses. People were frightened that lives would be lost.

The floods had what the district council described in its report as a

"devastating impact on many businesses in West Oxfordshire".

Some 265 business were flooded, some of which are only just reopening. Tourism was hit hard: major attractions such as the Cotswold wildlife park lost hundreds of thousands of pounds. We have to learn the lesson that when such things happen there is a danger of the whole of GB plc looking like it is shut. I hope that the Minister is looking at how to ensure, in the aftermath of flooding, that we advertise and promote British tourism strongly, which will ensure that people realise that the country is open again.

During the floods, some 150 residents were taken to rest centres and there were untold acts of bravery by rescue services, who performed magnificently, and by members of the public. I shall never forget seeing the biblical scenes of the scale of floods: cars and houses were completely overwhelmed, and in Bablock Hythe, for example, mobile homes floated away. The council distributed 40,000 sandbags and helped enormously with the emergency response and community support. That is the first lesson that I for one learned from the floods: when it came to working with local businesses, organising volunteers and deploying the local knowledge, West Oxfordshire district council, which is one of the smallest district councils in the country, did an extremely good job. I sometimes fear that some in Whitehall think that small district councils are part of the past. I can absolutely assure the Minister that on the evidence of its response to the floods, West Oxfordshire district council did an extremely good job. The fact that it is a small council actually helped, because it was in touch on the ground: it knew the networks and the volunteers and how to get the RAF to help. The council knew its area incredibly well.

The Minister will be reassured to know that some systems worked well. The bronze control was established at the district council office and the silver command at the police station in Abingdon. I visited the bronze control and I thought that the system worked extremely well.

On learning the lessons, no one is saying that the flooding was completely avoidable. Everyone accepts that such events will happen, and most people accept that, with climate change, they are likely to be more frequent. People understand that flash floods are particularly difficult to protect against, but people in my constituency want to know that everything that can be done will be done to reduce the impact of such floods in future. They are not satisfied that everything is being done. There is a general perception that everybody is talking a good game about flood defences and what we need to do for the future, but people fear that not much is actually happening.

Some of the specific problems are covered in Sir Michael Pitt's first report, but others are not. Clearly, there is a need for better early-warning systems. The Minister should know that such systems really matter on the small rivers as well as the big rivers. Telemetry systems are needed. Both the Windrush and Evenlode rivers flooded progressively, going all the way down the river. There was no early-warning or telemetry system, and they could have made a difference. For example, people in Ascott-under-Wychwood were flooded to a depth of almost 5 ft, yet they had no warning from the Environment Agency or Met Office. Again, those people are not naïve: they know that that level of rainfall will cause a flood. However, as the district council concluded in its very good report on the floods,

"half an hour can make a significant difference to saving property and safeguarding homes and lives".

That is why those early-warning systems on small rivers are needed.

It has also been suggested that we need a higher categorisation of risk that is issued only in exceptional circumstances, because experience shows that too many warnings are issued for low-grade risk, so people become complacent and fail to react. The Minister will be aware

[Mr. David Cameron]

that there is a growing insurance problem as people come up to the time when they try to renew home insurance. For example, some with an OX28 postcode are being refused. What does the Minister propose to do about that?

In the time left, I should like to focus on two major points. The first concerns the work of the Environment Agency, and the second, as I said, is about the potential discrimination faced by rural communities when it comes to flood support. On the Environment Agency, when one talks to people who have been flooded, one question keeps coming up again and again: why has so little been done to clear out the ditches, dykes and culverts, and why is there so little dredging of rivers and streams compared with the past? I am not a scientist and I am happy to listen to the arguments, but I am not convinced that they are all old wives' tales. There is truth in them, and such activities can make a difference.

That was really brought home to me at a meeting in Witney of a new body called the Witney flood action group. After repeated questioning, we got the agency to admit that the river had not been dredged for a long time and that the level of the river bed had risen as the silt was laid down. A number of people who have lived in the town for a long time can say when the last dredging and de-silting took place and how the river has changed. The agency must take that point seriously.

That brings me to my concern about the agency, which arises from dozens of meetings with home owners, farmers, councillors and those living in affected communities. My concern is partly political and partly operational. On the former, the agency gives too great a weight to animal habitat and not enough to human habitat. As the council's report put it:

"Examples are the refusal or reluctance to remove fallen trees from drainage channels, refusal to allow removal of beds of ditches and rivers and a reluctance to consider improvements to existing systems. In many areas these conditions have been considered to have contributed significantly to the level of damage caused by the flooding by prolonging the flood and increasing the water levels".

Mr. Edward Vaizey (Wantage) (Con): I echo absolutely everything that my right hon. Friend is saying, because we had extensive flooding in Vale of White Horse in south Oxfordshire. People in the vale say exactly what people in west Oxfordshire about the clearing of ditches and brooks. I propose—I think that the Environment Agency could do this—to provide a map showing who is responsible for what. That seems to be part of the problem. Some of the ditches and so on are on private land, so the agency says that it is not responsible. The map could say who is responsible, so that people could get on with the job themselves.

Mr. Cameron: My hon. Friend makes an extremely good point. There is uncertainty about that. On some occasions, the Environment Agency has been responsible for clearing; on others, it has not given permission for the necessary clearance. There are too many examples of people saying, "I cannot clear out this ditch, because I've been told that I would be disturbing important habitat." Of course habitat is important, but in the end, we must try to protect households from flooding.

The operational part of my concern is that, even if the Environment Agency wanted to do more, it is not clear that it has the resources or the people to do it. A detailed report from Brize Norton parish council put it like this:

"Many areas of EA maintained rivers in West Oxfordshire have not received mainter ance for years. The EA are now compiling another report. When this report is completed, will action follow? Or will it be the same story of a cash starved EA that there is insufficient funding to carry out the recommendations of the report?"

That sort of concern has been expressed again and again.

It is not just a matter of money; it is also a matter of co-ordination. One of the most fascinating things that I heard was that, when we finally pushed the Environment Agency to explain what it would cost to de-silt a section of the Windrush river in Witney, the agency said that it would cost £1 million. It turned out that 90 per cent. of that was the cost of dumping the silt in a landfill. It is crazy, when there is such a need for fertile soil, that that silt should have to go into a landfill. The Government say they want action, but the tax system is preventing it from happening. We need co-ordination.

There is a case for looking again, as I know the Government are, at how we co-ordinate responsibility for flood prevention. Although the Environment Agency does that at national level, it is less able to do so at local level. It might be more appropriate for district councils to co-ordinate, as they have the knowledge, the ability and the passion about their local areas to sort it out. I do not want to be unfair to the Environment Agency—it has been very helpful locally with meetings, it has worked closely with some of the groups set up and it has real expertise—but as we read in today's report by the Select Committee on Environment, Food and Rural Affairs, there is a critical shortage of field engineers that must be put right.

My biggest concern is the potential disadvantage at which rural communities are being placed. The current Environment Agency scheme for flood alleviation works involves a scoring system that makes it impossible for any rural community in west Oxfordshire to apply for help. Witney, the largest conurbation affected by floods, scores just nine points under the scheme, whereas the minimum threshold for qualifying is 21. To put it simply, we in west Oxfordshire were hit badly, but we are unable to bid for help under the scheme. Compared with large cities such as Hull, where thousands of houses were flooded, we will never be able to compete on a cost-benefit analysis basis.

That is my concern. The council is working hard and the Environment Agency is working hard. Everyone is working hard, having meetings with town and parish councils in the affected areas and coming up with ideas and proposals, but will any action be possible? We will come up with plans for bunds, balancing ponds and new flood barriers, but in the end, will money be available if we must compete with the big cities that were flooded? At the moment, it does not look as though it will. I plead with the Minister, not to give us all the answers—although I am sure that he has some of them—but to go away and think about how we can help the sparsely populated rural communities that were hit.

One solution might be to consider the severity rather than just the extent of the flooding, and to try to

measure that differently. Another might be to hold back some funds for sparsely populated areas, because—at the danger of repetition—we will never come up with as many flooded houses in the whole 400 square miles of west Oxfordshire as some cities can. Could we aggregate the number of houses flooded in the whole district, aggregate some of the small schemes that have been proposed and apply that way? That is the most important question for the Minister, and I hope that he will consider it.

Farmers are another concern in rural areas. A number of farmers whose land has been flooded over and over again have come to see me. They are worried about water being left on the land for such long periods, which is bad for habitat. I am sure that the Minister will be able to bring us up to date on what he is doing to work with farmers on that problem.

I end with a few questions about funding streams. On the Bellwin scheme, it is obviously welcome that district and county councils have a system to get back some of the money that they have spent, but there have been problems with Bellwin. I shall mention two. One is that for small district councils, a threshold of £18,000 spent is quite high, especially if they must spend it twice, once in July and again in January. At the moment we are advised that they must cross the threshold twice. It would be fairer if they had to cross it only once. The other problem relates to the county council. The total cost for Oxfordshire of dealing with the floods was about £4.5 million, yet the repairs that qualified under Bellwin cost only £1.2 million and were therefore under the threshold, as some of the spending on things such as schools, roads and bridges does not count under Bellwin. I hope that the Minister will reconsider that, because we in west Oxfordshire are being hit twice: once by the cost to the district council and again by the cost to the county council.

I see that time is up. I am unused to making such speeches, as you know, Mr. Bayley, but I hope that the Minister can give us some answers about the work of the Environment Agency, how we might focus better on flood prevention and what work needs to be carried out locally. Above all, I hope that he can examine the issue of how to help small, sparsely populated rural communities. They have suffered badly; they have shown extraordinary courage and bravery in dealing with it; and they want to know that the Government are on their side.

4.16 pm

The Minister for the Environment (Mr. Phil Woolas): It is a pleasure to serve under you in this debate, Mr. Bayley, not least because of your local knowledge due to the fact that your constituency adjoins that of the hon. Member for Vale of York (Miss McIntosh). Congratulations are due to the right hon. Member for Witney (Mr. Cameron) for securing this debate. It is one of the strengths of our parliamentary system that senior politicians have constituency interests and can raise them. My experience is that one can test policy best as a constituency MP rather than a Minister or shadow Minister.

I thank the right hon. Gentleman for the work that he has done with the Environment Agency. He has chaired a number of local meetings with officials from the agency and the district and county councils in his area. I thank him for acknowledging on behalf of his constituents the severity of the rainfall that weekend last summer. It was an exceptional event, and I am grateful for his acknowledgement. He said that his constituents live in fear of repeat flooding, and I understand that.

I shall cut to the chase in the time available. As a Member of Parliament, the right hon. Gentleman wants answers for his constituents, so I shall try to give him some. On the crucial point about rural versus urban, it is true that during the past two decades there has been a deliberate shift in focus from the job of land drainage to the job of flood protection. That gives rise to the arguments heard by MPs—they are not old wives' tales; they are often based in truth—that drains are not cleared as frequently as they used to be. That is because we focus on targeted flood prevention measures rather than simply land drainage. As he said, the two are of course interrelated, particularly where flood debris is carried into rivers. The central charge that there is a bias in favour of urban against rural is fuelled by that fact, but flood risk is the main criterion that we use among those that he listed.

The point-scoring that the right hon. Gentleman mentioned applies to new flood prevention schemes: physical schemes such as re-channelling rivers, improving the height of flood defences and so on. However, that does not mean that money is not spent nor action taken in constituencies such as his. For example, in his area, the major scheme to clear the silt between the Bridge street arches begins in the first week of June of this year, about which I think that he has been in correspondence with the EA.

As the right hon. Gentleman rightly pointed out and the interim Pitt report highlighted, we need to co-ordinate the EA, as the strategic body, the resources, in some cases, of internal drainage boards—although I do not think that that is applicable in west Oxfordshire—and the district and county councils. A scheme is already under way for the removal of restrictions in the culvert of the Hailey road drain. We are examining whether we can create storage ponds at the top of the Hailey road drain, which has also been looked at by the agency. The district council is pursuing drainage improvements with the landowner—private landowners are part of the equation in many of these localised schemes—of the Aquarius development. Furthermore, the county council, with the EA acting on behalf of the Highways Agency, is clearing the Burwell meadow drain culvert beneath the A40. And there are a number of other schemes, details of which I can pass on to him after this debate. Although I understand where the accusation about the rural-urban divide comes from, in practice, the concentration on flood defence and targeted measures means that rural, or more sparsely populated, areas do not get overlooked. I give him that reassurance.

The right hon. Gentleman asked a number of other specific questions, which I shall answer before giving the outline picture. He can read yesterday's *Hansard* on our very good debate that covered many of the national policy points. I say that having noticed that the press bench is especially full today—I cannot imagine why that is! This is just one of many debates that we have had on localised flooding. However, he is absolutely right: we intend to publish maps, so that the public know about schemes in their areas and can get the information that they need.

[Mr. Phil Woolas]

As the right hon. Gentleman knows, the early warning system did not work last summer, as a result of two things: first, the sheer speed at which the events happened—there was no time to get the door-to-door information our there—and, secondly, frankly, because it was not expected. That last point is not a criticism. I have praised the district and county councils and the agency before, and, indeed, I visited the area in Oxford, further down the river basin, on that Sunday. None the less, flooding on that scale was not expected. We are putting in place the new telemetry systems in the Evenlode and Windrush to measure water flow in order to provide that early warning. I can give him that reassurance.

The right hon. Gentleman asked whether the severity of floods should be a criterion. It is indeed a criterion. He mentioned insurance and the OX28 postcode, which I shall certainly look into, because our statement of principles agreed with the Association of British Insurers attempts to ensure that every household can get insurance. On the operational points, the fact that the silt incurred landfill tax, which amounted to £900,000 of the £1 million, is clearly unsatisfactory. Following the public meetings and representations received on that matter, we are examining alternative ways in which to dispose of the waste. It is foolish to put it in a landfill site, although I expect that the Exchequer would like the revenue and, no doubt, his constituents would benefit from the landfill tax credit scheme introduced by the then Prime Minister, John Major—and a jolly good scheme it is in Saddleworth, I can tell you!

The right hon. Gentleman mentioned the Bellwin scheme and West Oxford district council. I think that he is right. Owing to the local knowledge of the district council, it can target its work very effectively. It was a very wise decision not to go ahead with the unitary authority in his area, because then that would not have been possible. I do not remember which Minister took that decision, but my goodness it was a wise one! The problems with Bellwin beset any scheme with a threshold. We take some pride in the speed in which we got the money out their. I know that it was not fast enough for his constituents' requirements, but it was very fast compared with comparable efforts. Of course, we were boosted by the £30 million from the European Union solidarity fund announced yesterday by the Minister for Local Government, my hon. Friend the Member for Wentworth (John Healey).

Miss Anne McIntosh (Vale of York) (Con): The Minister for Local Government, the hon. Member for Wentworth led the House to believe that we will get £110 million for the country to spend on flood recovery, for exactly the reasons that my right hon. Friend set out. How will the Government make up the shortfall? We have actually received less than a third back from that. I understand that that formed part of the budget, because the Government rightly assumed that they were getting it.

Mr. Woolas: I am afraid that is not as simple as that. I am not trying to duck the question. I refer the hon. Lady to the written ministerial statement. For the purposes of this debate, I simply make the point that money has been made available in different forms through the Bellwin scheme and now through the solidarity scheme. West Oxfordshire district council received a total of £728,121—it always amazes me that we can be so accurate—which consisted of £663,500 from the flood recovery grant and £64,621 from the Bellwin scheme itself. The right hon. Gentleman mentioned the importance of future policy. As he knows, the interim report from Sir Michael Pitt has been accepted, and its key point is the strategic co-ordination with the Environment Agency in the various local authorities.

Mr. Cameron: I thank the Minister for giving a detailed reply rather than a boilerplate reply. May I push him one more time on the cost-benefit analysis? He was right when he mentioned the schemes being considered in and around Witney to help with the flooding. However, the concern remains—I completely understand this—that when the crunch comes, and we measure up against thousands of houses and £1 million being spent elsewhere, smaller towns and villages will find it difficult to compete. Will he consider how we can ensure that the cost-benefit analysis can advantage—or at least not leave out—the rural communities?

Mr. Woolas: I understand that point. Of course, we face a real policy dilemma, if not paradox. In part, the answer is geography. In order to protect downstream towns, one can provide flood storage areas in meadows and so on upstream. As the right hon. Gentleman knows, that is why our flood plans are not based on administrative district boundaries. The other part of the answer is that the risk of flooding is the main criterion. When one looks at surface-water flooding as well as river flooding, one will realise that the one in 20, one in 40 or one in 100 risk is weighed into the considerations, after which the other criteria then come into play.

I face a dilemma of how to balance the value of homes. The houses in one area might have significantly higher values—I always use Poole as an example, although it is probably unfair to stereotype it—than those in areas such as Leeds, for example. I do not want to stereotype Leeds either—if one looks, one can find an apartment in the centre of Leeds for £500,000. However, those criteria have to be balanced. I am keen to reassure hon. Members that that is well understood—that came up in yesterday's debate as well. It is the land drainage as opposed to flood-risk prevention that gives rise to some of the concerns. My plans, which I have worked through with Pitt, are to smooth that out so that everybody, including the right hon. Gentleman's constituents, will know what the assessment of risk is, where it is and what the Government, the agencies and the councils are doing, and what they plan to do, about it. That is in the context of increased public expenditure—rising to £800 million in the third year of the comprehensive spending review. Is it enough? That is an open question.

I am grateful to the right hon. Gentleman for raising the debate and for the way in which he has conducted himself. I hope that I have given him answers that he can pass on. If I have not, I am sure that the *Oxford Gazette*—

Mr. Cameron: *Mail*

Mr. Woolas: Of course, the *Oxford Mail*. How could I forget? It will put me right—I have the article in front of me.

4.29 pm

Sitting suspended for a Division in the House.

Green Belt Policy

4.52 pm

Annette Brooke (Mid-Dorset and North Poole) (LD): Today, the Campaign to Protect Rural England issued a press statement headed, "Green Belt loss a daily reality despite government pledges."

From my point of view, that is a timely coincidence with this debate, and I should like to place on record my thanks to the CPRE, both nationally and locally, for providing me with background material.

I want to put the debate in context. Green belt policy has existed formally for more than 50 years, and it has performed its functions well. Some of the most important purposes for designating land as green belt are to protect the countryside around towns and cities from urban sprawl, to encourage the regeneration of neglected sites within towns and cities and to prevent towns from merging into each other. Of course, the most important feature of green belt land is its openness.

People prize their local countryside, and the public see development and urban sprawl as the biggest threats to the countryside. The crucial element of green belts is the permanency of their boundaries. If boundaries are shifted, the incentive provided by a designated green belt is lost, because developers and land speculators have only to wait for more greenfield sites to be opened for development, rather than making better use of urban land.

The Government have repeatedly stated their commitment to protecting the green belt. The right hon. Member for Kingston upon Hull, East (Mr. Prescott) pledged to Parliament on 5 February 2003 that he would

"maintain or increase green-belt land in every region".—[*Official Report*, 5 February 2003; Vol. 399, c. 275.]

On 11 July 2007, the new Prime Minister announced that the Government would:

"continue robustly to protect the land designated as green belt."—[*Official Report*, 11 July 2007; Vol. 462, c. 1450.]

There have also been supportive statements in the Government's White Paper on planning, "Planning for a Sustainable Future", which was published in May 2007. For example, recommendation No. 9, "Green Belt/Green Space", states:

"The Government is committed to the principles of the Green Belt and will make no fundamental change to policy in this area. Existing Government policy (PPG 17) already asks planning authorities to proactively plan for the protection and enhancement of valued green space in towns and cities, including efficient and effective countryside."

On 2 May 2007, the Chief Secretary to the Treasury, who was then Minister for Housing and Planning, wrote me a letter stating:

"Let me also reassure your constituent that the Government remains committed to the protection and the enhancement of the countryside and to the key principles of the green belt. Strict planning controls on green belt land are in place and there remains a general presumption against inappropriate development within green belts. The Government has no intention of making fundamental changes to Green Belt Policy."

In an earlier letter, she stated:

"With regard to your constituent's concerns about green belt land the Government has made clear that we believe strongly in the key principles of the green belt. There remains a general presumption against inappropriate development in the green belt and I would like to make clear that the Government has no intention of weakening this high level of protection."

In the same letter, the Chief Secretary also stated:

"Kate Barker is also clear that in taking forward further reforms the importance of consultation and democratic accountability must be respected."

During the Radio 4 programme, "Any Questions", on July 13 2007, the Secretary of State for Communities and Local Government was quizzed very closely by Jonathan Dimbleby. She said:

"I can be absolutely clear that the current protections for the Green Belt will remain as they are and we're absolutely determined to do that".

Jonathan Dimbleby pressed her further and asked whether "Green Belt might have to be invaded, as it were, to build houses?"

The Secretary of State replied:

"I'm being very clear that the current planning protections for the Green Belt will absolutely remain."

Jonathan Dimbleby pressed her even further, and the Secretary of State replied:

"No, I think I've tried to be as clear and unequivocal as I can be and say that the current protections for the Green Belt will remain."

So why do I , the CPRE and my constituents have such great concerns?

I accept that the section of the 2007 White Paper that I have quoted refers to reviewing green belt boundaries. For example, regional planning bodies and local planning authorities should review green belt boundaries as part of their regional spatial strategy and local development framework processes to ensure that they remain relevant and appropriate, given the need to ensure that any planned development takes place in the most sustainable locations. Also, there are recommendations to local authorities in drawing up their development plans.

On the positive side, it is possible to identify green belt gain. A large area—47,300 hectares—of green belt in the south-east has been re-designated as the New Forest national park, which has been widely welcomed. The most recent green belt statistical release from the Department for Communities and Local Government, which was issued in January 2008, shows that since 2004 the total green belt area has grown in the north-east, north-west, south-west and Yorkshire and the Humber. Significant new areas of green belt have been created in Durham and to the west of Newcastle since 1997. Otherwise, most of the increase appears to be due to more reliable mapping by local authorities of green belt land. The statistics also show, however, that since 2004 the total green belt area has shrunk in East Anglia and in the east and west Midlands.

On the negative side, there is also a more worrying trend of significant losses of green belt land to development. Between 1997 and 2003, an average of 1,100 hectares—nearly 4 square miles—was lost each year. From 1997 to 2005, 45,240 new dwellings were permitted on green belt land. The Government approved development involving the loss of 1,300 hectares between 1997 and 2001.

Since the creation of the DCLG in May 2006, the Secretary of State has decided 48 planning applications involving development in the green belt. From those, 16 significant developments have been allowed. The loss of green belt land raises serious questions about the

[Annette Brooke]

Government's commitment to green belt policy in practice, despite overall gains on green belt in some regions. Great concerns are emerging that regional plans will lead to further significant losses of green belt land in years to come, and that they will particularly affect those parts of the green belt that are nearest to our major towns and cities, which are the ones that we need the most.

My specific interest is, of course, the south-west. The draft regional spatial strategy for the south-west was submitted to the Government in April 2006. The Secretary of State is expected to publish proposed changes for consultation this summer, following the panel report in January 2008. Both the draft RSS and the panel report proposed amending the general extent of all three green belts in the south-west to allow a number of urban extensions to accommodate housing development.

The RSS also proposed several extensions to the green belt to compensate for land lost to urban extensions, but the panel report rejected that proposal due to lack of justification. That was despite its being clear that the report's recommendations and the RSS will lead to significant losses of green belt land. Was it not a Government promise that replacement land would be added to the green belt in the event of development on green belt land?

I would like to focus further on the south-east Dorset green belt. Up to 8,550 dwellings could be built on it. The RSS proposes urban extensions, with 2,400 dwellings spread over sites at Corfe Mullen, Wimborne, Ferndown and Christchurch, and there will be further losses of green belt around Bournemouth. In addition to supporting the RSS proposals, the panel report went further and added another urban extension of 1,500 homes to north Bournemouth and one of 2,750 dwellings to Poole, which is of particular interest to me as it is in my constituency. A further 1,000 dwellings are also recommended for green belt land in semi-rural east Dorset.

A major concern that I have previously raised with Ministers is the democratic deficit. For example, the democratic East Dorset district council, which is the relevant planning authority, voted to reject the proposals for development on green belt around Corfe Mullen and Wimborne. On the 700 homes for Corfe Mullen, the parish council, separately but in conjunction with an interest group called Keep Corfe Mullen Green, did a survey of the whole parish. There has been a total disregard of the value that people place on their local green belt.

The panel report recommends that Purbeck as a whole should have an increased housing allocation of 5,150 homes—above the 2,100 already agreed, and including 2,750 homes on a site that happens to be in my constituency. No democratically elected council asked for the latter recommendation—the inspector responded to a landowner's desire to build. Indeed, the proposal was opposed by all democratically elected councils. Three action groups have recently been set up. Sustainable Matravers held a public meeting that more than 400 people attended, and Lytchett Minster has an action group, as does Upton. The strength of feeling is enormous.

Members should consider what Purbeck is like. It has an enormous amount of valuable heathland. Natural England, of course, does not want development impinging on it or close to it. Purbeck has a world heritage coastline, which is an area of outstanding natural beauty. With all those restrictions in quite a small area, many consider that it would be impossible to fit an extra 5,150 homes into Purbeck and protect the green belt. If the housing numbers are not cut, our green belt will be gone. A flexible, moveable green belt is a non-existent one.

Drilling down further, the 2,750 homes are basically an urban extension. Like the conurbation of Bournemouth and Poole, its tentacles will reach out to engulf the two villages of Lytchett Minster and Lytchett Matravers, yet the green belt is supposed to provide a band that enables distinct communities to survive. With that level of development, the character of the local area will be destroyed, and our close knit communities will lose their many advantages. The land, which is predominantly agricultural, is perhaps becoming rather more important as food prices rise. It supports valuable wildlife, including, I am told, nightjars.

One resident wrote:

"Tourism an important source of income for Dorset. People come to see our countryside, as well as our coast. We will lose the ambience that brings people to Dorset for tourism. With no infrastructure provided, roads will be totally clogged up. If extra roads are built, that puts pressure on our environment and SSSIs."

The agricultural land provides vital carbon sinks. There has to be a balance between urban growth and policies to reduce our carbon footprint. I understand that peat bogs are most effective in capturing carbon dioxide but that agricultural land is better than heathland. There would be a significant loss of agricultural land on the urban fringe.

Interestingly, the principle of the urban extension is supported by Poole, whose pace of development is rapid and above its targets. It has outstanding opportunities to build on brownfield sites.

I appreciate that the Minister cannot reply today to the specific points that I have raised on the panel's recommendations, but I would like some answers in respect of general policy. First, are the Government still committed to protecting the green belt? Secondly, do they agree that a key purpose of having green belt policy is to protect the countryside around towns and cities from urban sprawl? I hope that the Government share my opposition to large-scale, unsustainable developments that would absolutely smash green belt policy. I hope that central Government targets are not being pursued regardless of the impact on the green belt or local democratic accountability.

I also hope that the Government will support much-needed housing for local young people. We need small developments and incremental change, and we need some additions to our villages. Lytchett Matravers, for example, is a thriving village. It has two pubs, a post office and shops, and it has development—sometimes 100 units a year, sometimes 40 a year. That is the type of development that is needed. Otherwise, there will be more and more pressure from people buying second homes and moving in.

My final request to the Minister relates to our previous debate. I request a meeting with him or one of his colleagues, the chief executive of Synergy Housing Group, which is responsible for the main housing trust, and

members of Purbeck district council to discuss funding for affordable housing. I appreciate that we cannot talk about the RSS, but there are things that we ought to be getting on with, and I shall give just one example. The council owns some land on which it wishes to build properties. Natural England has clocked that the land is within the 400 m limit, and its answer is for the council to buy land elsewhere. That is fine in theory, but it means that the local housing association via the Housing Corporation needs more money to provide much-needed social housing in my constituency.

I hope that the Minister can answer all my questions today.

5.8 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Iain Wright): I am pleased to see you again so soon, Mr. Bayley. I congratulate the hon. Member for Mid-Dorset and North Poole (Annette Brooke) on securing this debate. She mentioned the debate in December last year about housing in her constituency, which touched on affordability pressures and the designation of land in her constituency. I enjoyed that debate, and I enjoyed her contribution on a similar theme today. The hon. Lady has provided hon. Members with a valuable and timely opportunity to consider the relationship between the protection of green belt land, the need for more housing, and the role of the regional spatial strategy.

Green belt policy is an important part of planning, and, as the hon. Lady said, it has served us well for many decades. As she did in her excellent contribution, I think that it would be useful to set the green belt policy into some sort of context. The idea of a green belt was introduced in the 1930s, primarily as a device to help planners to forestall inappropriate development and to avoid the piecemeal joining-up of discrete communities by means of unplanned, so-called ribbon development extending into the countryside. It also served to preserve the openness of that countryside, to which the hon. Lady referred. In essence, that remains its role today, when the pressures on land are even more intense.

Perhaps the key point in any discussion about green belt planning policy is to acknowledge that it is a planning designation, as opposed to some sort of assessment of the quality and biodiversity of the land. It was not intended or planned to be a nature or landscape conservation measure, although I fully recognise that biodiversity and the countryside benefit incidentally as a consequence of green belt designation.

The objectives of green belt policy remain similar to what they always have been: to check the unplanned and unrestricted sprawl of developed areas, to prevent neighbouring towns and urban areas from merging into one another—the hon. Lady mentioned that—to assist in safeguarding the countryside from encroachment and to preserve the special character of our historic towns. Another objective, which is often overlooked in discussion of green belt policy, so I was pleased that the hon. Lady mentioned it, is to assist in the regeneration of our urban communities by encouraging the recycling of derelict brownfield and other urban land. The intention is strategic. If any other designation is required on a particular stretch of land, such as a site of special scientific interest or an area of outstanding natural beauty—that will interest the hon. Lady, given her constituency—that designation and whatever protection it confers would be imposed on top of green belt status, which does not override or compromise them.

This is a timely debate, and it is worth using the opportunity to dispel the myth that is often put about that this nation and its countryside are being concreted over by building on green belt land. As the hon. Lady said, it was mentioned in some parts of the media only this morning, so let me clarify the position. Some 13 per cent. of England's land mass is designated green belt. Urban land, which is defined as any tract of land of more than 20 hectares with at least 1,000 inhabitants, amounts to 8.8 per cent. of England's land mass.

I want to take the opportunity to counter the notion that the green belt is somehow shrinking, as was reported today. On the contrary, as a result of active compliance with our planning policy framework, the amount of green belt land continues to increase. Since 1997, the amount of green belt land has increased by about 33,000 hectares. In the south-west alone, there is around 109,640 hectares of green belt, despite the reclassification of much green belt as national park land and, as the hon. Lady acknowledged, the adjustments made after the introduction of more accurate digital mapping. Let me be clear: the Government's target is that we should sustain the area of designated green belt nationally, measured by region, during the period 2008-11.

I want to talk about pressure on green belt, particularly from housing. The Government's policy on planning for housing, as set out in planning policy statement 3, is extraordinarily clear in my view. Priority should be given to bringing previously developed land back into development if it is in a suitable location. The national target is that 60 per cent. of housing should be built on brownfield land. Current performance against that target is 74 per cent. The target is delivered by local authorities through the planning system, reflecting the particular circumstances of regions and local areas, so different localities may establish different targets. The judgment on what is appropriate in the hon. Lady's constituency in the south-west will be different in my constituency in the north-east.

In May last year, the planning White Paper, "Planning for a sustainable future", reinforced the Government's commitment to the key principles of green belt, which are set out in planning policy guidance note 2 on green belts. The hon. Lady mentioned the words of my right hon. Friend the Prime Minister, and it is important to reiterate them. He said:

> "I assure the House that we will continue robustly to protect the land designated as green belt."— [*Official Report*, 11 July 2007; Vol. 462, c. 1449.]

We have no intention of making fundamental changes to green belt policy. As the hon. Lady said, green belt policy has served us well for around half a century, and will continue to do so.

As the hon. Lady is aware, regional spatial strategies prepared by regional planning bodies set the framework for green belt policy and settlement policy for each region, forming the strategic context for local plan making. However, I want to clarify matters. Policies in local plans—not the decision of any regional planning body—establish the detailed boundary of green belt areas. Moreover, as the hon. Lady is aware, under our

[Mr. Iain Wright]

plan-led system, when a local planning authority's development plan documents contain relevant policies, planning applications must be determined in accordance with that plan unless material considerations indicate otherwise.

In the context of development control, PPG2 explains the key policy, which is a presumption against inappropriate development on green belt land. PPG2 allows for some development within green belts—for example, to support agriculture or forestry, or to allow for limited development in existing villages. The hon. Lady mentioned those themes. Other development should not be approved, except in very special circumstances. The strength of the criterion has been confirmed in a number of recent legal cases. In practice, very little green belt has been lost. In 2003, the latest year for which we have figures, less than 0.1 per cent. of land designated as green belt was developed for residential use.

I hope that I have painted for the Chamber and particularly the hon. Lady an accurate picture, which is not often portrayed, of a country that has more green belt land than urban developed land, where the amount of green belt land is increasing year on year, and where the subsequent development of green belt land is minuscule. Only in exceptional circumstances may green belt boundaries be amended through the development plan process, and only after public consultation and independent examination.

I know that that is a matter that greatly interests the hon. Lady, who spoke eloquently about it during her Adjournment debate in December, as well as today, so I want to spend the time available considering that, bearing in mind the constraints that she has acknowledged—that I will not discuss specific circumstances in the south-west regional spatial strategy.

Annette Brooke: My constituents' concerns are that the examination in public has come up with 2,750 houses, and that that is a Government diktat from Westminster because of the overall target for the number of new homes. If the Minister could dispel my constituents' fear that the new homes will be imposed because of Westminster diktat, I think they would be much less concerned.

Mr. Wright: The hon. Lady is tempting me, but I will not be drawn into specific circumstances. The end-of-sitting Adjournment debate in the House tonight is about the south-west regional spatial strategy and she may be able to intervene on the hon. Gentleman who has secured the debate. However, I will not be drawn on the specifics.

The examination in public is the mechanism by which regional spatial strategies prepared by the regional planning body are submitted in report form for assessment and, if necessary, revision. The examinations are formal events, not a forum for hearing representations, which should have been made by that stage. They comprise consideration of the report by an appointed panel, which invites a range of people to speak, but only those whose participation is, in its view, necessary to secure an effective examination of the strategic issues. As my noble Friend Baroness Andrews explained to the hon. Member in her letter of 19 February, the aim is to select participants who, between them, represent a broad range of viewpoints, thereby enabling an equitable balance of opinions in a discussion of the soundness of the draft regional spatial strategy. I know that that has worried the hon. Lady, and I hope that the point that Baroness Andrews and I have made reassures her.

All in all, any proposal to change the boundary of a green belt and any development proposal for land in the green belt, whatever its scale, is subject to stringent tests. The Government fully recognise the pressure on green belt land from development. Sufficient housing to meet our needs has not been built for something like a generation. As a result, there is a fundamental mismatch between the supply of housing and the demand for housing. That is having an impact on affordability; not least, in the hon. Lady's constituency, as she mentioned in her debate in December, and the south-west region as a whole. That has the effect of putting home ownership out of the reach of many and we need to address that.

I have already mentioned that PPS3 includes the notion that housing development should be prioritised towards previously developed land. However, national planning policy recognises that some greenfield land—undeveloped land that may or may not be needed for green belt—may be needed for some development. PPS3 puts the responsibility on local authorities to decide where to locate housing, to identify sites and to manage brownfield sites back into development where possible to minimise the call on greenfield and designated green belt land.

Green belt policy has served the country for well over half a century and has helped to prevent or minimise urban sprawl. It has protected the countryside from inappropriate, speculative and unplanned development. In the past decade, we have seen an increase in the amount of land designated as green belt. The leakage from development on green belt is extremely small, and there is a growing and accelerating trend towards development on previously developed land. Despite the pressures on land as a result of our need for more housing, I am convinced that the planning policies and framework that we currently have in place serve us well in relation to the retention and extension of the green belt.

In closing, let me reassure the hon. Lady by categorically stating that green belt land will continue to be protected in an extremely robust manner by this Government.

Question put and agreed to.

Adjourned accordingly at twenty-one minutes past Five o'clock.

Westminster Hall

Thursday 8 May 2008

[MR. ROGER GALE *in the Chair*]

National Institute for Health and Clinical Excellence

[Relevant Documents: First Report from the Health Committee, Session 2007-08, HC 27, and the Government's response, Cm 7331.]

Motion made, and Question proposed, That the sitting be now adjourned.—*[Liz Blackman.]*

2.30 pm

Mr. Kevin Barron (Rother Valley) (Lab): To preface the debate, I thank the secretariat of the Select Committee on Health, whose seven members have worked hard for us. I also thank our three advisers on the report—Professor Joe Collier, Professor Alan Maynard and Dr. Hilary Pickles—who gave us excellent advice.

The report took some time to gather. We had some 124 memorandums and 31 witnesses, and we visited Scotland, France and Canada—I am not sure whether it was in that order. On our visit to Canada to see similar organisations, their representatives spoke in glowing terms about the National Institute for Health and Clinical Excellence, saying not only that NICE co-operates well with Canada but that it is leading large areas of the world in assessment and the use of drugs in the health care system. I ought to put on record that NICE's international co-operation does it and the United Kingdom proud.

I will make some general comments about the report—what we were considering, and what we found—and the Government's response, and then I will probably pose a few questions that my right hon. Friend the Minister may wish to reply to, either during this debate or later. We examined the work of NICE. Members will know that NICE was established in 1999. We found that in the eight years since it was established, in response to internal and external review, NICE has shown itself ready to change. Initially, it appraised technologies, mainly medicines, and produced clinical guidelines. Its remit was soon expanded to cover interventional procedures. Subsequently, technology appraisals were made mandatory and the single technology appraisal was established to speed up the evaluation process. Since 2004, it has also examined public health issues. It is in no way an organisation that has been static since it was set up. Indeed, it has responded positively to many issues.

During our inquiry, we received a good deal of evidence that NICE is carrying out many of its functions effectively. However, NICE also has its critics, which is one of the reasons why we undertook the inquiry. We examined three main areas of relevant concern—the evaluation process, the affordability of guidance and implementation. In addition, after the Office of Fair Trading report on the pharmaceutical price regulation scheme, we decided to consider NICE's potential role in such a new system, although I must say that at the time, I believed that if the PPRS were to be renegotiated and not removed, we would not necessarily have to spend much time on that. I will say something about that later.

We identified several problems with the evaluation process. The first is topic selection. Only a few selected medical technologies are chosen as suitable for assessment as technology appraisals. There is also far too little emphasis on disinvestment. I think that we trod on one or two toes when we commented on that in our report, but the Health Committee has previously considered NICE and commented on disinvestment. A few older treatments do no good at all, and many of them are not cost-effective. Because NICE selects what it assesses, we might be able to disinvest more than we do.

The wider benefits of treatment to society—for example, issues involving the cost of carers—are not included in NICE's cost-benefit analyses. I could go on from there. We used the specific example of carers, but in taking evidence, we often asked questions about employment, and whether that would be taken into account in determining the cost-effectiveness of keeping somebody, maybe a family member, in work. It was a bit difficult, but we did not draw up a shopping list. There are probably wider issues that could also be taken into account.

NICE often does not have all the information that it needs to make a full assessment. It does not have access to all the information used by the Medicines and Healthcare products Regulatory Agency, and clinical trials are usually designed without NICE's work on cost-effectiveness in mind. We made some specific recommendations on that point that have not gone down particularly well, and I may return to that later.

Experts are not used well. That is not a criticism of the experts involved in NICE. Members will remember that in challenges in the courts, clinicians who advise NICE have often been criticised by other clinicians. We thought that that was unfair, because it is a trap for someone advising NICE on a particular issue. We heard that criticism, which also came out in the media. Some of us have been to lobbies in this place and heard people say that the right people had not given NICE evidence during its assessment procedures. I have mentioned the names of three people who advised us on the report. They were with us all the time, and they helped us to gather witnesses and put the report together, but in the end, they took no part in the final decision. However, our advisers were constant. We wondered whether NICE ought to consider using experts in that way, instead of asking them to give an opinion as well.

Publication of guidance is slow. Licensed medicines are often not prescribed while primary care trusts and clinicians wait for NICE to make a decision. Again, some of the challenges involve that issue. The industry calls that NICE blight, because it takes so long for decisions to be made.

We made a number of recommendations to address the problems. Key among them was that a system is needed under which all medicines are assessed at launch. A shorter, less in-depth evaluation should be made between licensing authorisation and marketing, so that clinicians can prescribe useful and cost-effective drugs as soon as they are launched. A lower cost per quality adjusted life year threshold should be employed during early assessment to ensure that only the most cost-effective and clinically effective products are available straight away. A full appraisal should be made thereafter, so that the threshold can be increased, if that is warranted.

[Mr. Kevin Barron]

In order to ensure that NICE has the information that it needs, it should have access to the same material used by the licensing body, clinical trials should be registered and NICE and the pharmaceutical industry should work together more closely. That is particularly important to the effective assessment of drugs in time for launch. I recognise that that could involve major problems. Pharmaceutical companies are not all based here, and their way of doing research and development might not be easily read over, but discussions could be held with them to see whether some international consensus is possible, so that assessors—not only NICE but people doing the same job in other parts of the world—could use a measurable framework.

We recommended that more be done to encourage disinvestment. No evaluation of older, possibly cost-ineffective therapies has taken place to date, although two are under way. As I have mentioned, our predecessors on the Committee made the same recommendation. We would like to be convinced that NICE is moving a bit quicker.

In our last report on NICE, we also recommended that the legislation be changed to accommodate the need to ensure that assessments of products take account of the wider benefits to society. We have made that recommendation again. The affordability of NICE guidance and the threshold that NICE uses to decide whether a treatment is cost-effective are of serious concern. It has been in the headlines practically throughout NICE's life. The threshold is not based on empirical research and is not directly related to the national health service budget. It seems to be higher than the threshold used by PCTs for treatment not assessed by NICE.

We heard from witnesses, including those from patients' organisations and pharmaceutical companies, who thought that NICE should be more generous with its cost per quality threshold and approve more products. On the other hand, some PCTs struggle to implement NICE guidance at the current threshold, and other witnesses argued that a lower one should be used. We recommend that the threshold used by NICE in its full assessment should be reviewed. Further research comparing PCT thresholds with those used by NICE should also be undertaken. That is denied in the response, but we believe that we have found enough evidence—although perhaps not concrete evidence—that NICE uses levels that are different from some PCTs. We also believe that an independent body should determine the threshold used when making judgments on the value of technologies to the NHS. I shall return to that subject at the end of my opening remarks.

The implementation of non-mandatory guidance is variable, owing to a variety of causes, including the threshold used by NICE for determining cost-effectiveness, a lack of clarity about the status of guidance, a lack of involvement by PCTs in the development of guidance and disagreements between clinicians about the worth of some of NICE's guidelines. I have no doubt that that has been the case for the eight years that NICE has existed. However, there is a glimmer of hope that people will start to concentrate on implementation a little more. NICE is not the only body that needs to act, and the entire health care community should take part as well. I do not know whether the Darzi review of the NHS will consider that, but some of the Committees that Lord Darzi is using are obviously made up of clinicians. Lessons should be learned from that about ensuring that PCTs are engaged and have ownership of some of NICE's procedures.

To improve the implementation of NICE guidance, we have recommended more help for PCTs, better assessment of the level of uptake, a larger role for PCTs in development, the better use of experts in development and a change in the terminology used by NICE to clarify to patients what they can expect by right from their local NHS organisation. We also recommend that elements of clinical guidelines be made mandatory. A suitable example is risk assessment for all patients at risk of developing venous thromboembolism.

Some of the problems with affordability and the implementation of NICE guidance relate to the price of medicines. As I have mentioned, the OFT recently recommended that a new system of value-based medicine prices replace the PPRS. We found support for that, but there were concerns about how it would work in practice. We understand that discussions between the Government and the pharmaceutical industry are under way, so our report makes no large-scale recommendations for the new scheme. However, we agree with the Government that better mechanisms are needed to ensure that the NHS pays a fair and affordable price for medicines. We also recommend that NICE should be involved in any new system and that any change to its remit should be adequately resourced. I shall ask a few questions about that at the end of my remarks, but I want to say now that although we did not consider that in great detail, we believe that NICE ought to assist in any major changes, if there are to be any.

We concluded that NICE does a vital job in difficult circumstances. The development of more and more health technologies and procedures, alongside rising patient expectations and the ageing population, will make it even more difficult in the future. Health care budgets in England, as in other countries, are limited. Patients cannot expect to receive every possible treatment, and demand outstrips resources and priorities have to be determined. In other words, rationing is essential, and NICE has a key role to play. In the past, NICE has changed in response to new challenges, and we are sure that it can do so again. Given the difficult environment, NICE requires the backing of the Government. It also needs Ministers to support it—not to seek to undermine it. It must not be left to fight a lone battle to support cost-effectiveness and clinical effectiveness in the NHS.

The Government's response was generally supportive, certainly in tone, but it was non-committal about some of the details. Of course, much depends on the Government's decision about the PPRS. The response to our recommendation about quality adjusted life years is not untypical:

> "The government will consider with NICE the need for further research".

That is fine, but we are unlikely to look again at the pharmaceutical industry or NICE in the near future. Furthermore, the Care Quality Commission will consider inspection of the implementation of NICE guidance. This morning, we actually interviewed the Government's nominee to take over the chair of the CQC.

The Government rejected a number of our recommendations, such as the recommendation that a separate mechanism be put in place to advise on the

cost per quality adjusted life year range and that NICE be given the right to see all the evidence used by the Medicines and Healthcare products Regulatory Agency. The Government pointed out that several of the Committee's recommendations are matters for NICE, including the use of experts, information for consultees and the use of implementation consultants. We accept that.

It was unusual and pleasing that NICE itself submitted a response to our report, for which I thank those responsible—I see that at least one of them is within earshot. We decided this morning that we will publish its response, in the same way that the Government publish their response—although, probably not with a crown on it. The NICE response accepts some of our recommendations, but stresses that it is already doing much that the Committee urged it to do. For example, on topic selection, it does not focus excessively on expensive drugs. Furthermore, it is looking at disinvestment, the issue of experts and information about processes to consultees. Like the Government, however, it also rejects a number of what we believe to be key recommendations, notably on early "rough and ready"—I think that that is what it called it—appraisal of all drugs at launch.

As I said, we visited Scotland and the Scottish Medicines Consortium—this is probably more a matter for the Department than for NICE. People often tell those of us who represent English constituencies about how quickly drugs are available in Scotland, as opposed to those appraised by NICE. We effectively, without mirroring it exactly, made recommendations that would introduce in England something not dissimilar to the system in Scotland. That recommendation was knocked back not only by those who responded statutorily to our report, but by the pharmaceutical industry itself. If the latter is listening, I say to it that we cannot have NICE blight here when everything is better in Scotland.

When we make recommendations that are not too dissimilar from what is happening in Scotland, we do not want the kind of response that we got from its trade body, which opposed the recommendation on the grounds that it looked "quick and dirty"—I think that those were the words that it used. Quite frankly, however, we can only do the assessments that we did, and the matter will probably need to be looked at further by the Government, the pharmaceutical industry and NICE, because something needs to be done. There is a constant clamour, not necessarily from the pharmaceutical industry, but from patient groups and constituents asking, "Why are we waiting so long for a drug that is available in Glasgow or Edinburgh?"

NICE also rejected our recommendation on the threshold. It suggests that its threshold is not out of line with those used by PCTs. I said earlier, "some PCTs", but I still believe that we saw evidence for that in our inquiry. Recommendations 2 and 25 refer to NICE's role and use the R-word—rationing. They deal with rationing arrangements and essentially ask the Government to work with NICE to make those arrangements clear to the public. In neither of her responses, does the Minister use the word "rationing". Effectively, she has dodged the issue in this very big public debate. The Government's response avoids using the word, and one or two members of the Committee—I will not look round—found it difficult to accept that we should use that word in the report and in the conclusion, but rationing is what NICE does.

Rationing has been around inside the national health service for nearly 60 years, and we all recognise that fact. It would be better if we were to have an open debate about rationing inside the national health service, instead of talking about "postcode prescribing." Some people think, "If I moved across the road or down the way, I would be able to get this drug." We should have an open and honest debate about why people contact us and say, "Why can I not have a drug in this particular PCT, but I can have one next door?" If we take on the issue, we will better serve the public. The Minister may ration her response when she speaks later, but I personally think that we should have such a debate.

In the response to recommendations 15 and 16, in which we asked for a more rapid and non-selective appraisal of all known drugs and for guidance on each drug to be made available at its launch, the Government said:

"The Government continues to work with NICE to ensure that the STA process works as it should."

That is fine. I am very happy with that, but will the Minister tell us exactly what she means when she says that the Government will work with NICE in considering this area? Has she any specific ideas about what they will be looking at?

The Government's position on NICE's work on disinvestment is not too clear, but the Minister said that she was keen for NICE to give a high priority to that activity. In view of the history, I wonder whether there is a mechanism by which the Government can consider the question of disinvestment.

In recommendation 36, we asked for a separate independent body to review the threshold that NICE uses when it decides whether to make a medicine available to the NHS. Effectively, we wanted a one-off review of thresholds. We wanted to know how those thresholds fit with the NHS budget as a whole and with non-NICE-related purchasing decisions made by trusts, and to assess on what grounds the thresholds might vary. We believe very strongly in that proposal, but the Government dismissed it:

"The Government is not convinced that any potential benefits of establishing a separate mechanism of the kind envisaged by the committee outweigh the likely disadvantages."

The recommendation may have been badly worded. It was not our intention to have a separate body for ever, but we wanted some independent tests of the thresholds. The question whether our constituents are being treated fairly by the national health service goes round and round in the media. If the Government do not think that there is a need for a standing mechanism to consider thresholds, could we assess them and get them independently tested, so that there is another voice in the debate?

In recommendation 30, we argued that there is public confusion about the status of the various types of advice published by NICE. The Government's response says that they will

"consider further whether there is more appropriate terminology."

The Government do not say that they disagree with us about the public confusion. If they do not disagree, then there must be some better terminology that we can use—that sounds a bit taut, so perhaps I will revisit that later. I say to my right hon. Friend the Minister that unless the Government say that there is no public confusion, there must be something there. We think that the public would be better served by better terminology.

[Mr. Kevin Barron]

Last but not least, I want to revisit our old friend, the PPRS, and consider what is happening at the moment. As I have said twice, we did not look at the matter in any great depth. We had one evidence session on the likely outcome of the Government's reaction to the OFT report. If we had thought that they were going to implement the OFT report, we would probably still be taking evidence now.

As a distraction from the other things that were going on last Thursday, I read this headline in *The Daily Telegraph*, "Drug makers hit out at new pricing deal". It has since come to my notice that in March, a letter was sent out to 180 companies, which had participated in the PPRS, officially terminating the present scheme from September 2008. That was not my understanding of the situation when we were taking evidence. I did not know that the PPRS was to be terminated, and I would have accepted its renegotiation. I do not have the Government's press statement on the issue, but I was very surprised to read that headline. I must say to my right hon. Friend that I recently met the new president of the Association of British Pharmaceutical Industries, I was not prompted by him to bring up the matter; I was prompted by what the retiring president said in the press. We are ripping up the pharmaceutical price regulation scheme, which has stood the test of time—some 50 years now. The scheme has loosely held together the pharmaceutical industry, which is a credit to this country and a great arm of ours when it comes to manufacturing and selling abroad. The Minister will have seen some of the first-class research and development that is done in this small nation of ours—in many areas, it is world class. I was surprised to see that, effectively, the PPRS had ended, and I assume that some sort of voluntary agreement will replace it.

The Minister of State, Department of Health (Dawn Primarolo): I am sorry to interrupt my hon. Friend in mid flow, but I think that it would be helpful if I tell him now that part of the renegotiation of the PPRS also requires a formal notice to be issued that the current one will terminate within a certain period. It is all part and parcel of the renegotiations and how the PPRS works. It is not a separate process.

Mr. Barron: I am grateful to the Minister for that. I know that if someone is given a strong letter that says that their contract ends in six months' time, one is likely to get them to the table in a more positive manner. I understand what negotiations are like, but the system has survived in this country for half a century now. I do not say that I endorsed everything that the OFT recommended in its report. None the less, the Minister's words are reassuring. Under those circumstances, six months is not a very long period of time to replace, review or amend an organisation, although I accept that that may be different now. I thank my right hon. Friend for that. I would like to sit down now, but before I do I want to thank the members of the Health Committee who were involved in the evidence sessions and drawing up the report. I suspect that quite a number of them will want to catch your eye this afternoon, Mr. Gale.

2.58 pm

Dr. Richard Taylor (Wyre Forest) (Ind): It is a great privilege to follow our Chairman, who is allowing us to get out some quite strong condemnatory reports—not that this is one of the most condemnatory. It is also a huge privilege to speak second, because the Chairman has left us with a little more to say, and I can get in before all my hon. Friends—and I do call them friends—on the Committee.

The first matter that I want to raise is the use of experts, which the Chairman has already mentioned. We heard criticisms about that from several witnesses from various walks of medical life. The Government's response was that that should be left to NICE, while NICE's response was that there should be extensive engagement. Its response to recommendation 11 stated:

> "The Committee's suggestion reflects our current arrangements. We will re-examine our arrangements for providing our advisory bodies with access to appropriate expert advice from individuals unencumbered with actual or potential conflicts of interest."

I suspect that the difficulty is finding people who are unencumbered in that way.

I shall give two examples that are related to criticisms made by the Committee. There was a rather unkind article in the *Journal of the Royal Society of Medicine* last October headed "A NICE mess". It did not actually prove that it was a horrendous mess, but in discussing anti-dementia drugs, it pointed out the fairly limited contribution that expert geriatric psychiatrists were able to make. One of our strongest recommendations was that if NICE could find suitable, unencumbered expert advisers—we as the Health Committee prize and value our expert advisers tremendously—that would be well worth doing.

Secondly, NICE's guidelines rightly point out that there is no hard evidence that antibiotic prophylaxis is necessary for bacterial endocarditis, but then go a step further and imply that it is no longer worth using antibiotic prophylaxis, the use of which is time-honoured. In a letter in the *British Medical Journal* this week, some cardiologists have questioned whether NICE has gone a little too far.

Dr. Howard Stoate (Dartford) (Lab): The hon. Gentleman will appreciate that there is a great difference between time-honoured and evidence-based. Just because we doctors have done something for a long time, it does not necessarily make it worth doing.

Dr. Taylor: I thank my friend and medical colleague for that. I absolutely accept that, but things should not be discarded lightly.

The Chairman of the Committee mentioned the speed of decisions. In our recommendations 15 and 16, we toyed with the idea of shorter inquiries or evaluation at launch. The Government's response was fairly defensive, but NICE's was rather better. It stated that it was not asked early enough and that it did not have enough capacity. That needs to be looked at. It also stated that the appeals process slowed down decisions.

Dr. Ian Gibson (Norwich, North) (Lab): The hon. Gentleman talks about the need to get evidence earlier. Is that because it comes from the later stages of treatment?

For example, evidence about cancer drugs comes from metastatic stages, rather than from the earlier stages of detection and prognosis.

Dr. Taylor: That is one of the huge difficulties with drugs. Some of their effects—good and bad—are not discovered until a long time after they have been used by hundreds, if not thousands, of people.

NICE concluded its response to recommendations 15 and 16 by stating its aim to start assessment when a manufacturer requests marketing authorisation. It said that it might then be able to create at least draft proposals within three months of licensing. That is something excellent to aim for.

The Chairman of the Committee mentioned the confusion about the differences between guidance on technology appraisals, which is mandatory, and clinical guidelines and public health guidance, which are advisory. That is a real problem, and it is demonstrated in the Government's response. Within about four paragraphs, they use the term "clinical guidelines" once and "guidance" eight times. I am still not convinced that they know the difference between technology appraisals and general guidance.

In their response, the Government objected to the word "directive", stating:

"we believe that re-branding appraisal decisions as 'directives' might be taken to imply that they are intended to override clinical decision-making."

If it is cut and dried that something is far better than anything else, who wants clinical freedom? Doctors do not need it. They do what they are—*[Interruption.]* Well, I am speaking as a retired doctor, and I am prepared to stand up for that. If something is right, and if it is far better than anything else, it should be used. I would have no objection to the use of the word "directive", or a slightly softer, kinder word if one could be thought of. Tremendous confusion is caused by calling three things "guidance" when one of them is mandatory.

Sandra Gidley (Romsey) (LD): I am slightly confused by the hon. Gentleman saying that we do not want clinical freedom. I am sure that he agrees that patients come in all shapes and sizes. There is no such thing as the average patient, and there are occasions when a patient is not textbook and there needs to be flexibility. I agree with his general point, but there is a danger that his comment about clinical freedom might be misconstrued. I am trying to help him out.

Dr. Taylor: I am grateful for that helpful comment. I do not want to be misconstrued. I am talking about when it is absolutely cut and dried that one thing is right and others are not. That is when the word "directive" should be used, or another word, if we can think of one.

I echo the Chairman of the Committee's comment that there could be one mandatory element in some clinical guidelines. He mentioned NICE's current work on venous thromboembolism. Of the recommendations that have been made on that, the risk assessment should be mandatory for everybody going into hospital.

Disinvestment is an incredibly important part of NICE's work. We are not going to get any more money coming into the health service, so we want to make absolutely sure that what we have is being used as best it can be. I was pleased to read about NICE's recommendation reminders in its optimal practice review, and the fact that it recommends savings in its technology appraisals. That is a hugely important part of its work.

If we cut out inappropriate prescribing, we will make huge savings. The Department of Health made a start on that with its "Better Care, Better Value" indicators, which showed some time ago that just by prescribing generic statins at the right time, the NHS could save £80 million a year, which is amazing. If we can make such savings through appropriate, correct prescribing, we will do the health service a power of good.

On implementation, I was pleased to read about implementation consultants, but slightly disappointed that there are only six of them for the whole of England. The Chairman of the Committee mentioned our trip to Canada, on which we found that NICE's equivalent there had such people in every part of the country. They were making a huge difference.

Dr. Gibson: Why are there so few in Britain? Is it just not an appetising job?

Dr. Taylor: An advertising job?

Dr. Gibson: Appetising. Well paid.

Dr. Taylor: Oh! I have no information about how much those people get paid. No doubt some of guests in the Public Gallery might tell us afterwards.

I understand that NICE has an implementation directorate and an interactive costing tool. I do not know—perhaps the Minister does—whether that applies just to mandatory technology appraisals, to voluntary guidelines, or both.

Recommendation 27 deals with the better measurement of guidance implementation. At the moment, the Healthcare Commission relies on those involved declaring that they have implemented NICE guidance, and I wonder how the Care Quality Commission will deal with that issue.

I was delighted that our Chairman took the bull by the horns and used the word "rationing". Some people might remember that I tried some time ago to secure an Adjournment debate about rationing in the NHS, but somebody—I still do not know who—changed the title to prioritisation, so my debate was about that, rather than rationing. We must face up to the issue of rationing. In one of its responses, NICE stressed the importance of disinvestment and of looking at investment and disinvestment opportunities, which really comes down to rationing.

To finish, my one regret about the report is that we shied away from QALYs and incremental cost-effectiveness ratios—we were probably scared of delving into the unfathomable mathematics of calculating them. After we completed our inquiry, I received a piece of paper that had fallen off the back of a lorry, but it confused me even more. It gave figures from the Southampton university health technology assessment for the cost per QALY of three anti-dementia or Alzheimer's drugs. I can understand why the cost of all three was pretty high—when people are not convinced that a drug works or that it has much benefit, the cost per QALY will be high—but I could not understand why it was so

[Dr. Richard Taylor]

extraordinarily different for all three. As we have recently learned, the Appeal Court has ruled in favour of the makers of the one of the drugs for Alzheimer's. I hope that that will bring into the open a little more about how the cost per QALY is worked out, because unless we know that, a little of the transparency that we want, and which NICE is aiming for, will be missing.

3.12 pm

Dr. Howard Stoate (Dartford) (Lab): I shall start by paraphrasing Kryten from the TV series "Red Dwarf". There are two problems facing every health care system in the world: first, it is impossible to meet every need and, secondly, it is impossible to meet every need. I realise that, technically, that is only one point, but it is such a good one that it is worth making twice. The fact is that no system in the world can ever meet every competing need; indeed, if it did, that would prove that it was failing. One of the drivers of change in the health service is the constant striving for improvement, for better value for money and for better patient care. That automatically implies that one must keep pressing for change and improvement. Always having to look over one's shoulder to see what one can afford is one of the major drivers in that respect. That sounds a bit harsh, but it is important.

The hon. Member for Wyre Forest (Dr. Taylor) talked about rationing. One reason why I am not happy with the word "rationing" is that rationing is actually very easy, whereas health care apportionment is very difficult. Those in the room who are old enough to remember rationing—that does not include me, of course—will know that it is relatively easy to tell somebody that they can have one egg or one ounce of butter a week or that they can have a British standard loaf every two days—that makes sense. It is easy to do that because the one thing that everybody in the world does that has a cost to society is eat. What makes rationing even simpler is that everyone has broadly the same nutritional needs, so the parameters are quite narrow. It is easy to say, "I have 1,000 kg of rice and 1,000 people, so they can have a kilo each."

Unfortunately, it does not work that way with health care. Let us imagine that I have 1,000 people in the room and I have six replacement hips, 20 doses of penicillin and 30 doses of Aricept. First, those replacement hips might be completely inappropriate for those 1,000 people because none of them might need a hip replacement; alternatively, by luck, 100 of them might need one. In other words, it is far more difficult to work out who should get what. Furthermore, how do we compare a hip replacement and Aricept to decide which does the greater good? That is an extremely complex and delicate decision.

I agree with those who have said that we need a much wider public debate about how we make such decisions. Such things are not news to society; the concept of distributive justice has been with us for thousands of years, although we have not always called it that. If we talk about distributive justice or competing claims for resources, rather than simply about rationing, that will make it easier for the public to join the debate. They will begin to understand the complexities of how people make some of these extraordinarily difficult decisions about distributing resources.

Mr. David Drew (Stroud) (Lab/Co-op): The Committee's Chairman referred to this earlier, but I have taken part in two events organised by NICE in the past couple of months to look at public policy and access to health, particularly for disadvantaged groups—in that respect, I owe a lot to my friend Bren McInerney, who is on the participation panel at NICE. NICE is moving in the right direction, and such events change the perception that NICE deals only with decisions about which medicines will get over which hurdles.

Dr. Stoate: My hon. Friend makes the important point that we are moving in the right direction, but we have a long way to go in helping members of the public understand for themselves the difficult decisions that somebody ultimately has to make.

Some health care systems ration by price, and if people cannot afford a health policy, they get pretty awful insurance; other systems ration by exclusion, and still others ration by availability. If people want to use the word "ration", then I would say that we in this country have always tended to ration by queuing. The health service has traditionally said, "There are this many surgeons and this many beds. Form an orderly queue, and when you get to the top, it's your turn." That is certainly a coherent way of doing things; it is just not a very good one. I am pleased that we have now moved away from that and that we have much shorter queues and shorter waiting times.

Dr. Gibson: Would my hon. Friend include orphan drugs and ultra-orphan drugs in the mystique that he mentions, which makes it difficult for the public to understand these things? Most MPs find it difficult to understand the definitions of ultra-orphan and orphan drugs, compared with the classic cancer drugs.

Dr. Stoate: I pay tribute to my hon. Friend, who does a huge amount of work for cancer patients and who has quite an international reputation for standing firm, helping cancer patients through difficult times and helping to make rational decisions. It is difficult for the public to understand what an ultra-orphan drug is. It is also difficult for the Government to deal with them, because they sometimes have such a skewing effect on overall health budgets, particularly in a relatively small health economy. The problem therefore needs special attention, and I pay tribute to my hon. Friend for raising it.

In this country, we have settled on the idea of measuring health benefits and deciding how to distribute resources using the QALY. As everyone knows, the QALY is a cost-utility index that combines the duration and quality of life. In some ways, it can be used as a comparative index. Perfect health is the equivalent to a QALY of 1, death is a QALY of zero and the various health states in the middle can be worked out on a fractional basis. In many cases, therefore, estimates of cost per QALY can be used to devise an indication of the relative value of different treatments and interventions.

That method certainly has the merit of being extensively researched in Europe, north America and Asia, but a number of people have expressed quite a few reservations about the manner in which NICE has used QALYs. For instance, John Harris, the joint editor-in-chief of the *Journal of Medical Ethics*, argues:

"There are two ways in which QALYS can be used...to determine which of rival therapies to give to a particular patient or which procedure to use to treat a particular condition, in short which of two different treatments is the more cost-effective, better for patients, better for society... QALYS are also used, however, to determine not which of rival treatments to give to a particular patient or group of patients, but whether or not to offer any treatment at all to some patients, or whether to offer a particular treatment to some patients even when no alternatives are preferred."

It is that latter approach which Professor Harris understandably objects to on moral grounds, and he exemplifies that by reference to the treatment of patients with Alzheimer's disease. He claims that

"it is not the drugs that have been judged not to be cost-effective when compared with rival treatments, it is the patients who are being condemned as not cost-effective to society."

Meanwhile, Maurice McGregor of McGill university in Canada has said:

"The assumption of distributive neutrality (ie individual considerations are not taken into account) that underlies the QALY frequently violates societal concerns for fairness in the allocation of healthcare resources. For example, in general, society does not consider a unit of health gained by a severely ill individual to be of equal value to a unit of health gained by an individual who is less severely ill."

That is a complex concept, but it makes the point that QALYs can be applied in different ways and can mean different things to different groups of patients.

In evidence to the Select Committee inquiry, Dr. David Anderson, from the faculty of old age in the Royal College of Psychiatrists, told us that experts often did not understand how some QALY-based decisions were made, and that they believed the process to be somewhat arbitrary. He told us:

"When clinicians hear about health economic analyses many of them see it as made-up stuff. You just take some data and create an equation that is based on assumption after assumption... You fiddle about with an equation and come out with a number. If you want you can fiddle about with it some more and come out with a different number."

Other witnesses argued that the use of QALYs could lead to bias against treatments for long-term chronic conditions. Lower cost per QALY and therefore greater likelihood of NICE approval were claimed to be associated with treatments for acute conditions. Steve Winyard of the Royal National Institute of Blind People told the Committee:

"Drugs that extend life will always achieve higher values...The use of QALY values puts people with long-term conditions at a disadvantage over people with life-threatening conditions".

NICE's cost-effectiveness threshold has also attracted much controversy. For instance, an article in the *British Medical Journal* last year by Professors Appleby, Devlin and Parker strongly criticised the way in which the threshold operates. It said that the threshold that it has used since its inception of £20,000 to £30,000 per QALY

"has no particular basis in either theory or evidence".

It suggested that the threshold may be too generous and that, as consequence, NICE may have recommended too many new technologies. That would also mean that when primary care trusts implement NICE's guidance, resources may be diverted from other health care services that give better value for money. Indeed, it points to evidence suggesting that there is a mismatch between NICE's threshold range and that apparent elsewhere in the NHS. The average primary care trust spends about £12,000 to gain an extra QALY in circulatory disease and about £19,000 in cancer. In contrast, an analysis of NICE's decisions suggests that its threshold is in practice even more generous than it admits, being closer to £45,000.

The article posits two possible approaches for setting a cost-effectiveness threshold. The first is to decide the worth or value of a QALY and set the NHS budget so that all health care is provided at a cost at or below that value. The second is to decide how much we wish to spend on the NHS, and let the value of a QALY emerge from the decisions made by NHS purchasers. It also asks why NICE should be required to set and defend what is an NHS-wide cost-effectiveness threshold. That is of course something that the Committee itself has questioned.

The BMA article suggests that the NHS should have a threshold committee with a similar structure to that of the Monetary Policy Committee; and NICE, primary care trusts, and other NHS purchasers should be required to adopt a common NHS threshold. I question whether simply creating another bureaucratic arm is necessarily the way forward.

Sandra Gidley: We all like to get hung up on the question of thresholds, but surely the hon. Gentleman saw the evidence, as I did, that there seems not to be an automatic cut-off, and that, for the rarer drugs to treat rarer conditions, there is no hard line that must be passed; instead, decisions are made about whether, in the absence of other treatments, we should pay a little more. There is no pass or fail magic number, and the thought of a British Medical Association committee sitting to make that decision fills me with horror, because there may be unintended consequences that are not seen now.

Dr. Stoate: I accept the hon. Lady's point, which underlines the great difficulty that we had in making some of the decisions. However, she will have heard the evidence that it is assumed, particularly by drug companies, that if a drug comes in below the threshold, it will pretty much get through without much argument; if it is in the middle the company has a bit of a fight on its hands, and if it is over the top it does not have much chance, unless, as my hon. Friend the Member for Norwich, North (Dr. Gibson) said, it is an ultra-orphan drug, which would be treated slightly differently. Whether or not we stick hard and fast to the thresholds, they are widely accepted and used in practice. The question is whether NICE is the right body to make the decision: should it set the threshold?

As I mentioned, the threshold has not really changed since NICE was set up, and it is about time that we had another look at it, to decide whether it is appropriate and whether a much wider body of NHS experts and users should be involved in making the decision. I merely put the question whether it is time for a rethink about the basis on which the process is carried out. Certainly, NICE gets a lot of criticism now, much of which I think is unwarranted. Nevertheless it has to take it. The question is whether it should be part of a bigger mechanism, so that others in the health service, including users of the service, get a say.

My point is that if the public could fully understand the process by which decisions are made and could have a better idea of how much the drugs and procedures

[Dr. Stoate]

cost and a flavour of the level of competing claims, they might feel more empowered and able to make decisions affecting their lives in a more rational way. Everyone accepts that we cannot have everything. What is not accepted is the obscurity about decisions, and difficulty in understanding how they are made.

I could say much more, but many colleagues want to contribute. My final point is that it is now time for a much more in-depth look at how such decisions are made throughout the world. We can learn from other countries, in the same way that, as my right hon. Friend the Member for Rother Valley (Mr. Barron) said, other countries study NICE to see how we do things in this country. That would lead to a much more grown-up decision-making process, to ensure not only that the health service delivers for patients, but that it is seen to do so.

3.26 pm

Mrs. Maria Miller (Basingstoke) (Con): It is with a little caution that I rise to speak after the hon. Members for Dartford (Dr. Stoate) and for Wyre Forest (Dr. Taylor), because I have no medical experience. The report, however, raises many issues that affect my constituents and businesses in my community. As the right hon. Member for Rother Valley (Mr. Barron) has said, the work of NICE is about ensuring that constituents get a fair deal from the NHS, which affects us all.

NICE has a vital role to play, and I commend the Select Committee and its Chairman for their work on the report and for giving us an opportunity to air our views today. It is right that the decisions on which drugs are available in the NHS are made by clinicians and not by politicians, and I respect the independence of NICE. The NHS budget is not infinite, and difficult decisions must be made, whether by what is called rationing or in other ways, but NICE was established to ensure that there is equity in the system. The report points out that the current situation falls short in many areas. I want to raise three important issues for me and some of my constituents, namely the evaluation process, the issue of non-statutory guidelines and the role of NICE in the future of the UK pharmaceutical industry.

Other hon. Members have already touched on the evaluation process. The report stresses that the speed of technological appraisal is of great concern, and that there are long periods between the licensing of a medicine and the publication of NICE guidelines. None of us can dispute the fact that that is fuelling a postcode lottery throughout the country, and some think that that is leading to problems for the NHS in keeping its universal promise that treatment should be available to all in accordance with their need. Some clinicians can prescribe during the period between licensing and the issuing of guidance, and some cannot because of the rules and regulations of their primary care trusts. Because the process is speedier in Scotland, drugs are available far more quickly there.

I have come across two examples of such difficulties in my three years as an MP. First, Tarceva was prescribed for lung cancer by consultants in my local hospital during the limbo period between licensing and the issuing of NICE guidance. Cases were referred to the PCT for approval and an experienced consultant, who had the trust of the patients and families concerned, sometimes decided that benefit could accrue to a particular patient if the drug were used. In some cases the PCT agreed, but in others it did not. To the consultant, it seemed that those decisions were not always made for the same reasons.

So where did that leave the patients and their families? In the case of one of my constituents, the request for funding was rejected, and they were left in a very difficult situation. Was that because the finances of the PCT were too tight, or was it because the medic got the assessment wrong? I am aware that, in at least one case where the PCT rejected a request for funding, the family of the patient felt that they had no alternative but to pay for the drug privately. Where does that leave us with regard to the concept of a universal NHS?

I will briefly give another example. About four years ago, a drug to deal with the problems caused by mesothelioma was launched by a pharmaceutical company in my constituency, Eli Lilly. Although that drug was approved by the Scottish Medicines Consortium in July 2005, it took 1,000 days of NICE appraisal to get NICE approval, which eventually came through in January this year. Even now, more than three months later, there is evidence that one or two PCTs are still not providing funding for that critical medicine. In the meantime, people who are suffering from a truly dreadful disease are simply dying. We should continue to reflect on the slowness of the evaluation process, because it causes anguish, anger and other problems for families.

Dr. Gibson: First, does the hon. Lady think that fastness is not always associated with accuracy of information, and that a slow and steady approach, getting there with all the data, is better than a political knee-jerk reaction? Secondly, with Herceptin, which the hon. Lady has not mentioned, there was plenty of good scientific evidence that some individuals benefited from it because of a certain gene expression while other individuals did not. How can we get that information over to the public, when newspapers are running campaigns, saying that, "In Scotland, they get it, but down here you don't get it and everybody should get it, because it makes you better."?

Mrs. Miller: I thank the hon. Gentleman for raising those points. I will discuss the length of time that should be taken for examining drugs, and he is absolutely right that it is not a question of rushing the process. Surely, however, there are ways in which we can try to truncate the existing process to benefit patients. He is absolutely right to raise the role of the media. However, the examples that I have given today were about situations in which the judgment of highly qualified medics was, I suppose, challenged and questioned by PCTs, rather than about the inaccuracies or misinterpretations that can sometimes come through media reports. Having said that, he is right to express caution about those instances of media inaccuracy.

Dawn Primarolo: The hon. Lady is touching on an important wider point for the health service, and perhaps she will share her thoughts on it. There is a difference between a clinician deciding for an individual patient and a PCT looking at the health assessment for its

entire population and reaching a conclusion about the best health investment for the moneys that it has. Clearly, mismatches—to put it politely—occur. How does she see the gap between an individual assessment for a patient and an assessment for an entire population by a PCT being closed?

Mrs. Miller: The Minister has raised an important point. Presumably, what she as a Minister in the Department of Health wants to see is some consistency in the way in which our health care system deals with people. Many of the problems involve PCTs being put in a position where they have to make choices, and different PCTs obviously have very different financial arrangements, depending on the way in which the budgeting process hits them. I fear that many people in my constituency, and indeed in other parts of the country, feel that that situation does not always result in an equitable response, which is my response to the Minister's question.

On obtaining a shorter period of evaluation, the Committee's report suggests adopting shorter and less in-depth evaluation at an earlier point, followed by a larger-scale appraisal, perhaps similar to the approach of the SMC. I have some concerns about that approach, although I applaud the Committee's desire to try to truncate the all-too-lengthy process.

Using a lower cost-effectiveness threshold, as proposed in the report, could result in medicines being rejected by NICE at launch, which would leave no clinical practice on which to develop cost-effectiveness evidence, with patients also perhaps being denied new treatments altogether. I do not know whether the Select Committee Chairman has any thoughts about that, but it would certainly concern me that, if we were to follow that approach, we might be in a perverse situation in which the uptake of new medicines would be slower than it is today rather than quicker.

My hon. Friend the Member for South Cambridgeshire (Mr. Lansley), the shadow Secretary of State for Health, has put forward another possible approach, which is that NICE should conduct its appraisal of new drugs and treatments at the same time as such drugs and treatments are licensed by the Medicines and Healthcare products Regulatory Agency. That approach would help to speed up the assessment process without undermining in any way the quality of that process, which the hon. Member for Norwich, North expressed reservations about when he intervened on me earlier. As the Committee also suggested, there could perhaps be more collaboration between the SMC and NICE. That would seem to make common sense, in terms of the work that both bodies do.

It is difficult to believe that the current situation is what was intended when the system was set up. I am sure that the Minister, in her response today, will pick up on that point, because I am also sure that it cannot be her intention that families, such as those whom I have met in my constituency, should be in a state of distress because of the present situation.

My second point concerns the implementation of non-statutory guidelines. The Select Committee report noted widespread dissatisfaction with the sometimes limited implementation of some clinical guidelines and that health care authorities respond to guidance at different rates. Indeed, the Audit Commission has highlighted the problems of financial planning around NICE guidelines, and the Government response highlights the point that additional support is in place to help local authorities with implementation.

I am grappling with the realities of the way in which the system works on the ground in my constituency. Taking the issue of in vitro fertilisation, the Government made a proud statement just before the last general election that everybody in the country would be allowed to have three cycles of IVF treatment within a certain age period. I must say that many people in my constituency were glad to hear that announcement. However, they were less glad to hear how it was to be implemented in our part of the world by what was then North Hampshire PCT and what is now Hampshire PCT. People were only able to get one cycle of IVF treatment, and that was only when they reached the age of 35, which, as anyone who has been in that situation knows, is obviously not an ideal way to go forward.

Although the Government have clearly put a lot of thought into the issue and procedures and processes have been put in place, when it comes to the practical realities for constituents on the ground, those constituents are still finding it difficult to get the non-statutory guidelines realised in practice. Again, I would be interested if the Minister were to clarify how the situation will improve in the future.

My third and final point concerns NICE and the pharmaceutical industry. The report refers to involving NICE in developing the new system of "value-based pricing" for medicine. In the evidence that it received, the Committee uncovered concerns about how the new system, which will replace the pharmaceutical price regulation scheme, will work.

Obviously, we need to keep pressure on costs in the sector—I fully endorse that—and the evidence suggests that the Government have been successful in driving down costs. However, the pharmaceutical industry is a complex and international industry, and by its very nature it requires long-term stability. It also keeps a keen eye on the broader international situation.

The Select Committee Chairman raised the issue, which the media recently covered, about the decision to scrap the current pricing agreements halfway through the five-year period. I fear that that decision did little to foster good relations between the Government and the pharmaceutical industry. I was interested in the Minister's intervention on the right hon. Gentleman, when she tried to imply that that decision was some kind of negotiation technique. I want to highlight to the Minister the fact that the pharmaceutical industry can choose to locate in many different countries in the world. We must foster a good relationship with it, if it is to continue to invest in research and development, as well as manufacturing, in this country.

There is already evidence of a brain drain from this country in respect of pharmaceuticals. The Minister will be aware of recent research undertaken by the Confederation of British Industry, which suggests that the UK is becoming an unfavourable place for the pharmaceutical industry to do business. If she has not seen the research, I would be happy to forward it to her. I hope that she will comment on the implications for employment and the future of that important sector in the UK.

Dawn Primarolo: I was at the annual dinner of the Association of the British Pharmaceutical Industry only last week. A slide was put up that showed how important the UK is and will be to the international pharmaceutical industry now and in the future. The UK represents 40 per cent. of its members' world trade and sets the price for their products worldwide.

Mrs. Miller: I thank the Minister for that. I am sure that what she has said is right, but when UK pharmaceutical industry people were asked how confident they felt about doing business in the UK, 58 per cent. of them said they were not very confident at all. Perhaps she needs to take note of that research.

I hope that the Minister will respond to some of those points, which are incredibly pressing for people in my constituency. Again, I commend the Select Committee Chairman on the report and applaud his work in that area.

3.41 pm

Sandra Gidley (Romsey) (LD): It is fair to point out in my opening remarks that the Committee has looked at the National Institute for Health and Clinical Excellence in the past. We first looked at it in 2001-02, and the atmosphere of this inquiry was very different. Going back six or seven years, Mr. David Hinchliffe, the then Chairman of the Select Committee, commented that there had never been so much positive interest in an inquiry, or so many stakeholders writing to say how wonderful an organisation was. To be fair, many of the recommendations that we made then have been acted on, so this inquiry was set against a much more positive background.

The simple truth is that any organisation that is perceived as denying treatment to patients will be controversial. The other general simple truth, which has been alluded to, is that there is not an unlimited pot of money. Politicians need a trusted body to make decisions on cost-effectiveness.

The hon. Member for Basingstoke (Mrs. Miller) said that it was right that such decisions were made by clinicians. I would not want to rearrange her diary, but she might find it interesting to sit in on a NICE appraisal. When I did—I am not allowed to say too much about it—one thing that surprised me was that many of the people sitting around the committee were not clinicians. They were finance people from primary care trusts and chief executives of strategic health authorities—that sort of person. The balance is more heavily weighted than many people think towards financial considerations. There are, of course, clinical considerations, and experts give evidence, but the background of the speakers was obvious because of the nature of the questions that were asked. The exercise was fascinating. I understand that NICE might open up to the public even more, and that would be only to the greater benefit.

The Committee's inquiry was prompted by issues surrounding Herceptin, and Alzheimer's drugs had received a great deal of public and political attention. The only unfortunate aspect of our inquiry was that we were not allowed to raise any issues relating to the Alzheimer's drugs, which were involved in an ongoing court case.

The Chairman highlighted the fact that social care costs are perceived as not being fully factored in. That was very much the argument that was raised at length when beta interferon was making its somewhat rocky passage through the process in the early days of NICE. The Committee made certain recommendations about quality adjusted life years, or QALYs, and suggested that perhaps the wider cost to society should be factored in. The Government's response to that was interesting. They stated:

> "The suggestion that NICE take into account wider costs and benefits has instinctive appeal, but closer examination reveals a number of complexities and potential perverse effects which warrant further exploration."

Nobody would suggest that we rush headlong into that without more analysis. The response goes on:

> "For example, attaching a greater weight to impacts on economic productivity would have the effect of prioritising interventions for adults of working age, effectively deprioritising interventions for older people or for people who are too ill to return to work even with treatment. The impact on the consistency, manageability and timeliness of NICE's appraisal process also needs to be considered."

Deprioritising interventions for older people was precisely what those who were lobbying for the take-up of the Alzheimer's drugs were suggesting was happening. One problem was that there was not complete clarity about the model. It is good that there will be discussions to explore the matter further, but the fundamental problem appears to be the lack of complete clarity.

NICE could complain that it is transparent, and that the information that it provides would give a company, or whoever was looking into the costings, the ability to work out how it arrived at its figures, but many people have commented that they do not have access to the precise financial model. Conspiracy theories abound as to why that could be the case. The most popular seems to be that if drug companies understood the system completely, they would learn how to manipulate it.

That might be a little unfair, but many patient groups feel that they are treated unfairly and that wider benefits are not fully taken into account. It would help the public accept some of the decisions more readily if they were reassured that such factors had been taken into account. The then Minister of State, Department of Health, who is now Secretary of State for Culture, Media and Sport, came before us at the time and said that he was satisfied with the situation. Sadly, such is the reputation of politicians that the public do not regard that as quite enough evidence.

That aspect came up again yesterday when I was at a reception that was hosted partly by the Royal National Institute for Deaf People. NICE is looking into cochlear implants. One of the concerns raised—it might be a false concern—was that while there would be savings for the education system because children with cochlear implants could engage in mainstream schooling, that might not be fully factored into the equation. It is clear that a one-size-fits-all solution is difficult to arrive at when examining wider impacts.

The calculation of QALYs appears, to some eyes at least, to be an art rather than a science. A practical example is that when we visited the Scottish Medicines Consortium, we were presented with a list of recently approved drugs, each of which had a cost per QALY at the side. At that time, I was interested in Lucentis, which is used to treat age-related macular degeneration. The cost per QALY that the SMC had arrived at was considerably less than the figure that NICE was bandying around in its appraisals at that time. The good news is

that many of the costings have been reviewed and the drug has now been approved, but why was the SMC able to come up with a figure that was about a third of the price that NICE arrived at? Unfortunately, when such examples get into the public domain, they undermine confidence in what is generally a good process.

Scotland has been mentioned a few times. It is worth saying that although we always read stories about drugs being available in Scotland but not here in England, the SMC told us that it had occasionally turned down drugs that were available in England. Surprisingly, we do not read about such cases the *Daily Mail*. Perhaps it would help to have more clarity on that issue, but I am not sure whose job it is to provide such clarity.

There seems to be a slightly more collaborative approach in Scotland. If there is disagreement about a company's figures, the parties get together to discuss it. NICE's procedures seem to be rather more formal and a little distant. If NICE disagrees with a company, it is up to the company to come back to it, so there does not seem to be such an active dialogue. There is a place for such discussions in the process of reaching understanding and agreement.

I agree with the hon. Member for Dartford (Dr. Stoate) that baseline QALYs have not changed much in eight years, as they have not been inflation-proofed. Seven years ago, we were talking about a threshold of about £30,000, and we are still talking about the same amount.

We made strong recommendations on the thorny issue of implementation in our report. Some improvements have been made, but there is still a problem. Let me give a local example. I received letters from a number of patients at the same time about a drug that benefits arthritis sufferers. They had been put up to writing the letters by their consultant, and they told me that they could not get the drug, which had been approved by NICE and should have been available. I did what any MP would do and wrote to the PCT, which told me that it was funding the drug. However, it was funding only six of that consultant's patients, and the consultant had a dozen patients who could benefit from it.

In despair, I wrote to the Department, which said, "It's nothing to do with us. It is up to the PCT, but the SHA is supposed to be performance-managing them." It was only after I wrote to Sir Ian Carruthers, who was quite good at working out such matters, and pointed out that the PCT could not possibly be providing enough funding to meet full demands for the drug, and that it was disingenuous of it to say that it was, that more funding suddenly became available. Similar games are being played with patients' lives all over the country. Not every patient will write to their MP, and not every consultant will encourage a number of their patients to write to their MP.

There is a need for proper investigation of whether recommendations are being implemented. Recommendation 27 of the report was that the Healthcare Commission should

"conduct more in-depth inspections".

I was disappointed that the Government's response kicked that recommendation into the long grass. It said that it would ask the Care Quality Commission to reflect on the Committee's recommendation, but the commission is only just getting around to appointing its chair and will have other priorities. It is not set up yet. In the first year of its operation it will have a hard job melding the Commission for Social Care Inspection, the Healthcare Commission and the Mental Health Act Commission together. The implementation of NICE guidance will not be foremost on its list of priorities. I am concerned that the recommendation will be kicked into the long grass and that it will be three or four years before there is any action. In the meantime, patients are being deprived of drugs.

Mr. Barron: When we took evidence from the would-be chair of the CQC in this morning's public session, we heard that people in the Healthcare Commission are likely to be doing the same jobs for years to come.

Sandra Gidley: Yes, but the matter is not being dealt with at the moment. The CQC will have enough problems trying to meld organisations together and to carry on with its day job without taking on any new responsibilities. The formation of the new body will effectively mean that the recommendation dies. That is a shame, because NICE supported the recommendation in its response to the Committee. It must be frustrating to work for an organisation that does the work and makes the recommendations but does not see patients benefiting from that. It then gets all the flak when it makes a recommendation that is a bit more controversial. We should help with that.

I completely support the comments of the hon. Member for Wyre Forest (Dr. Taylor) about disinvestment. However, we have heard evidence that the matter is not as straightforward as might be assumed and that not so many issues can be considered. He made a good point, but what he suggested would not be easy to achieve.

Risk sharing has not been mentioned and the issue is fairly opaque. We took evidence from Professor Nicholl, from the University of Sheffield, who was involved in writing a report on assessing the multiple sclerosis risk-sharing scheme. The Sheffield researchers wrote the report over three years, and it was submitted last year. Interestingly, the next seven years of the contract then went to tender, and Sheffield decided not to bid. More worryingly, details of the scheme have not been publicised. The report is still not in the public domain and there are indications that the study will not yield reliable information about the beneficial effects of the drugs involved. Will the Minister tell us when the report will be available and how the Government intend to move forward on various risk-sharing schemes?

In conclusion, we all signed up in the report to the idea that NICE does a good job in difficult circumstances, but what we have heard today indicates that it could probably do so quicker and that implementation could be better. Those problems are not necessarily with NICE, however, and might be with the systems that surround it.

3.57 pm

Mark Simmonds (Boston and Skegness) (Con): First, may I say what a pleasure it is to have you in the Chair, Mr. Gale? I thank hon. Members, the Clerk and the advisers to the Select Committee who were involved in this extremely good and detailed report. I congratulate the right hon. Member for Rother Valley (Mr. Barron) on his detailed and eloquent introduction to the debate and summary of the issues. Every time I hear him discuss the NHS, I am more impressed by his detailed

[Mark Simmonds]

knowledge of the topics that he is elucidating and by the articulate way in which he states his forthright and frank views.

The right hon. Gentleman was right to highlight the three key areas of the report—the evaluation process, affordability and the pharmaceutical price regulation scheme. I shall return to the first two areas later. I was interested by the Minister's intervention on the right hon. Gentleman. I am sure that she will acknowledge that the pharmaceutical industry plays a significant role in the UK economy. It should be the view of every Member of the House, irrespective of party political persuasion, that it should continue to play that role. The right hon. Lady will be aware of the industry's concern about the way in which the Government have handled the renegotiation of the PPRS—although I use the word "negotiation" loosely. The industry is nervous about a future in which the Government can be seen to break what industry believes was an initial five-year contract. The Conservatives support the move to value-based pricing, but believe that it should be done over a period of time and in consultation with the pharmaceutical industry. In the discussions that I have had, the industry has supported that approach. Page 3 of the Government's response to recommendations 15 and 16 of the report states:

> "The Government is currently seeking to renegotiate the PPRS and those discussions may have relevance to NICE's appraisal process."

It would be helpful, particularly in the light of press speculation, if the Minister told us exactly what point that process has reached and when it might reach a conclusion.

The right hon. Member for Rother Valley was absolutely right to highlight NICE's significant international reputation. I was interested to hear that NICE representatives visited Scotland, France and Canada—I am not sure whether it was in that order. He may be aware—if he is not, I am sure that he will be interested to hear it—that both main Democrat candidates in the United States are examining NICE with a view to introducing a similar structure if either of them is elected President in November.

We then heard from the hon. Member for Wyre Forest (Dr. Taylor), who made another engaging and informed contribution. He rightly highlighted the key element in the use of experts. We agree with the Government that that is a matter for NICE rather than central Government, but there is a great deal of concern among patient groups, clinicians and the pharmaceutical industry that the appropriate and necessary expert advice is not available when the appraisal committees are under way.

The hon. Gentleman was right to highlight the confusion between the various guidance categories. There is confusion, not only in the public domain, although that is important, but sometimes in the clinical domain, and there is a job for NICE to ensure that everyone concerned with the process understands the different guidance categories. I am, however, not sure about his assertion that NICE should override clinical decisions on the ground and clinical freedom. He was also right to highlight the optimal practice reviews and to tackle inappropriate prescribing, which is a debate in itself.

The hon. Member for Dartford (Dr. Stoate) rightly stated that we must strive to improve the national health service, particularly and most importantly patient care. He was right to highlight the complexity of resource allocation, which I think can be done only through a much more transparent and accountable structure and system that we have now. I was fascinated to hear his detailed analysis of the mechanisms behind QALYs, which I am sure he and all other hon. Members acknowledge are extremely complicated. They work well in some circumstances but, unfortunately, they do not work well in too many instances at present.

As the House knows, my hon. Friend the Member for Basingstoke (Mrs. Miller) is an assiduous constituency Member of Parliament. She rightly highlighted the importance of evaluation, the non-statutory guidelines, and the future of the pharmaceutical industry, which has particular pertinence to employment in her constituency.

My hon. Friend's points about slow take-up by primary care trusts in her constituency resonate with my experience in my constituency, not only in comparison with other primary care trusts, but in the disparities and inconsistencies within primary care trusts. The matter is difficult to explain to patients and constituents who clearly do not understand why one patient should have access to a particular drug or technology when another does not. There must be much closer examination of consistency of criteria in primary care trusts. There is little transparency in the decision-making process, and that creates enormous angst, particularly in sensitive areas such as IVF treatment.

Sandra Gidley: I agree wholeheartedly with the hon. Gentleman, but does he agree that one aspect of the inconsistency is that the small committees on the PCT that deal with each case on a case-by-case basis often comprise different people, so there is not the consistency that, after I intervened, he claimed was needed? I would be interested to know whether he has any solutions for providing more transparency and consistency. The subject hits every hon. Member's postbag.

Mark Simmonds: I agree with the first part of the hon. Lady's intervention that this is an extremely important matter which should be examined, but I am afraid that today I do not have a simplistic solution to improve the situation. There is tension for all main political parties in wanting to provide consistent provision of healthcare while ensuring that decisions are made locally if they are relevant to the local communities which the primary care trusts and clinicians serve. That tension is difficult to resolve.

The hon. Lady was right to highlight in her speech the QALY threshold and constituency concerns. She made a good point about the new social care body that will be set up. I suspect that the Government are using that as a way of kicking into the very long grass the other complex issues that she eloquently articulated.

Conservative Members support NICE and believe that it plays a vital role in assessing the cost-effectiveness and clinical effectiveness of treatments, as well as producing clinical and public health guidance. Rising patient expectations, an ageing population, and the development of more costly procedures, drugs and technologies will make the context in which the NHS and NICE must operate far more challenging in future. It is absolutely right, as other hon. Members have said, that the body

that analyses the cost-effectiveness of treatment is made up of clinicians, rather than politicians. We agree with the Committee that it was unwise of the previous Secretary of State to become involved in the debate about Herceptin.

The Committee was right to highlight and praise NICE's work nationally and its international reputation. It was also right to shine a light into those areas where there are problems in NICE's existing structures and procedures. I know from discussions with executives and people working at NICE that they are the first to acknowledge that the situation is not perfect.

The Committee made a large number of recommendations. I do not want to go through all of them—there is not the time to do so—but I want to highlight three or four key areas that deserve further discussion, including topic selection, QALYs, disinvestment, clinical trials, societal costs, the membership of the appraisal committee, consultation and implementation.

The Committee was correct to highlight public concern about the speed of assessment, which can take up to two years. That results in enormous uncertainty and a period of variation that is often euphemistically called "NICE blight", during which primary care trusts set their own prescribing criteria almost at will, without transparency or consistency. All hon. Members know from their postbags that that leads to anger among patients and their families, and reinforces concern about postcode lottery and the public's view that NICE is a hinderer and not an enabler of access to drugs and technologies. Somehow, we must turn that perception round. Hon. Members rightly highlighted the swifter procedures in Scotland and France, but it is clear that the processes there are less rigorous as there is no scoping phase, and public consultation is limited, which would create issues if we tried to replicate that in England through the NICE procedure. I will come to that in a moment. We welcome single technology appraisals, which are obviously quicker, but we also believe that there is a role for multiple technology appraisals, particularly when there is more than one drug or technology in a particular area of health care.

The Committee recommended that drugs should begin their NICE assessment concurrently with the Medicines and Healthcare products Regulatory Agency's licensing procedure. The Chairman and members of the Committee know that Conservative Members have been saying that for a considerable time, so I was pleased to read that the Committee agrees with the our recommendations. I was also pleased to see that in the cancer reform strategy, the Government, too, now agree with that policy in that all new cancer drugs will begin NICE and MRHA assessments simultaneously.

The Committee also recommended that NICE develop a shorter, less in-depth evaluation of medicines at an early stage. That would obviously have benefits, but I suspect that there are also drawbacks, which must be highlighted. It is widely accepted that a faster process will just result in a faster yes decision for drugs. That seems unlikely. The NICE appraisal that I observed ended in refusal because there was no clinical evidence to support approval. If NICE simply goes through the process faster without other things being put in place, there are likely to be more judicial reviews of decisions. There will also be a potential public backlash if the initial assessment of a drug or technology says yes, but a later more rigorous one changes the guidance and deems a drug not to be cost-effective. That would lead to the drug being withdrawn from patients already using it, so there would be serious problems in relation to that.

We welcome the pilot of the national public health commissioning network, which has the potential to offer quicker assessments of newly licensed drugs while also taking account of the wider benefits to the community. I certainly urge primary care trusts to engage with that pilot. I look forward to hearing whether that is effective. The Committee criticised NICE for its topic selection, which tends to focus on a small number of new and often expensive products. However, the majority of medicines in routine use in the NHS have never been assessed by NICE. I certainly would not suggest that all drugs and technologies should be assessed by NICE, as that would be a bureaucratic nightmare. However, there must be a system whereby drugs and technologies historically prevalent in the NHS that have been overtaken by other drugs and technologies can be looked at through the eyes of the QALY threshold. I have had numerous conversations with the executive and others at NICE and I understand that it would be difficult to do that without massive bureaucracy and a significant increase in the burden on NICE. However, that still needs to be borne in mind.

I would like to say a few words about the QALY. I do not want to repeat what other hon. Members have said, but criticism of the QALY is not new. Most people recognise that the system has flaws. For example, QALY does not take into account that a change in quality of life from—if I may use fractions—0.2 to 0.4 may be more valuable for a patient than a change from 0.8 to 1. Those things are difficult to assess consistently over a range of clinical requirements. A comparable system of measurement is needed. The Committee was concerned that the QALY threshold had never been debated or approved by Parliament. There is no reason why it should not be debated in Parliament—indeed, we have had such a debate today—but Parliament is not the right place to set the QALY threshold. That should be done by an independent NHS board in consultation with clinicians, Parliament and NICE itself. The QALY threshold needs to be continuously reviewed.

On socio-economic costs and benefits, when NICE was first established, the Department made it clear that it should not take into account economic benefits, the treatment of carers, savings related to benefits, tax allowances, or productivity, as the right hon. Member for Rother Valley rightly said. However, we must make sure that we do not create perverse incentives to focus on treatments that would be beneficial to adults of working age as that would be to the detriment of drugs to treat diseases more commonly found in older people. Of course, we recognise that any change would have to be made through Parliament via a statutory instrument, but that issue still needs to be looked at. In our policy papers, we have said that we should allow NICE to take account of wider societal costs where it is appropriate for it to do so.

I made a point about the pharmaceutical industry and experts, which was mentioned by the hon. Member for Wyre Forest. There are issues that need to be considered in relation to that. I do not agree with the hon. Member for Romsey (Sandra Gidley), who seemed to suggest that the appraisal committees were primarily full of

[Mark Simmonds]

people who only had financial considerations in mind. That certainly was not my experience when I went to watch the process. Detailed presentations were made and there were debates about the clinical effectiveness of drugs. It is inevitable that if there is a financial threshold, which the QALY ultimately is, there must be financial input into the decisions.

Sandra Gidley: I apologise to the hon. Gentleman for giving the impression that the appraisal committee was dominated by financial people. In response to the remarks made by the hon. Member for Basingstoke (Mrs. Miller), who said that decisions should be made by clinicians, I felt it was only right to put on record that the decision is made by a much wider range of people than some people suspect.

Mark Simmonds: I am grateful to the hon. Lady for clarifying that. The final point I shall make is about the implementation, to which other hon. Members have referred. It is widely acknowledged that primary care trusts often struggle to finance NICE appraisals and guidance. It has been estimated that the cost of funding NICE technology appraisals is up to £1.2 billion a year. In our capacity as Members of Parliament, we regularly hear reports of patchy implementation of NICE appraisals, and about the disparity of speed in the uptake of NICE appraisals. The best example is the one that my hon. Friend the Member for Basingstoke gave about IVF treatments. There is a risk that treatments that NICE has not examined or other areas of health care could be crowded out as primary care trusts are forced to prioritise NICE-evaluated appraisals. Patients with conditions not yet covered by NICE may therefore receive cheaper and less up to date therapies then patients who receive treatments that have been the subject of NICE appraisals.

In addition to the comments that I have made supporting some of the Committee's recommendations, there are three or four other areas that we in the Conservative party think that NICE needs to consider to improve its current service provision. We want to use the NHS autonomy and accountability Bill to enshrine NICE's duties and responsibilities on a statutory basis, rather than as a special health authority, as is currently the case. Such a change would provide NICE with a transparent structure for its duties and responsibilities. We also want to give NICE the power to develop evidence-based commissioning guidelines, which would encourage best practice and the achievement of outcome objectives. That would be particularly beneficial in developing a gold standard in areas such as elderly care and long-term conditions.

Other matters to which hon. Members have alluded also need to be considered. The hon. Member for Norwich, North (Dr. Gibson) quite correctly mentioned orphan drugs, which need to be considered in more detail. There is also the matter of post-approval appraisal effectiveness and analysis, and of ensuring that once a drug has been improved, it meets the quality threshold, as was originally envisaged. Again, with the exception of some pharmaceutical companies who analyse the impact and effect of their own drugs, there is little done in that area at the moment.

There is also the problem of "NICE blight"—the inconsistency of primary care trust decisions and take-up. There needs to be greater transparency and greater consistency in decision-making criteria issued by primary care trusts and a larger role for NICE in the evaluation of public health services around the country. Such services are not fulfilling their role or functioning as well as they should. Finally, the public perception of NICE is that it hinders rather than enables access to treatments, and all hon. Members need to work together alongside NICE and everyone in the national health service to turn around that perception.

From 1998 to 1999, NICE has done a good job and it is here to stay. However, we must ensure that it is as effective as possible. The Committee report is a significant contribution to that debate and aims to improve the effectiveness of NICE for the benefit of patients.

4.18 pm

The Minister of State, Department of Health (Dawn Primarolo): This has been an interesting and thoughtful debate, and I congratulate my right hon. Friend the Member for Rother Valley (Mr. Barron) on opening it. I want to make it clear that I welcome the Committee's broad support for NICE and the important work that it undertakes, and I certainly want to add to the compliments about the excellent work that NICE does.

I want to take us back to the time before NICE, when there was a lack of transparency and accountability and a variable local health service. For most of the time, patients were lucky if they could find anything out in the first place. NICE is about providing guidance to the national health service and clinicians on the clinical and cost-effectiveness of new treatments. It helps to minimise inequity in access to health care by addressing variations in practice, and it is a source of robust clinical guidance. As NICE develops its critical mass of expertise and is more widely known about and appreciated in the health service and beyond, many of the points that have been made can be addressed—I am thinking in particular about the role of PCTs.

I am sure that the hon. Member for Boston and Skegness (Mark Simmonds) would not want people to run away with the thought that, before NICE, everything was fine in the health service. The important points that he has identified as needing to be grappled with applied then, but they were not transparent and many people did not know about them.

Of course, a number of the Select Committee's recommendations were discussed very fully today, and I welcome this opportunity to provide an update on progress, but before I touch on those points, it is important to recognise the caveat that the Government set out in the response to the Committee's report, which remains pertinent to certain of the Committee's recommendations. I am referring to the current renegotiations with regard to an agreement on the PPRS. A number of the recommendations are relevant to those ongoing negotiations. I am sure that all hon. Members taking part in the debate will understand, therefore, that it would not be appropriate for me to comment on those issues at this point. However, I will give a reminder of the background to the negotiations. In 2006, the OFT produced a report specifically with regard to the PPRS. It made a number of recommendations, to which the Government partially responded. That relates to the process of renegotiation of the PPRS.

As the agreement involves not only the Government, through the Department of Health, but the Association of the British Pharmaceutical Industry, both parties want to clarify—I shall read my words precisely—that although negotiations on a potential new PPRS agreement have begun, neither party is commencing on any speculation on the content of those negotiations. With regard to the six months' notice that has been given as part of the negotiations, part of the agreement that has to be renegotiated is the provision of six months' notice. The industry is fully aware of that. My right hon. Friend the Member for Rother Valley touched on it and said that it may be a negotiating ploy. It is a requirement of the agreement as we progress that that notice is given.

Several hon. Members discussed risk-sharing schemes and the importance of obtaining maximum value for money in the NHS. The Government will continue to consider specific schemes proposed. We note the recommendations on that in the OFT report and we will respond fully at the appropriate time after concluding negotiations on the PPRS.

Mrs. Maria Miller: Will the Minister give way?

Dawn Primarolo: If the hon. Lady will let me reassure her on one further point, I will happily give way. The basis for the negotiations agreed by both the industry and the Government is that the new agreement must deliver value for money, encourage and reward innovation, assist the uptake of new medicines and provide stability, sustainability and predictability for both the NHS and the industry.

Mrs. Miller: I completely endorse the Minister's remarks about value for money. Does she share my concern that the actions taken may not have been interpreted in the way in which she believes that they should have been in the industry in terms of breaking the important agreements on the PPRS? Now, almost three quarters of the pharmaceutical industry feels that there is a level of uncertainty in the pharmaceutical market that is not helping their business. That industry contributes £7 billion a year net to our economy, and it employs 70,000 people, so it is important that we have a good relationship with it.

Dawn Primarolo: I agree that a constructive, productive working relationship with the pharmaceutical industry is vital. I will be happy to send the hon. Lady a copy of the speech that I made at the annual dinner last week, which detailed at some length the co-operation that is already going on and which continues across a much broader field. That co-operation concerns innovation, science and research and development—the present Government introduced the R and D tax credit to assist developments in the pharmaceutical industry. I am somewhat hampered in relation to the propositions that the hon. Lady is making from one side of the argument when I have agreed, as part of the negotiations, not to comment while the negotiations are going on. I ask her to reflect on this question: is her party saying that it rejects out of hand the OFT report on the operation of the PPRS? If it does reject that, which is not what it said at the time, it is difficult to see how it could take forward the propositions advanced by the hon. Member for Boston and Skegness.

Sandra Gidley *rose—*

Mark Simmonds *rose—*

Dawn Primarolo: I will give way to the hon. Lady and come back to the hon. Gentleman.

Sandra Gidley: I have two quick questions. First, with the PPRS, am I correct in thinking that either side can ask for a break after six months? The contract is not weighted on the side of the Government. If the industry was unhappy, it could have made exactly the same move. Secondly, will the Minister clarify when the Sheffield report will be published?

Dawn Primarolo: On the first point, the agreement was between the Government and the industry. The points with regard to renegotiating or issues relating to the agreement are equally accessible by both partners in the agreement. On the second point, I do not have an answer at this stage—I did not have it when the hon. Lady first raised the point, but I will ensure that I get the response to her. I realise that this issue is not part of the debate, but with your agreement, Mr. Gale, I will give way to take the last few questions on the PPRS.

Mark Simmonds: I am grateful to the Minister for giving way. I just want to clarify a point that she has raised. Of course we are not against the potential recommendations in the OFT report, and, as I said in my speech, of course we want to move to a value-based pricing structure. However, she will be aware that the concern of the pharmaceutical industry is not that the negotiation or a move to value-based pricing is taking place, but the way in which the Government are doing that and the fact that they have seemingly broken a five-year contract right in the middle.

Dawn Primarolo: I do not agree with the one-sided view that the hon. Gentleman is giving with regard to the negotiations, but I am not in a position at this stage fully to engage him in discussion about the breadth of the negotiations and the possible outcomes. If I can do that at a later stage, I will be more than happy to do so. The matter that we are discussing is an important part of establishing an agreement with the industry that delivers innovation and investment, rewards developments, assists and speeds up the uptake of new medicines and provides stability. Perhaps I should end my remarks at that point.

Mr. Roger Gale (in the Chair): Order. I have allowed the debate to continue because the future of the PPRS is clearly an important subject that Members want to consider. Strictly speaking, however, it is not included in the Select Committee report that we are debating. If she wishes, the Minister may return to the subject in another debate.

Dawn Primarolo: Thank you, Mr. Gale. The Select Committee has raised these issues with me, and some of its recommendations are pertinent to the outcomes of the negotiations. Although I strayed a little, I thought it only right to be as direct as possible with members of the Committee, because they put great store by the matter.

[Dawn Primarolo]

The Committee's main recommendation is that NICE should adopt a shorter and faster provisional appraisal process to enable it to publish guidance on all new treatments at the time of launch, proceeding to a more detailed appraisal once more evidence is available. As hon. Members have said, NICE has established an international reputation for the thoroughness of its appraisal process and for the consultative approach that it takes in the development of guidance, which includes an opportunity for anyone registered as a stakeholder to appeal against the appraisal committee's decisions.

A slight difference of view was reflected in some contributions to today's debate on the difficulty of achieving that recommendation. I have told the Committee that I want to reflect further on those specific recommendations, following the renegotiation of the PPRS. However, it is important to highlight the fact that the provisional appraisal process recommended by the Committee would reduce NICE's consultation and remove stakeholder rights of appeal. We must carefully consider whether that would be an acceptable sacrifice. Although I accept what my right hon. Friend the Member for Rother Valley said about the thoroughness of the Committee's report and about the opportunities to return to the matter, I need to ensure that we can respond on outstanding matters more clearly once the negotiations allow it. I hope that my right hon. Friend, as Chairman of the Committee, will be prepared to assist us in finding ways to do that.

The Government have already taken a number of steps to ensure the timely availability of NICE guidance, as we heard during the debate. In 2005, the Department of Health and NICE introduced the single technology appraisal process to appraise a single drug for a single indication against the standard treatment. That allows NICE to appraise drugs to a faster timetable without reducing the quality of the appraisal. It is important that we continue to reflect on how effective that is.

We also introduced new topic selection arrangements in 2006, which give NICE a greater role in the early stages of topic selection. They are intended to ensure that important new drugs and other technologies are more consistently identified at an early stage. Every Member who has spoken today pressed me on the importance of achieving that.

Even more recently, as we heard from my right hon. Friend the Member for Rother Valley, the cancer reform strategy, published in December 2007, proposed the default position that all new cancer drugs should be referred to NICE for appraisal, if there is sufficient evidence and a large enough patient population. Although the principal aim of that measure is to improve equity of access to cancer treatments, I have recently agreed a change to the topic selection process for cancer topics, which should have the additional benefit of speeding up the referral process.

There was considerable debate, both today and in the Committee's report, on the use of the QALY—the quality adjusted life year. A number of recommendations were made in the Committee's report relating to the NICE process, covering issues such as its use of the QALY and the economic perspective to which it works. It is widely acknowledged, as we heard today, that the QALY is the best available tool to assess cost-effectiveness. However, there is little consensus on the threshold or range that should be adopted. It is precisely for that reason that NICE does not operate a fixed threshold for the approval of a treatment, but uses a range to enable its appraisal committees to consider the cost per QALY among a broad range of evidence. Indeed, the chair of NICE often refers to its use of the quality adjusted life year as a "tool not a rule".

NICE and the Government agree that NICE's use of the QALY should be as robust as possible. NICE has commissioned research, through the National Institute for Health Research, to consider public opinion on the QALY, and the Government will consider the need for further research in the light of those findings. The chair of NICE said that he is prepared to hold a workshop with a range of stakeholders to discuss the threshold to allow us to move forward.

The Committee made the attractive recommendation that NICE should consider wider economic costs and benefits, such as those to carers and other public sectors, in its appraisals. I remember discussing the matter when appearing before the Committee. In our response to the Committee's report, we agreed to look at this recommendation in more depth. Since then, we have held three focus groups with key stakeholders, including academics and industry and patient groups, to explore the matter further and to assess the range of opinion on the issue. Not surprisingly, the focus groups have generated a most interesting debate, and we will pull together the conclusions before considering how to proceed. Again, I will do my best to keep the Select Committee informed of our progress.

NICE recognises that its methods must continue to evolve to in order meet the needs of the NHS and other stakeholders. That is why it is carrying out a scheduled review of two of its key documents, which provide a framework for its technology appraisals. Those documents cover many of the important issues, and draft documents were recently the subject of full public consultation. NICE is considering all the comments that it has received.

Another key theme in the Committee's report, which was rightly touched upon today, was the implementation of NICE guidance. When NICE issues guidance, it is vital that it should be implemented consistently across the country, and the Government have a role in facilitating that implementation. To that end, provision for NICE guidance is made in funding allocations to PCTs, and NICE's technology appraisal guidance is supported by a funding direction, which requires the national health service to make funding available for NICE-recommended drugs within three months of guidance being issued.

Compliance with NICE's technology appraisals is a core standard for the national health service. NHS organisations are required to demonstrate, through the annual health checks, that they are providing funding for NICE-recommended treatments within three months of the guidance being issued. The latest annual health checks, for 2006-07, show that 89 per cent. of NHS organisations are compliant with NICE technology appraisal guidance, which is a 5 per cent. increase on the previous year.

Of course, we still need to make progress. The hon. Member for Romsey (Sandra Gidley) mentioned going to the chief executive of an SHA. When an NHS organisation fails to comply with the technology appraisal

guidance, it is the responsibility of the SHA, in the first instance, to support any of its organisations—I put this politely—to achieve the necessary improvement.

There was an interesting discussion on terminology and the Government's response to the recommendation that we combat public confusion about the status of technology appraisals and other guidance, to which my right hon. Friend the Member for Rother Valley referred, and to consider further whether more helpful terminology could be used to describe the recommendations. The recommendations in NICE guidance are based on the best available evidence, and we expect clinicians to take them fully into account. I heard what the hon. Member for Wyre Forest (Dr. Taylor) said and reflected on the interesting debates that I have with clinicians who take contrary views to one another, let alone NICE or the Government, on how best to take decisions about treating their individual patients. I shall continue to consider that point and to take NICE advice. However, I am still of the view, as was borne out in exchanges in the debate, that a word such as "directive" might be taken to imply—often things are taken literally rather than interpreted—that it is intended to override clinical decision making. Everything that we do must be balanced by that.

I believe that the guidelines on IVF that said that the NHS should move to offering three cycles were issued by NICE in around 2003. The then Secretary of State for Health, my right hon. Friend the Member for Airdrie and Shotts (John Reid), made it clear that because a lot of areas did not offer one cycle, they must offer that as a minimum and move to offering three cycles over time. In my time as a Health Minister, I have argued for, and commissioned research on, both the availability of IVF treatment in primary care trusts and the criteria, which are decided locally, for who has access to IVF and who does not. I am mightily encouraged by the support from Members on both sides of the House on the issue. I hope that I will have the support of all political parties when I am able to bring forward suggestions on how to accelerate the achievement of the three-cycle offer.

Sandra Gidley: I welcome the Minister's sentiment, but one of the problems in Hampshire, which the hon. Member for Basingstoke (Mrs. Miller) will have noticed, is that as well as the rather strange age criteria, there are a number of social, value-based judgments that differ from area to area. Interestingly, there is a new consultation at SHA level that is supposed to involve people locally. However, one of the local experts in the field was not aware of it. Will the Minister assure us that the consultations will give stakeholders and MPs a real chance to contribute to the debate, because that is not happening?

Dawn Primarolo: There are two steps in the discussion and several processes are involved. The first is to assess what each PCT provides and to seek explanations of how they will move to three cycles. The second issue is the criteria that are used for access to the treatment. There is inconsistency, so we must ascertain exactly what types of criteria are used for accessing treatment. The consultation will also need to consider—I am not sure that we are at this point, but I will let the hon. Lady know when we are—what acceptable criteria are and ask what are the correct clinical criteria to guide those decisions.

That is a complex issue because, for instance, some PCTs take the view that if it is a second partnership and there are children from the husband's first, IVF could not be given. There needs to be a wider discussion of whether such a criterion should be used, which requires exactly the sort of debate on the transparency of such decisions and local choices that the hon. Lady and the hon. Member for Boston and Skegness say that we need to have.

Mrs. Miller: I was taken aback to be told that the rethink of the IVF policy in Hampshire was going to be conducted at SHA level. Will the Minister enlighten me as to why?

Dawn Primarolo: The hon. Lady is, I believe, referring to the collection of information and to ensuring that PCTs tell us precisely what criteria they have been using and why. SHAs are being used to achieve that. The balance needs to be struck carefully. It is my recollection that all political parties in the House supported devolving decision making to local health communities and primary care trusts so that assessments of the health need in local areas could be made, with resources spent accordingly. We must balance that carefully—it needs finessing—with the full range of treatments and access to care that individuals have because of national requirements.

I assure the hon. Lady that local debates are necessary, and I would implore all Members of Parliament to conduct such debates in their constituencies. I will be interested to find out what her constituents think about the criteria for access to IVF in parallel with the independent research that the Department has commissioned—it is being conducted by not the Department, but independent experts. I am sure that we will return to that subject because I sense that all Members share my concern about the future provision of those services.

The Committee was concerned about the implementation of NICE's clinical guidelines. They cover a pathway of care and make a number of recommendations that span all stages of care from the diagnosis of a condition to treatment and rehabilitation. They are more difficult to implement than NICE's technology appraisals and there are often different states of readiness in the NHS. In recognition of that, compliance with clinical guidance is incorporated into the developmental standards, as is compliance with public health guidance. That is where IVF sits in terms of recognising training, facilities, access and planning, and perhaps work force planning as well.

In 2006-07, NHS trusts were asked for the first time to assess themselves against the developmental standard on clinical and cost-effectiveness, which takes account of NICE's clinical guidelines. The results of the pilot assessment of clinical guidelines in health checks are encouraging. The self-assessments showed that 36 per cent. of trusts were making good or excellent progress towards implementing NICE clinical guidance, with a further 55 per cent. making fair progress. Of course, there is more to do and improvement must continue. We recognise that we have a role in supporting NHS organisations to plan for the guidance. The need to plan for NICE guidance is highlighted in the world-class commissioning competencies, which were developed by the Department with the NHS. The Department, in

[Dawn Primarolo]

close partnership with the NHS, is taking forward work to design a supportive and developmental framework to underpin the competencies.

NICE recognises its role in supporting the NHS to implement its guidance. In 2004, it established the implementation directorate. The directorate has improved the support available for the implementation of NICE guidance in a number of ways, such as by employing implementation consultants who work with NHS organisations to advise on and share best practice on implementing guidance. I am pleased to see that their work is welcomed in the Committee's report. Implementation consultants have also been welcomed widely by NHS organisations.

In considering the important work of NICE and the Select Committee report, I take a great deal of encouragement from the clear view that NICE is an important institution that will continue to develop and meet the needs of the NHS, and that other stakeholders will be involved. I thank the Committee again for a helpful and stimulating report. I take absolutely the point made by the Chairman in his opening remarks that, having invested a great deal of time and thought in the inquiry, the Committee expects to be kept informed of developments on outstanding matters. I look forward to future discussions with the Committee on those matters.

4.53 pm

Mr. Barron: I shall be brief. I congratulate the Minister on speaking for 35 minutes and not mentioning the R-word. I thought it magnificent that rationing did not come into her speech for one second.

The hon. Member for Basingstoke (Mrs. Miller) is quite right: NICE's original decision was three cycles of IVF. At the time, I was the chair of the all-party group on infertility, and I raised the matter on the day that it was announced—I think that it was in October 2004 or 2003—at Prime Minister's Question Time. It was suggested that it would not be long before a policy of three cycles was in place, but two years later, in one part of the United Kingdom at least, not even a policy of one cycle was in place. Progress is now being made, and I thank the Minister for that. That said, the reason why the SHAs are considering the matter is that it has always been done by a specialised commissioner and not normally by individual PCTs. In my experience, where individual PCTs have had control, little has been done. My area, south Yorkshire, used specialised commissioning by NORCOM with north Derbyshire and north Nottinghamshire for that type of commission. That is probably why it is being done at that level, but I am pleased that it is being done.

I have three points to make. One relates to implementation, which the hon. Member for Wyre Forest (Dr. Taylor) mentioned. I did not like his saying that once NICE has come to a decision, it should limit clinical freedom. I think that the buzz words are that it should inform clinical decisions. I notice that my hon. Friend the Member for Dartford (Dr. Stoate) did not intervene and get involved, and that he missed it out in his speech a few minutes later. NICE should influence clinical decision making. That is what it is there for: to improve best practice in the NHS, something that has been going on for 59 and a half years. NICE has a great hand in doing that.

On QALYs, I am happy that my right hon. Friend the Minister is holding workshops and discussions. I hope that she will keep not only the Health Committee but Parliament informed about what happens. As my hon. Friend the Member for Dartford said, clinicians say openly that QALYs are a mechanism to base decisions on made-up stuff. We need to combat the idea that it is made up and that all that needs to be done is to re-jig the formula here and there. It makes no sense to clinicians or to patients. It is important that it should be brought out into the open. The more that is done and the more we understand exactly how the decisions are made, the more we can criticise whatever lack of base those decisions have, but at least it will be with some knowledge and not the idea that it is made up.

My other point concerns the cost of the QALY. The hon. Member for Romsey (Sandra Gidley) said that the threshold is still what it was four years ago: about £30,000. NICE does not admit that it is £30,000, but we know that it is between £20,000 and £30,000. Nobody admits it, but that is the case. That figure has not changed in relation to inflation in the past four years, nor has it changed in relation to the NHS budget, which has increased dramatically in that time. That is the issue: has it had such an influence, given that this Government have made such large increases to the national health service budget? We need to consider that, and I hope that my right hon. Friend will. It should be recognised.

My last point concerns the issue of a faster process for NICE. The hon. Member for Boston and Skegness (Mark Simmonds) said that a faster process could lead to a yes, but later a no. That is absolutely true. In the present situation, after something is licensed, a clinician can prescribe it whether NICE has assessed it or not, and the decision can turn out to be a no at some stage.

The hon. Member for Basingstoke said that NICE could slow down or stop the use of newer drugs as well. Potentially, it could. Our visit to the Scottish Medicines Consortium was interesting. We saw a presentation that I wish I had kept. Two things came up. One was a graph showing the rate of prescribing of licensed drugs that had not yet been assessed by the SMC. The SMC uses a much faster system than ours. Before it takes a decision, the prescribing of drugs increases. If the SMC says no, it tails off very slowly. That is very much like what happens in England, as I understand it. Drugs can be prescribed after they are licensed. If the decision is a no, the rate tails off, because clinicians will still say that that is their drug of choice for the individual patient. I had a similar debate recently about wet age-related macular degeneration, as the decision on it will be made next month. That is the type of debate that we are having in the health service at the moment. It is true that it is an issue.

We also looked at the SMC's output. It is true to say that there could be a yes in England and a no in Scotland, and vice versa, but the output of the two organisations in terms of the decisions that they make is very similar. However, NICE takes a great deal of time to come to its decisions. I remember seeing another graph at the SMC. I will have to choose my words carefully. The graph showed that 85 per cent. of the

worth of a drug is known quickly—I think within four or five weeks. It then takes another couple of months for that figure to rise by between 5 and 10 per cent. of that, so within its period of consideration, the SMC can see as much as 90 per cent. of the worth of a drug. I am not a clinician or a chemist, so I do not understand the matter completely, but it was shown to be an issue. It is very important to keep those things in mind. I have reread what the Government said, which was that because of the current renegotiations on the PPRS, they cannot say in any detail exactly how they will respond. Let us wait and see and hope that they will give it some consideration.

Some pharmaceutical companies are not against the idea—certainly not in principle. I have before me a brief from the pharmaceutical company, Lilly, dealing with the recommendation for a brief evaluation of all medicines. It is unhappy with what we said about having a lower QALY threshold, although more than anything else we had in mind the protection of the public purse. Some new drugs are expensive and could consume large amounts of a PCT's budget—even increased budgets. When the decision was made on the use of Herceptin at early stages, my PCT said that it could cost it £1 million, which is a lot for any organisation to lose every year. We must recognise that.

I understand why the industry takes the view that it does, and we realise that QALYs are complex. Lilly went on to say that NICE would need to demonstrate flexibility along the same lines as the SMC in the timing of the initial assessment—that is true—and that there is no right of appeal, as there is with the SMC, where there is a right to re-submit. We actually met some people—I do not know whether they sat on the board of the trade organisation, the Association of the British Pharmaceutical Industry, or were from individual pharmaceutical companies—who actually sit in with the SMC. If they think that the evidence in front of them could be better—I am saying this, not them—they would ask for it, as opposed to simply saying, "This does not go ahead."

No matter what the pharmaceutical companies or we think about it, the SMC model is worth considering. I was told anecdotally that drugs can be obtained through the SMC quickly, but that it takes a long time to get to prescription, so any delays in the system would need to be looked at as well. If a long time elapses before people start prescribing a drug, that is a delay in itself. However, we need to do the comparison. We are constantly being told in our mail bags and the media that people get new drugs quicker in Scotland.

I thank everyone involved in our report and my right hon. Friend the Minister for responding to the debate. She said that she would keep us informed about the workshop on QALYs and respond further when the renegotiations on the PPRS are out of the way. I thank all Members who have taken part in this debate. Reference has been made to reports in years gone by; this report too will be around for many years. This is not the end for many of the points in the report, and for some of them, it might be just the beginning.

Question put and agreed to.

Adjourned accordingly at three minutes past Five o'clock.

Westminster Hall

Tuesday 13 May 2008

[MRS. JOAN HUMBLE *in the Chair*]

Supermarkets

Motion made, and Question proposed, That the sitting be now adjourned.—*[Siobhain McDonagh.]*

9.30 am

Mr. Mark Field (Cities of London and Westminster) (Con): The Competition Commission has just completed its third full-scale inquiry into supermarkets in the last eight years. The Office of Fair Trading continues periodically to delve into some more specific complaints regarding supermarkets. However, this House has not had the opportunity to discuss the OFT's recommendations or to raise some of the genuine concerns that I am sure many hon. Members' constituents have about the fast-changing patterns of high street shopping in recent years.

At the outset, I should perhaps say that I am neither here to bury nor unduly praise supermarkets; I certainly will not do the former, which I know is somewhat more favoured than the latter by some Members of Parliament. I say this because I believe that the time is now ripe to have a very broad debate here in Parliament on supermarkets, as well as an open discussion about how best we can balance the concerns of small retailers and suppliers with those of the supermarkets. In my view, that national debate should be conducted without the threat of new or excessive regulation; instead, we should allow supermarkets to recognise and react positively to public concerns.

In recent decades, the British weekly shop has undergone a revolution. One supermarket giant alone, Tesco, controls a quarter of the nation's massive £128 billion annual grocery budget. Supermarkets now seem willing and able to provide us with everything—from televisions and insurance to clothing and credit cards—as we rummage through the vegetable aisle and pick up our everyday bread and milk.

However, with the rise of Tesco and the rest of the big four supermarkets—Sainsbury, Asda Wal-Mart and Morrisons—talk of our shopping habits seems to have taken on the type of language that is more appropriate to a horror story. People now bemoan the emergence of ghost towns; they decry the death of the local store, and they fear the looming, inexorable power of a monstrous monopoly that swallows land, spits out small businesses, destroys community spirit and ruthlessly subdues suppliers. Nowhere has there been a more effective and outspoken campaign than in the pages of my own "local" newspaper, the *Evening Standard*.

For my own part, while all is not necessarily rosy in our groceries market—I shall discuss some of my specific concerns later—I believe that supermarkets are all too frequently given a hard time. Their detractors seem to have an irrational and often downright hypocritical hatred of the success of big retailers. However, I myself am inherently mistrustful of a cause that seeks to punish success, hard work and good business practice. Let us make no mistake: supermarkets are one of this country's great retail success stories. The idea of putting a penalty on such characteristics as success and hard work, borne out of misplaced resentment and unrealistic sentiment, is unhealthy for both the market and the consumer.

David Taylor (North-West Leicestershire) (Lab/Co-op): The hon. Gentleman rightly says that the supermarkets' triumphs are often based on "success" and "hard work", and then he added "good business practice". However, is it not the case that even the suggestion in the Competition Commission's report that there should be scope for an ombudsman in dealing with such concerns will not tackle the climate of fear that still exists for small suppliers, who do not wish to alienate their mega-customers, the big supermarkets? That was the problem with late payment legislation; will it not be a problem in this regard, too?

Mr. Field: I understand the hon. Gentleman's point and I will come to the issue that he rightly raised about the disequilibrium between small suppliers and large, almost monopolistic, retailers, whom suppliers are obviously reluctant to do anything about, other than acting entirely as they wish. The ombudsman suggestion would be a retrograde step; it would be an added layer of bureaucracy and a move away from the transparency that is very much in the interests of all parties concerned.

As a young boy, I remember seeing pictures of life on the other side of the iron curtain. As you know, Mrs. Humble, I have forefathers—as I know you do yourself—from the part of Germany that is now in Poland. One of the most profound differences between life in the west and life under communism was the presence of long queues in eastern Europe for basic foodstuffs. To those of my generation, the well-stocked shelves of a supermarket represented the most visible signal of the success of free markets, choice and capitalism.

The Competition Commission's most recent investigation sought to establish whether consumers are receiving the benefits of vigorous competition. After about 550 submissions, 65 hearings and the receipt of data from 14,000 grocery stores, the commission released its recommendations back in February. Its conclusions indicate an overall "not proven"—indeed, one would argue, "not guilty"—verdict for supermarkets on the charges of pushing competitors out of the market, bullying suppliers and limiting choice.

Some of the tactics adopted against suppliers have rightly been subject to widespread public scrutiny, and the "big four" supermarkets have agreed to make some material changes to their operations. However, many people felt that the commission missed the point. Too often, it obsessed about competition between the big supermarkets, rather than examining ways to protect smaller businesses and to freeze in time the British high street. It is indeed true that the commission's recommendations have looked primarily at how to stop the domination of one big supermarket chain—Tesco—over the others. However, calls excessively to regulate and punish the success of the market leaders should not be indulged.

Among its recommendations, the commission proposed three main changes. The first is a "competition test", which is designed to put a stop to new stores if they allow an operator to become overwhelmingly powerful

[Mr. Mark Field]

in a particular area. The so-called "60 per cent. rule" would mean that a specific retailer would have a new store blocked if that store resulted in giving the retailer three fifths or more of the large-store floor space in the locality. Of course, the definition of what constitutes a "locality" is the nub of this sort of problem. Also, I fear that the new rule will not necessarily prevent the vast majority of proposed new stores from going ahead. It will simply result in consumers getting to choose between, say, Tesco, Waitrose and Sainsbury, rather than there being a Tesco superstore and a Tesco Extra store within half a mile of each other.

The second significant proposal to come out of the Competition Commission's inquiry is a plan to combat land banking. This is a practice whereby retailers hold on to land and, indeed, place a restrictive covenant on it to prevent a competitor from joining the local market. Such tactics will now be banned and the "exclusivity" arrangements that have been in place for more than five years will have to be surrendered. In other words, retailers will not be able to retain undeveloped land with the express purpose of keeping out competitors. However, I fear that this proposal will also be a gold mine for lawyers, as the determination of proof of "express purpose" is an extremely high hurdle to overcome.

Thirdly, the Competition Commission has given a nod to the suppliers' concerns by suggesting that the code of practice for dealing with suppliers should be tightened and incorporated into contracts. A grocery supply code ombudsman will now be appointed by the OFT to monitor that code of practice. However and as I mentioned earlier, I am not convinced that that is necessarily the right way forward.

Philip Davies (Shipley) (Con): Does my hon. Friend agree with me that the majority of suppliers to big supermarkets are, by definition—because of the scale of supplies that supermarkets need—big businesses in their own right? Many of them are multinational companies that themselves make huge profits. Therefore, any type of restriction on supermarkets in dealing with their suppliers will lead only to those suppliers making bigger profits and, at the end of the day, customers paying more for their products.

Mr. Field: My hon. Friend hits the nail on the head. One of the issues has been that the consumer has had a pretty good deal over the last 10 years. There is also no doubt that, over the last six to nine months, there have been some widespread increases in the prices of basic foodstuffs. However, that has been the exception rather than the rule, and we have all got used to the idea of relatively inexpensive food, but part of that inexpensiveness has been due to the work between suppliers and supermarkets to try to keep their costs down. We all rejoice in the idea of relatively cheap food, and now that we suddenly see food prices and inflation going up, we recognise precisely how the consumer could lose out if, on top of large-scale increases in the prices of basic foodstuffs, we were also to see ever more regulation that tightened the market.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The hon. Gentleman is right to make a note of increased food prices. However, have not supermarkets become the victims of their own bad practices? In using uncompetitive processes to procure their food, they have driven down the amount of food being produced and now there is a shortage. If the supermarkets had only been a bit more far-sighted and worked with their suppliers a bit more productively, perhaps we would not be in this situation.

Mr. Field: As the hon. Gentleman is well aware—representing as he does an agricultural and very rural Welsh constituency, compared with my inner-city London seat—I perhaps have a different perspective and have perhaps had less direct lobbying from the farming interests. If I may, however, I will come to that subject in a moment or two.

The commission's findings caused outrage in certain consumer campaigning quarters, and the investigation was branded a whitewash. Small businesses, environmentalists and even anti-poverty campaigners attacked the commission's inquiry. They believe that in addressing only competition between big supermarkets, the commission to a large extent ignored smaller shops and the difficulties that they face, and that it did not heed concerns about supermarkets' relationships with suppliers or the problems of the shops' environmental impact.

I suspect that Tesco executives, despite mild protestations about the commission's findings, will, on balance, be breathing a sigh of relief. Given the hostility toward Britain's biggest retailer, Tesco might have expected more stringent recommendations regarding its future conduct than came to pass. For instance, many of the retailer's detractors would have been happy to see the enforcement of the sale of stores in areas where it enjoys a particular dominance.

However, the analysis ignores the inescapable fact of the groceries debate: supermarkets are successful primarily not because of unfair or immoral practice but because consumers regard themselves as well served by them. It may be an unpopular view, but, as an inner-city MP without an agriculture lobby to pacify, I can articulate what others in rural seats cannot. By and large, supermarkets have been a positive force in an ever more frenetic world in which consumers increasingly demand convenience. They provide excellent value for money and a phenomenal choice of high-quality produce. They bring to shoppers goods that would not have been heard of only a decade ago.

Bob Spink (Castle Point) (UKIP): The hon. Gentleman is making a compelling case, but does he acknowledge that we have to get the balance right, and that perhaps the Competition Commission missed a trick in not dealing with the metro, express and one-stop stores that are springing up in our communities? Perhaps it should have dealt with that, as well. We must get the balance right and preserve high streets, which offer services to vulnerable groups.

Mr. Field: The hon. Gentleman is absolutely right. Of course, the reality is that many of those high streets were already dying. In fact, the emergence of a Tesco helps to re-energise them, albeit without necessarily being able to counter some of the concerns about monopoly practice. That is particularly the case in the sort of constituency that he represents. One has only to

look at several suburban London high streets that, because they are within a relatively short distance of Bluewater, Lakeside or another big shopping centre, are dying on their feet. What might seem perverse is that when a Tesco or a Sainsbury emerges, things suddenly begin to pick up, to an extent.

Some folk whimsically reminisce about the days when one separately visited the local butcher, fishmonger, baker and greengrocer, but most working people would admit that they have neither the time nor the inclination to queue at a range of stores on a Saturday or even Sunday afternoon. Even if they did, it is unlikely that local stores would have the capacity to serve the needs of our growing consumerist, fast-paced population; nor, too frequently, do such stores appeal to the desire of increasingly discerning consumers for innovation.

In Britain, we have been happy in recent years to perpetuate the myth that small and local equal good. The local store is a place where the quality of goods is high, the relationship between shopkeeper and customer warm and the benefit to the community immense. As Jay Rayner so wonderfully put it in *The Observer*:

"We love to imagine the rosy-cheeked, melon-bellied butcher who always has time for everyone and the greengrocer helpfully picking out the finest of produce for his customers."

The supermarket, on the other hand, is portrayed as cold and clinical, and staffed by a down-trodden, unenthusiastic work force, but that parody is simply not true. Yes, some local stores truly offer a brilliant, personalised service. Upper Tachbrook street in my constituency is two minutes away from a flagship Sainsbury market store and three minutes away from Tesco, yet it has a couple of delicatessens and a specialist cheese shop. They do a tremendous job, and I admit that I never buy my cheese at Tesco or Sainsbury. I always go to the specialist shop, and I hope that other consumers do likewise.

It is true that elderly folk and young mothers value the genuine local shop where, in otherwise lonely lives, they may have a personal conversation with someone they know rather than being ushered through a check-out. Yet customer service may come down to individual employees as much as the shop in which they work. I hope that supermarkets will take that on board and try to encourage community spirit, particularly in the smaller express-type stores. Furthermore, we have all been to as many well-stocked, quality corner stores as we have to disappointing mini-markets with a poor range of produce at high prices.

The supermarket may often be the only truly integrated place in a community with an ethnically and socially diverse customer base. Far from being uniform, supermarkets often cater to their unique market and provide a place where everyone in a community feels happy to shop. The aisles in the Sainsbury in Whitechapel, for example, accommodate the needs of the specific ethnic communities in the area and include Afro-Caribbean, Bangladeshi and Jewish produce. In my local Tesco in Pimlico, a small section is dedicated to Polish foodstuffs. As the son of a Silesian mother, such foodstuffs bring back wonderful childhood memories.

Supermarkets understand the intense competition in the groceries market and constantly look for ways to diversify and appeal to new customers to gain an advantage over rivals. As a result, they are generally receptive to the fast-changing desires of the consumer and lead the way in best practice. Marks & Spencer, for example, aims to be one of Britain's most environmentally responsible retailers. It is phasing in a charge for plastic carrier bags and is beginning to use food waste to power some of its stores. Similarly, Asda Wal-Mart aims to cut its packaging by one quarter in this year alone in response to customer complaints.

Supermarkets are responsible for around one half of all the Fairtrade products sold in this country, and that proportion is rising quickly. Their size gives them the power to drive through positive change that smaller businesses may not be able to initiate but will, I hope, feel inclined to follow.

Despite some of the advantages that supermarkets may have over smaller rivals, the Competition Commission stated:

"Large retailers do not always get the best price from suppliers...convenience and specialist store numbers are not in such a state of decline to suggest that a waterbed effect exists...The evidence is that convenience stores and specialist grocers that provide consumers with a strong retail offer will prosper."

Yet when supermarkets acted to promote UK milk producers by guaranteeing prices—to the detriment, at the margins, of consumer prices—they promptly found themselves subject to an extensive OFT inquiry that reported earlier this year and resulted in a huge fine for practising a cartel. That was a classic example. Many of the supermarkets involved were understandably sore about that. They felt that in trying to promote British produce in a sector such as milk, which had been in such difficulty in recent decades, they had lost out.

Andrew George (St. Ives) (LD): The hon. Gentleman probably misses the point when he concentrates on price and gives the example of the difficulties that the supermarkets got into as a result of their negotiations on the price of milk. The problem for suppliers is not about price at all but about retrospective changes to unwritten contracts: the payment for shelf space, the late payment of bills, the cost of using the supermarkets' preferred hauliers, and packaging. That set of attached conditions, which are often retrospective, bears down on the viability of suppliers. The issue is not just about price. Will he not accept that?

Mr. Field: I will accept that; the commission went into great detail about the precise nature of some of those complaints. Certainly, I would never accept or defend retrospective changes to supplier agreements. That is very unfair.

We are missing some of the excitement around the Finance Bill this morning, and we will be heading to that debate after this one. The reality is that retrospective taxation and, indeed, retrospective arrangements along the lines described by the hon. Gentleman are entirely without justification.

Of key importance, too, is the area of newspaper and magazine distribution, where there are valid concerns about the potential domination of supermarkets over smaller retailers and publishers. One of the great strengths of our newspaper and magazine industry has been the rapid distribution of material to all corners of Britain. Under existing distribution agreements, newspapers and magazines are sent to retailers through a system of exclusive territories. The arrangement encourages a free and diverse press.

[Mr. Mark Field]

I appreciate that absolute territorial protection would normally be banned under competition law, and it is generally against my instincts to support such monopolies. However, I fear that dismantling that almost miraculous distribution system, which means that all our papers and magazines are sent to every corner of the UK and arrive the next morning, could curtail freedom of choice and seriously damage independent newsagents. I live in central London, so it is easy for me never to buy my newspaper from a supermarket, and to use only small, independent shops, as I do.

The breaking-up of the current distribution system will allow supermarkets to broker their own distribution deals. I suspect that distributors will then be tempted to abandon unprofitable arrangements with newsagents and if the supermarkets become the main outlet for buying newspapers and magazines, they are likely to drop a vast proportion of less well known publications in favour of a few big newspaper and magazine names. That would be a retrograde step, and I hope that supermarkets will play their part voluntarily in ensuring that the widespread choice to all consumers in the United Kingdom is maintained.

I return to grocery retail. The popularity of farmers' markets in my constituency, notably in Marylebone high street and Pimlico green, has proved that smaller suppliers and stores can prosper if they are adaptable and tap into consumer demand. Howard de Walden Estates, which is a large local landowner, has done a tremendously good and well documented job in ensuring that Marylebone residents have access to the widest range of stores, from specialist food shops to delicatessens, and there is both a Waitrose and a Tesco on Marylebone high street. Smaller branches of the more high profile supermarkets could fit into that mix without damaging the prospering local shops that also serve my constituents so well.

Some small store holders in my constituency are anxious about the possibility of smaller, convenience-store-sized outlets being opened by supermarkets in the area. I know that the possibility of another small Tesco store in the Pimlico area has caused concern and it is only fair to say that I have received representations, not least from Mr. Waheed Ali of Standard Foods on Lupus street, who has expressed the worries of small business people in the area that such stores could have a serious impact on their livelihoods. Mr. Ali's convenience store has served the needs of the local community for 25 years.

I acknowledge the fact that the possibility of large out-of-town developments ruining high streets is not something that central London's small retailers have to worry about, given that so few large sites are available, and that congestion and less frequent car use mean that many constituents walk or use public transport to do their weekly shop. However, I appreciate that people in other constituencies have such problems, even though they do not necessarily apply in the sort of constituency that I represent.

There are real concerns, for which I have a great deal of sympathy. However, I contend that if the Government have a real desire to help smaller retailers, such as my constituent Mr. Ali, penalising successful, thriving larger businesses and their shareholders is not the way to go about it.

David Taylor: Will the hon. Gentleman give way?

Mr. Field: If the hon. Gentleman will excuse me, I will not give way because I know that other hon. Members want to contribute.

I suggest that reforming business rates to allow more small enterprises to set up shop and remain active would be a far better route to intensifying competition and diversifying the high street than heavy-handed restrictions on the bigger players. Smaller employers could perhaps be released from some of the bureaucratic shackles of the employment market if we made way for deregulation. If the Government provided an incentive, local councils could do their bit—I appreciate that they must do their bit—by keeping down the cost to the shopper of town centre parking, in contrast with free out-of-town supermarkets, and regenerating town centres.

Land banking, supplier relationships and competition with small businesses are of course important, and it is right that they are properly addressed. The Government should examine the tax system, employment laws and town planning to give smaller businesses a helping hand. However, despite those who believe that all problems require greater regulation and interference, the grocery issue will always boil down ultimately to consumer choice. Shoppers will vote with their feet and spend their money at the stores that cater for their needs.

On that principle, supermarkets will continue to be rewarded while they offer value, choice, quality and, increasingly, an ethically and environmentally sound approach to their practice. If smaller retailers similarly provide consumers with an array of choice and quality, independent local businesses can be assured and confident of survival.

9.54 am

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in this debate, Mrs. Humble, and I congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on bringing it forward. I shall try not to reprise the ground we covered in our previous debate on supermarkets when we successfully captured topical debate from discussion of plastic bags and environmental practice to move at least into the area of the then recently published Competition Commission report. We have had time since then to reflect on what the report says.

I have no reason to say anything other than that I was disappointed with what the report came up with, and I do not believe that competition alone will ever sort out the grocery market, let alone wider retailing. There were, nevertheless, some interesting facets to the report, and if what has been reported to me is true—that at least one chief executive officer of a supermarket chain was livid at what the report stated—some small improvements can and should be made to bring back some fairness to such a major area of our lives. With the globalisation of the food chain, we can see some of the political aspects as well as the economic and social aspects.

As always, I am indebted to the Association of Convenience Stores, which briefs us widely. Like the Minister, I am a Co-operative Member of Parliament,

and I want to put on record the support that we receive from the Co-operative movement, which remains interested in retailing and wholesaling. With other organisations, such as the New Economics Foundation and the Rural Shops Alliance, we have tried to introduce genuine debate on the way forward.

The context of this debate should be not just the Competition Commission report, but the Government's proposals to change the planning system. I, for one, will not agree with anything that dilutes the current arrangements to bolster planning policy statement 6, to ensure that we have a proper context for the high street and do not water down our allowance for out-of-town shopping, that the needs test remains in place, and that there is a realisation that the high street is so important that we should always be biased towards it rather than the alternatives.

David Taylor: I thank my hon. Friend and fellow Co-operative MP for giving way. Does he agree that the Competition Commission's suggested competition test is set too high? At 1,000 sq m, it would be easy for the big four to circumvent such a regulation. For example, Tesco would be able to carpet the area with varying formats of stores—local, metro, express and one-stop. Would not the impact be minimal if a competition test of 1,000 sq m were applied?

Mr. Drew: Yes, and I shall talk about that. One weakness of the report is that it concentrated on the large store end in terms of anti-competitiveness, and more or less ignored the fact that Tesco and Sainsbury in particular, and supermarkets in general, have assimilated many smaller stores and moved into the convenience end of shopping. For some reason, the Competition Commission did not seem to think that was important. However, it is crucial because one should measure not just the effect of large stores, but the overall impact. If my hon. Friend does not mind, I shall say more about that later.

Philip Davies: Does the hon. Gentleman agree that supermarkets find themselves in an impossible position? When they try to open an out-of-town supermarket, people complain that they are destroying town centres and high streets. When they then open stores on the high street, they are criticised for creating unfair competition for other shops on the high street. Will he say where he is happy for supermarkets to open, because they seem to be in a no-win situation?

Mr. Drew: It would be nice to have a level playing field, but we do not. The fact is that supermarkets are so important in our lives that they must be prepared to take such criticism, respond to it and, if they behave as we want them to behave in a moral sense, they may be able to persuade at least some of us that they are more rational in the way in which they respond to such accusations. *[Interruption.]* The hon. Member for Castle Point (Bob Spink) is shouting at me from a sedentary position.

As the hon. Member for Cities of London and Westminster, who initiated the debate, said, it is about time that we had a proper debate on the issue because things are often not said. It is important that we at least have the opportunity to help.

Bob Spink *rose—*

Mr. Drew: I will give way one last time, otherwise no one else will get in.

Bob Spink: I am grateful to the hon. Gentleman. I will be brief. Will he mention the 15 per cent. buying advantage that supermarkets have over traditional high street shops?

Mr. Drew: That is by nature anti-competitive because none of the independents can compete, so it is an important point. I was just about to say that in the original report from 2000, the Competition Commission found some 27 anti-competitive practices. A number of them have been reaffirmed in this report and in other things that the Competition Commission has said. It is interesting that it is possible to find those practices. Accusations are made that such things go on behind closed doors and below the radar, so the fact that those practices have been identified is good in the sense that we can do something about it.

The hon. Member for Cities of London and Westminster referred to land banking. I do not want to say much about that. The emphasis of the report was supposed to be on land banking, and it is significant that it moved from that to considering the wider aspects of the way in which supermarkets behave. The issue of the ombudsman will get most of the publicity, which is not necessarily a bad thing. When the Select Committee on Environment, Food and Rural Affairs looked at the milk industry, some farmer organisations argued strongly for a regulator body—an "Ofmilk"—to be set up in relation to that particular trade. Some of us had misgivings about that because we did not think it would be powerful enough or willing to do the real groundwork. However, the matter is at least worth considering and if regulation is the way forward in dealing with anti-competitive practices, why not have it in that area? Energy and water are regulated so why not have a regulator for something that makes up an even more important part of people's everyday life—their consumer purchases.

I have misgivings about some of the outcomes of the report because they rely on voluntarism. The idea that a stronger groceries supply code of practice—that phrase slips off the tongue easily—will make a lot of difference is somewhat naïve, although the fact that we now have such a code shows that supermarkets are not completely immune to the wider world and the political process.

I have a number of points that I hope my hon. Friend the Minister will comment on. The fundamental problem with what the Competition Commission has done—and what the Office of Fair Trading did previously—is that it looked at the evidence that it already had or was given. As I said in the earlier debate, there are questions in relation to who gave evidence, the evidence they gave and, more specifically, who did not give evidence and why. Behind the scenes, a lot of evidence shows that even the strongest suppliers are wary of saying anything critical about supermarkets—even in the confidential opportunity they were given as part of the process, and that must be borne in mind. Much of the opposition—somewhat inevitably—was led by the Association of Convenience Stores. However, the association could never match the ability of some of the larger suppliers

[Mr. Drew]

to dish the dirt if they had wanted to. They chose not to and that is a weakness in what we have been presented with.

We do not have to look far to find accusations of price fixing. The last edition of *The Sunday Times* considered the effectiveness of the mark-up on some products across the board in supermarkets. Not surprisingly, the accusation is that when discounting takes place, it happens across the board. As I said in our previous debate on the subject, the argument regarding larger suppliers is not that their main brands would be removed from the supermarket shelves—supermarkets would not be stupid enough to do that—but that they put pressure on suppliers with any new or less popular brand. That is something that has been largely ignored and it needs to be examined.

The idea that the high street has not suffered—I know that is a paraphrase of the report—is somewhat tendentious. I heavily criticise the commission for the belief that competition per se compensates for the fact that the high street may have been weakened. I come back to an argument I have made before: it would be useful if the definition of a supermarket's power was redefined. It is crucial to look at a supermarket's impact on the smaller convenience market as well as on larger stores. The Competition Commission will have to keep looking at this matter and the next time it does so it should make that redefinition and carry out a more complicated analysis of the real impact. As the hon. Member for Castle Point said, the 15 per cent. advantage and the way in which supermarkets can use the supply chain to get value into their operations are clearly of immense value and put independent operators at a strong disadvantage.

If one good thing has emerged, it is in respect of the power of the ombudsman. If we are to have an ombudsman, he must have teeth. The ombudsman must have sufficient resources to investigate and deal with any anti-competitive practice. He must also be able to report on such practices and do something about them. Since we have been through this process, the OFT has become much more aggressive. I do not know whether that has happened by accident or whether it is a good result, but there is some evidence of the OFT beginning to put the boot into practices that are clearly unacceptable.

I would like to think that this place also has a role to play because too often Parliament is an afterthought in the way in which such reports are considered. We could have an annual debate on the role of supermarkets and their practices. One of the things we could consider is the morality that we expect supermarkets to display. For example, we have had various debates about the selling of cheap alcohol—my hon. Friend the Member for Barnsley, Central (Mr. Illsley) mentioned it on a previous occasion. There ought to be a careful examination of the alcohol policies to which supermarkets adhere. That is worthy of proper investigation if we are genuinely trying to tackle law and order because we all know where the root of such problems lies. Likewise, we need to consider obesity, and what foods should or should not be sold.

Mr. Mark Field: Surely the hon. Gentleman will appreciate, as I hope all hon. Members would, that ultimately the customer—the consumer—must be king in relation to many of these matters. However, I entirely agree with his view that Parliament is the right forum to raise consciousness about these issues, although I hope we will not have more and more regulation as I do not think having an ombudsman is an effective way forward. Does he agree that over the past year raising issues such as obesity and alcohol deals has led to supermarkets changing their practice and being aware of those broader concerns? In many ways, Parliament having its say through an informal system is working quite well to the benefit of consumers, suppliers and the supermarkets themselves.

Mr. Drew: Yes, I agree. In this place, we underestimate our ability to use our authority carefully and purposefully. That is something we should do.

Mr. John Grogan (Selby) (Lab): On alcohol pricing, does my hon. Friend agree that it is significant that earlier this year Tesco admitted there would be low-cost selling for the first time? It called on the Government to consider legislation that would allow minimum pricing for alcohol. Does he agree that once the Department of Health study on the effects of low alcohol pricing is published in July it is incumbent on the Government to respond to that call from Tesco?

Mr. Drew: The answer to that is yes. We look forward to that, and my hon. Friend is right to raise the issue.

A further issue relates to gangmasters. My hon. Friend the Member for North-West Leicestershire (David Taylor) and I are members of the Select Committee on Environment, Food and Rural Affairs, which considered that issue some years ago. It was interesting that the supermarkets' attitude was basically not to ask questions about how they source their materials. They have since learned that they need to be careful.

Before I conclude, I shall make a point that I mentioned in our previous debate on the subject. How do we use the Sustainable Communities Act 2007 to allow communities to begin to re-empower themselves to deal with the problems of clone towns and ghost towns? I would like us to debate that point properly in this place once the Act is fully in force, later this year. I hope that it will be another way for us to examine the operation of supermarkets and how we may need to curtail some of their market power.

I welcome what the hon. Member for Cities of London and Westminster has done, because it is right to have the debate at this time. Some of us will do more. I know that the hon. Member for St. Ives (Andrew George)—the witchfinder-general, as I lovingly refer to him—will have even more to say than me. I hope that we will begin to move in the direction that I have described and make people realise that there is at least a need for a debate and to hold the supermarkets to account. I hope that this is just one of many debates in which we can all take part.

Several hon. Members *rose—*

Mrs. Joan Humble (in the Chair): Order. I notice that three hon. Members wish to speak. I intend to call Front-Bench spokespersons at 10.30 am, so if hon. Members show some discipline, everyone will be able to speak.

10.10 am

Philip Davies (Shipley) (Con): Thank you, Mrs. Humble; I will certainly be brief. I congratulate my hon. Friend the Member for Cities of London and Westminster (Mr. Field) not only on securing the debate, which we all agree is on an important subject, but on presenting his case in a balanced and very sensible way. I spent the 12 years before I entered Parliament working for Asda, so I perhaps have a vested interest in defending the honour of supermarkets. In my time in Parliament, I have been appalled by how many hon. Members, despite the fact that many of them hold surgeries at their local supermarket and that many of their constituents are employed by and are customers of their local supermarkets, tend to take the option of sticking the boot into supermarkets, perhaps because they see them as an easy hit. They may think that they can court some easy popularity by sticking the boot into big business. The debate that we tend to have in Parliament about supermarkets is very one-sided. That is why I think that my hon. Friend did a great service by restoring some balance to the debate.

It is important to consider why supermarkets have been so successful over the past 30 years. Why they have done so well is no secret: they offer low prices and great convenience to their customers, and they are very good at looking after both their customers and their employees. I was proud when I was at Asda that, for virtually every year, it was rated one of the top 10 employers in the country. It offers some of the best terms and conditions with regard to flexible working and the employment of older people, giving them an opportunity in the workplace that many of them did not think that they would have. Some of the employment practices have led the way and set a shining example to many other people. As my hon. Friend also said, supermarkets offer many free car parking spaces.

We should reflect on what the upshot would be if some hon. Members had their way on, for example, regulating alcohol prices, which the hon. Member for Selby (Mr. Grogan) feels strongly about, and on the issue relating to suppliers. The upshot will be that customers pay more for their shopping. Customers will pay more to buy alcohol at the supermarket. I sometimes wish that hon. Members would be much more honest and open about the upshot of what they are asking for. They are asking for their constituents to go to the supermarket and pay more for their weekly shopping than they otherwise would. It is important to make it abundantly clear that that is what some people are trying to achieve.

If we want to help smaller shops and the high street, one of the best things that we can do is to ensure that there is free parking in town centres and not such restrictive parking, with people told that they can park for only 20 or 30 minutes at a time. How on earth is anyone expected to support local shops when parking restrictions are so tight? One of the best things that we could do is to ease the restrictions on car parking in town centres. That would, in one fell swoop, do more for local shops than anything else, yet many hon. Members who bemoan the death of the high street are those who, supposedly for environmental and climate change reasons, are the ones asking for the highest car park charges to deter people from driving into town centres. Some people should reflect on what their top priority is when deciding these matters. It is no good shedding crocodile tears at the death of high street shops when some of the parking restrictions and car parking charges are putting them out of business.

It is important to make the point clearly that supermarkets do not put small shops out of business. There is only one group of people who put businesses out of business—customers. When a supermarket opens in a high street, an out-of-town area or, indeed, anywhere, it does not use lassoes to grab people round the neck and drag them kicking and squealing into the shop against their wishes. The supermarket simply opens its doors, offers the customers what it thinks they want and sees what happens. If customers wish to maintain their local butcher, baker and greengrocer on the high street, it is entirely within their hands to do so, because all they have to do is keep shopping at their local butcher, baker and greengrocer and those businesses will stay open and continue to thrive. It is always easy to blame someone else; we have a "blame someone else" culture in this country. It is easy to blame other people for the demise of small shops, but the demise of small shops takes place only when customers themselves stop shopping in them. It is important to make that clear.

When I worked for Asda and we proposed opening a store in a particular location, small businesses and small shopkeepers were sometimes the most vociferous supporters of Asda opening in their area. The reason for that was simple: they knew that the supermarket would drive footfall into that area and that they could benefit from that increased footfall. In my constituency, the most dominant part of Shipley town centre is without doubt Asda. I would say to anyone that, without Asda in the town centre as the biggest local retailer, the town centre in Shipley would probably be dead because no one would do their shopping in Shipley at all. Local shops in Shipley benefit from the footfall that Asda brings to their area. In Bingley, another part of my constituency, which we are regenerating, one of the most crucial aspects of that regeneration is getting a supermarket as part of the new shopping centre that will be developed there. Supermarkets can help to regenerate shopping areas; they are not the kiss of death, as many people would have us believe.

It is important to touch on some of the comments in the Competition Commission report, because these things seem never to be mentioned. The report stated:

"UK grocery retailers are, in many respects, delivering a good deal for consumers... In many important respects, consumers are receiving the benefits of competition, such as value, choice, innovation and convenience."

The commission made it clear that food prices were lower as a result of supermarkets:

"This decline in real food prices is likely to have delivered significant benefits to consumers as shopping bills for the same basket of goods would now be lower in real terms than was the case seven years ago".

It also said that

"had competition in more local markets been more intense, the decline in UK grocery prices...may well have been greater."

With regard to dealing with suppliers, the commission said that

"the exercise of buyer power by grocery retailers is likely to have positive implications for consumers."

We should clarify some of the benefits that consumers have had from their dealings with supermarkets. Not

[Philip Davies]

that long ago, there was something in place called the net book agreement whereby publishers could basically set the price that they wanted for a book—and they often set very high prices. Asda challenged the net book agreement in court, with the consequence that books are cheaper now than at any stage in our history. It has delivered those benefits to customers. People would be paying much more for items such as books without supermarkets.

I am mindful of the time and will draw my remarks to a conclusion. I hope that we will end the one-sided argument that we have had in the past about supermarkets and acknowledge the great benefits that they provide both to their employees and to their customers.

10.19 am

Andrew George (St. Ives) (LD): It is a pleasure, Mrs. Humble, to have the opportunity to take part in this debate. I congratulate the hon. Members for Cities of London and Westminster (Mr. Field), for Stroud (Mr. Drew) and for Shipley (Philip Davies) on their contributions.

The reason why I am involved in the debate is that, during the Competition Commission inquiry, I chaired a group of non-governmental organisations, lobby groups and others, including the British Brands Group, the National Farmers Union, the National Farmers Union Scotland, the Association of Convenience Stores, Friends of the Earth and ActionAid, which came together to discuss the extent of the inquiry. They wanted the commission to take account of the impact that supermarkets have on suppliers and primary producers in the grocery supply chain, which was not initially included.

The main issue that I wish to raise today is the outcome of the evidence session that I had with Peter Freeman, the chairman of the Competition Commission inquiry, and his team on 13 March, the transcript of which is on its website. In particular, we dealt with the treatment of suppliers—an issue that has been touched upon by all the hon. Members who have spoken this morning.

The hon. Member for Stroud described me as the witch hunter general on this issue. I am sure that he intended that kindly, but I assure him that I am not coming at it from the perspective of the politics of envy or resentment, as the hon. Members for Cities of London and Westminster and Shipley suggested. Like others, I congratulate those in business who are successful; provided that it is done with endeavour, skill, hard work and so on, I share in the applause.

I argue that the supermarkets' success is not built on being morally bankrupt or ethically unsound. They are not the product of the loins of the devil, and I do not look at them from that perspective. Their approach is entirely rational. If I were a supermarket chief executive, I would behave in precisely the same way. I would squeeze my suppliers for as much as I could, and I would swallow up smaller competitors as far as possible. If I did not and my three fellow competitors did—those left standing after decades of competition—I would clearly lose my market share, and my shareholders would be incredibly disappointed with me.

Mr. Mark Field: The hon. Gentleman parodies the way in which avaricious business might operate. Does he not realise that supermarkets do not behave in that way? I realise that, at the margins, they clearly have a duty to maximise shareholder value. However, given the way in which they try to operate and the amount of scrutiny pushed upon supermarkets both here and in the media, they behave very differently from that parody. As for suppliers, there is a recognition that they need to be looked after, not least because of the work that the hon. Gentleman does in Cornwall. This is about getting that balance right. The arguments about milk upset the supermarkets over the past five years, because they were doing their best to try to encourage suppliers.

Andrew George: That is a debating point, and we obviously do not have time to take it further today. I spoke in a straightforward manner to get the point across. I would not describe it as a parody. However, if we had the opportunity, I would be happy to debate the matter with the hon. Gentleman at greater length.

I agree with the hon. Gentleman on the theme that he was drawing out in his speech and on the conclusions that he reached. I agree that we should use regulation only as a last resort. We, as legislators, are conscious of the fact that we do not want to surround businesses with red tape and regulation to the point where they are held back. When considering all the issues, but particularly the relationship between very large supermarkets and their suppliers, many of which are large companies, we must realise that any form of regulation is a matter of last resort.

I had various roles with the Liberal Democrats before chairing the cross-cutting group that gave evidence to the Competition Commission. For instance, I was involved in setting up the party's policy on establishing a food trade regulator with proactive powers within the Office of Fair Trading, although I have many misgivings about the way in which the OFT operates. None the less, I believe that proactive powers are important when considering future regulation. We need to ensure that regulation has as light a touch as possible.

In 2000, the Competition Commission identified 27 practices that could distort competition. It recommended the introduction of a supermarket code of practice, to which the supermarkets eventually agreed. In its latest inquiry, which was concluded only a few weeks ago, the commission identified a number of practices that continued and extended the total to 43. It found that some practices are more prevalent than before. Those are the kinds of practice that I mentioned in an intervention. They include payments for shelf space, over-riders and late payments, the retrospective invitation given at short notice that suppliers should pay for a promotional campaign such as two for the price of one. Such practices are clearly identified by the commission as being anti-competitive. Those practices need to be driven out, and it will be ultimately to the good of the supermarkets if they are.

I understand, Mrs. Humble, that my hon. Friend the Member for Brent, East (Sarah Teather) is prepared to give some time to my hon. Friend the Member for Southport (Dr. Pugh). I have a question. I have debated

the matter with the Competition Commission and raised the issue of how to introduce an ombudsman with proactive powers. Following the evidence session in March, I corresponded with Peter Freeman on the implementation of that policy. He wrote to me on 21 April, saying:

"We indicated during the evidence session that we intend to recommend to the Department for Business, Enterprise and Regulatory Reform (BERR) that, in the event that the Ombudsman cannot be implemented by means of undertakings from the relevant retailers, BERR should take appropriate action for the establishment of the Ombudsman. The fallback option, should this recommendation not be acted upon, would be for the Office of Fair Trading to monitor and enforce the Code, and for suppliers and retailers to have recourse to arbitration of disputes by an independent expert, such as the Centre for Excellence in Dispute Resolution."

He went on to say:

"In cases such as this, our general view is that the choice of implementation instrument is a matter for government."

The supermarkets may not be prepared to countenance the establishment of an ombudsman, but I would urge them to accept it, as it will provide some reassurance for consumers, suppliers and all who work in the trade that the supermarkets are prepared to be transparent—something that does not happen now. It would also remove the climate of fear from the marketplace. I hope that the Minister will indicate what response the Government will make if supermarkets are not prepared to accept an ombudsman, which is the clear recommendation of the Competition Commission.

10.29 am

Dr. John Pugh (Southport) (LD): I congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on introducing the debate and on avoiding some of the mis-nostalgia that surrounds it. I can certainly remember being taken to lots of local shops as a small child, when there would be a conversation with every customer at every call, which took an enormous amount of time and caused enormous irritation—the same irritation that I enjoy now in the wrong queue at the supermarket.

It is a principle of democratic socialism that markets can be made to work for the good of communities, not that they necessarily will, hence the case for some sort of state regulation. The British retail market as a whole—not just the grocery market—is dominated by four supermarkets, one of which is especially dominant, so anybody with a watching brief must be aware that there can be problems, as indeed there are. Food is not cheap by European standards—the figures today show a 7.5 per cent. increase in prices—market shares are concentrated, competition is more apparent than real and town centres are genuinely struggling. To those things the UK has a limp-wristed response, in my view.

Such is the power and size of the supermarkets that they can kill competitors fairly and unfairly. One need only look at my constituency for an example of unfair competition, where every local small garage was more or less killed off by Tesco's selling cut-price petrol. However, a few years later, those sites became Tesco Express shops and the price of petrol at Tesco went up.

Supermarkets have the capacity to destroy to town centres. The problem cannot be resolved by introducing free car parking because town centres need to ration car parking; otherwise, retailers would arrive first thing in the morning and take every slot available and make it impossible for people to park. Supermarkets bully suppliers, make them pay for special offers and, unquestionably, add to the carbon footprint of shopping and retail in general. We must accept that all those things are bad for the community. Supermarkets also do good things, as has been highlighted. They increase the variety and quality of goods, reduce costs and improve the level of convenience for some shoppers, particularly young, mobile car owners who have limited time.

The proposed solutions to the problems are somewhat doubtful. To have an ombudsman to whom one can complain about the most dominant and powerful customer is about as good as asking people in Sicily to complain about Mafia protection rackets—it would have more or less the same impact. Supermarkets are not stupid. They stay close to the Government—we need not talk about Lord Sainsbury, but simply look at the role of the head of Tesco in various taskforces set up by the Prime Minister—but they are perfectly competent and ready to ignore local government because their profits and buying power are so huge, and to fund whatever planning appeals stand in their way.

It was suggested that Tesco is community-minded. I asked my local Tesco to do something to help recycling in the area and perhaps to provide a few more facilities in its enormous car park. However, it was worried by the litter that that would create and refused to spend even one penny on improving the recycling of what was largely its own product packaging.

Alcohol sales were mentioned. I went to my local Tesco the day after the Budget and the furore about reducing binge drinking to find that lagers, ciders and so on were on special offer and heavily discounted. It does not have an unblemished record. There is a case for better Government regulation of fair trading, competition and planning. Far be it from me to recommend democratic socialism to the Government, but I think that intelligent regulation would help.

10.33 am

Sarah Teather (Brent, East) (LD): I congratulate my constituency neighbour, the hon. Member for Cities of London and Westminster (Mr. Field), on securing the debate. The opportunity to debate the Competition Commission's findings is welcome. It has conducted two inquiries in the past decade into supermarkets. We had a debate only a couple of weeks ago, but that preceded the publication of the report, so the debate today is welcome.

There is no doubt that supermarkets have changed how we shop. Most of us, including me, use them, and I am quite willing to admit that I enjoy using supermarkets. I like the convenience and the fact that I can turn up and get everything that I need in limited time, put it in my car and drive off. I confess to that, as most other Members of Parliament would if they were honest about it. However, I also like the convenience of using my local shop. I can pop out to the shop at the end of my road, which is open late at night, to buy things that I need, and I like the diversity of the high road. Like most other people, I have a kind of schizophrenic attitude to supermarkets. We perhaps need to begin by admitting that we want diversity in the high street, but that we

[Sarah Teather]

enjoy using supermarkets. There is no point in pretending anything else. That is particularly the case for people with families who find it much easier to strap two kids into a trolley than to negotiate several shops with a couple of toddlers in tow.

The British public spend £130 billion a year on groceries, and the top four supermarkets share 75 per cent. of that market between them—independents are now at less than 3 per cent., and the Co-op at about 4.5 per cent. of the market. That dominance has both negative and positive consequences, which have been discussed in the debate. The negative effects are based on price and the perception of price caused by the ability of supermarkets to drive down the cost of supplies; the undoubted impact that they have on town centres; and the ability to wield huge power over suppliers, which has led to abuse—my hon. Friend the Member for St. Ives (Andrew George) discussed that in some detail. However, as the hon. Member for Shipley (Philip Davies) said, supermarkets can be major employers in an area and they often take flexible approaches to employing people with disabilities and older people, who might find it difficult to gain employment elsewhere. Some supermarkets are involved with their communities, and others are not. We heard examples of bad practice from my hon. Friend the Member for Southport (Dr. Pugh), but I have seen good and bad examples in my constituency.

The relationship between supermarkets and small independent shops is complex. The advent of a new supermarket may drive out local shops, depending on whether free parking in the high street is provided. Like my hon. Friend the Member for Southport, I believe that abolishing all restrictions on parking in town centres is probably a little silly and that it would not, in fact, solve the problem that the hon. Member for Shipley said he was trying to solve.

Huge market dominance also provides opportunities for supermarkets. Their brand recognition and trust would allow them to take a lead on things such as environmental policy, packaging, antisocial behaviour and alcohol, and to incentivise consumers to change their behaviour, but whether they choose to do so is another matter.

The Competition Commission looked at two issues: the impact on suppliers and the impact on consumers where there is a local monopoly. I was extremely disappointed that the commission did not look at competition between supermarkets and local shops; and that it focused exclusively on competition between supermarkets. I feel, as the hon. Member for Cities of London and Westminster said, that the report consequently missed the point. He mentioned the *Evening Standard*, which has a long-running campaign to protect local shops and high streets, for which I applaud it. The commission missed an opportunity by examining whether there was adequate competition between Tesco and Sainsbury's, not whether people wanted diversity of shops on their high street.

There is no doubt that there has been an enormous loss of small shops. That is not a new problem and I do not want to say that it arrived in 1997: from 1991 to 1997, 4,000 food shops closed in rural areas; between 1997 and 2002, 50 specialised shops—butchers, fishmongers, newsagents and so on—closed in the UK every week; 25 corner stores close every week now; and almost one in six independent convenience stores has gone in the past three years. They are often the shops that sell local produce. We have seen examples of supermarkets trying to corner the market on farmers' markets, ensuring that they sell more local produce, but in truth, if local shops go, there is not much chance of sourcing produce locally and following a regime of fewer food miles. Since 2000, a further 4,000 convenience stores have closed down and a further 5,500 have been bought out by major chains, which the hon. Member for Stroud (Mr. Drew) alluded to.

What can be done? I do not have much time left, so I will raise just a few points, to which I hope the Minister will respond. For some time, the Government have been promising to publish their new planning guidance—PPS6. The Competition Commission recommended maintaining the needs test, but other hon. Members and I believe that it is vital that it is not just a competition test and that it allows for some examination of diversity on the high street. I recognise the commission's point about a supermarket having a monopoly in an area and therefore being able to raise prices, but it is also vital to take diversity into account.

We must also consider the flexibility of local councils with respect to planning issues. I want councils to be able to develop their own use class orders, so that they could, if they wanted to, require a change of use when a local independent shop was replaced by a multiple retailer. Moreover, there is the issue of the cost of appeals, to which my hon. Friend the Member for Southport referred. Making firms pay for their own planning appeals would make a huge difference in that respect.

This is a question of balance. Consumers want choice and like using supermarkets, but they also enjoy using their local shops. It is for central and local government to ensure that that balance is maintained.

10.41 am

Mr. Brian Binley (Northampton, South) (Con): Let me say what a pleasure it is to serve under your chairmanship yet again, Mrs. Humble. My only reservation is that I often do so in the morning, and my eyes are sometimes rather blearier than they should be. None the less, it is a particular pleasure to serve under you this morning.

I congratulate my hon. Friend the Member for Cities of London and Westminster (Mr. Field) on gaining the debate and on his balanced view of this situation, whose importance is growing considerably throughout the country. I was particularly delighted when he intimated that attacking one section of the market as against another would do us all a disservice. We need to create a balanced view. I took some exception, however, to his remarks about melon-bellied traders. I noticed that he glanced particularly in my direction when he said that, but I shall take that up with him privately later.

I speak as the chairman of the Conservative party's commission into small shops in the high street, which has been looking into a number of issues that impact on the problems of our small shops. Increasingly, our conclusion is that balance is the word that we need to keep in our minds when discussing this problem and reaching conclusions. When my commission was gathering evidence, I met representatives of all the major

supermarkets, and it is true that there appears to be a real problem of balance between the large supermarkets and independent retailers and between out-of-town and edge-of-town development over 30 years, which is a sizeable period. During that time, there has also been a commensurate decline in many of our community hubs, town centres and edge-of-city centres. It is a very complicated situation, but we must recognise that there is a connection. We must do something about that, not least because our communities' hearts are just as important to them as our hearts are to our individual bodies—when they function properly, they are the essence of our communities and give them their robustness. It would therefore be silly to ignore the importance of those hubs.

Andrew George: The commission looked at the uneven playing field with regard to out-of-town supermarket car parking and in-town car parking, but many of us are not necessarily sure that the business rating system properly reflects the big business advantage that supermarkets have. Has the commission reached any conclusion on that? It considered the possibility of charging for car parking at supermarkets, but has any other conclusion come from that?

Mr. Binley: If the hon. Gentleman is talking about my commission, I am happy to tell him that all will be revealed in about four weeks. We certainly looked at the issue in some depth, and I hope that he will find our report favourable.

Bob Spink: Does the hon. Gentleman accept that Government policy plays a part in preserving our high streets, so that they can serve vulnerable groups and give them access? Does he accept that the move towards centralising GP services and introducing big pharmacies on Canvey Island, for instance, is threatening six pharmacies that serve people there and that that will reduce access for vulnerable groups on Canvey Island, as elsewhere?

Mr. Binley: The hon. Gentleman raises an important point, which my commission is considering at this very moment, There is a real issue about the availability of pharmacies, particularly in rural areas, and we need to consider that in greater depth. I therefore thank him for his remarks.

Hon. Members will be familiar with the key facts about the growth of supermarkets, so I do not need to rehearse them. I am sure that hon. Members know that the acquisition of land has become a sizeable problem and that the number of big stores owned by the supermarkets has doubled since 2000, which is a major concern. Hon. Members will also know that 2.4 million sq m of additional retail space—it is not all grocery space—will be added to the market between 2008 and 2012, bringing the total to 28.3 million sq m by 2012. However, only 40 per cent. of the new retail space that is planned over the next 10 years is for our town centres. When I say that it will be retail space as opposed to grocery space, hon. Members will see what a hit that will be for small shop provision in our town centres. We need to be very aware of that movement. As I said, this is a question of balance. Let me say to my hon. Friend the Member for Shipley (Philip Davies), who made a vigorous defence of supermarkets, that that balance is important.

We have talked about the other matters that the Competition Commission attempted to address, including the role of the competition test in larger planning decisions; the new strengthened code to extend groceries; a supply code governing supermarkets' conduct with regard to groceries; action to prevent land agreements, which can restrict competitors' entry into the market; and an independent ombudsman to enforce the code. I welcome those proposals in part, but we need to look at the issue of ombudsmen very seriously, because they often add to problems by lengthening the time that it takes to arrive at solutions. We must take that into account.

My right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) said that the needs test has the most direct relevance to the retail sector and the commercial balance of large and small retailers in any given town or village, and the Competition Commission noted the importance of that in its investigation. The test gives some protection to smaller businesses, particularly in town centres. We need to recognise that, and I ask the Minister about the issue when I conclude.

Small shops are the lifeblood of local economies in many of our small communities and provide a lifeline to local residents, and their survival is vital to the well-being of the community hubs that I mentioned. We must ensure that out-of-town developments work with the needs of local communities, not against them. In the light of the Competition Commission's recent and final report, will the Government therefore review their position on the needs test? Does the Minister now agree that it should be retained?

The commission also recommended introducing a stronger groceries supply code of practice, which would be enforced by an independent ombudsman. Will the Minister furnish us with further details about that, bearing in mind the concerns that I have expressed?

Given that the burden of regulation that the Government have created over the past 10 years has seriously increased and tends disproportionately to affect small and medium-sized businesses, what do the Government intend to do to support those businesses, which operate mainly in our town centres?

The issue before us is about balance, but it is also about the health of our communities. We are discussing a wider social issue, which is important to many of our constituents, so I look forward to the Minister's response.

10.49 am

The Parliamentary Under-Secretary of State for Business, Enterprise and Regulatory Reform (Mr. Gareth Thomas): I, too, congratulate the hon. Member for Cities of London and Westminster (Mr. Field) on securing the debate. I welcome the contributions that we have heard from both sides of the Chamber, not least the contribution of my hon. Friend the Member for Stroud (Mr. Drew). Among other things, he praised the continuing, excellent contribution of the Co-op retail sector and the benefits that it brings to consumers and to the strength of the high streets in which it operates.

The hon. Members for Shipley (Philip Davies) and for Southport (Dr. Pugh) made the most robust contributions to the debate, even though from slightly different perspectives. I listened with considerable interest to the concerns of the hon. Member for Shipley about town centre parking and found myself almost agreeing

[Mr. Gareth Thomas]

with him. Perhaps that reflects my experience and the experience of businesses in my constituency at the hands of the Conservative-controlled Harrow council, which has consistently failed to listen to the representations of businesses in south Harrow and Rayners Lane about the cost of parking there. That lack of listening might explain why the Audit Commission recently rated it as the worst-run authority in London.

The hon. Member for St. Ives (Andrew George) talked about development and highlighted the important contribution that supermarkets can make to encourage trade from developing countries into UK and European Union markets. I hesitate to provoke disagreement between him and the hon. Member for Brent, East (Sarah Teather), but she raised the debate about food miles—a debate that I find entirely erroneous. Many of those who highlight the need to reduce the number of food miles do not recognise that goods made in many developing countries are produced using fewer carbon dioxide emissions than goods produced elsewhere.

It is a pleasure to follow the hon. Member for Northampton, South (Mr. Binley), whom I congratulate on his elevation to the Front Bench.

Mr. Binley: It is just for one day.

Mr. Thomas: I look forward to it being permanent, as that could only improve the quality of the Conservative Front-Bench team.

Notwithstanding her comments about food miles, the hon. Member for Brent, East struck the right note regarding British consumers. We want supermarkets to continue to function effectively, but we also want to benefit from the contribution that small shops make to our high streets. As the hon. Member for Cities of London and Westminster made clear in his opening remarks, supermarkets generate considerable passion in that context. We must separate the behaviour, or not, of supermarkets from the changes that have occurred in the past 10, 15 or 20 years to the way in which we live our lives and the way that we shop as consumers. As the hon. Lady said, as we lead busier lives, we want to do more of our shopping in one place. That has undoubtedly had an impact on markets.

We must recognise a truism that the hon. Member for Shipley discussed and that all hon. Members have picked up in various ways—supermarkets are a thriving and dynamic part of the economy, and their success benefits not only their shareholders, but local communities, their employees, their customers and our regional and national economies. In 2007, an estimated £110 billion-worth of grocery sales were made through nearly 100,000 grocery stores across the UK. It is true that the eight largest grocery retailers accounted for about 85 per cent. of total grocery sales, with the largest four accounting for just over 65 per cent., but it is important to recognise that some supermarkets play a vital, anchoring role in a number of town centres. Occasionally, they also play a crucial role in regenerating town centres. In the community of north Harrow, where I live, businesses and local people are desperate to have a supermarket back on the site of the old Safeway store, to help to generate new business and to create opportunities for vulnerable consumers in the area. Supermarkets provide much-needed employment and help to attract other, smaller retailers to set up shop in their shadow.

We should also acknowledge the contribution that British supermarkets have made in improving their ethical sourcing and environmental performance, whether on climate change or waste. I think it was my hon. Friend the Member for Stroud who talked about plastic bags. We look forward to supermarkets doing further work in that area.

We welcomed the Competition Commission's thorough report, which was published on 30 April. The commission found that, in general, the groceries market is delivering a good deal for consumers, but it identified two key concerns. First, several grocery retailers have strong positions in a number of local markets, and that could lead to a poorer retail offer to the consumer. Secondly, the commission believes that the transfer of excessive risk and unexpected costs to suppliers has an adverse impact on investment and innovation.

To address those concerns, the commission proposed several remedies, mainly concerning the use of restrictive covenants and exclusivity arrangements on land sites, which it has the power to implement. Large grocery retailers will be required to notify the Office of Fair Trading of all acquisitions of large grocery stores. In addition, the commission has recommended to the Government that a competition test should be adopted and that the OFT should act as a statutory consultee in that process.

The hon. Member for Brent, East asked about the review of planning law, which is due for consultation. I am afraid that, at this stage, I can say only that we will soon publish our proposals for revisions to planning policy statement 6. When we bring our proposals forward, we will take full account of the commission's recommendation on the competition test.

The commission also proposed that there should be a grocery supply chain code of practice. Such a code would expand the number of supermarkets that are covered by the existing supermarkets code of practice, and certain alleged practices by supermarkets would be prohibited as a result of the code. The commission is seeking voluntary undertakings from grocery retailers to establish an ombudsman to monitor and enforce compliance with the code. The ombudsman would gather information and could proactively investigate retailers' records in areas in which there had been complaints. Guidance on the provisions of the code would be published, as would an annual report on its operation. I hope that gives my hon. Friend the Member for Stroud some reassurance regarding his worries about whether evidence would be produced to the ombudsman.

Andrew George: Will the Minister give way?

Mr. Thomas: Given the time, I am afraid that I will not.

If the commission fails to obtain satisfactory undertakings from retailers within a reasonable period, the Government will be asked to step in and legislate. We are considering the commission's report in detail, and we anticipate publishing our formal response, with a full plan of action, before the summer recess. I hope that I have dealt with the majority of hon. Members' concerns on this issue. This has been a useful debate, and I look forward to returning to those concerns in due course.

North East Air Support Unit (Teesside)

10.59 am

Frank Cook (Stockton, North) (Lab): This is the second time that I have had the pleasure and privilege of speaking in this Chamber under your chairmanship, Mrs. Humble. I hope that this time will be just as happy as the previous occasion. It is the first time that I have been able to make a submission to the Minister, whom I congratulate on having attained that office. I wish her well in the conduct of her duties.

On 29 November 2005, I initiated a debate in this Chamber on police service restructuring. I was later informed that it was the best-attended debate that this Chamber had ever seen; as I understand it, attendance has never been bettered since. It seems a shame, therefore, that there are only four of us in such splendid isolation today. To my mind, the topic is every bit as important as police service restructuring. In view of what I shall say later, it might be best for me to set out the climate of that debate. The argument concerned whether we should merge the police forces of Northumbria, Durham and Cleveland into one force. It was suggested at the time that the force should be under the leadership of the chief constable of Northumbria, Mr. Craik. The arguments were widespread, because similar proposals were being put throughout the United Kingdom, and it was widely felt that consultation had not been broad or deep enough.

The subject for debate today may be related to that, but it is probably my bad mind thinking that there is a connection. I shall concentrate on a specific aspect of policing: air support. Let me lay out the scene as it is at present. From 1994, the Durham, Cleveland and Northumbria police services were part of a consortium sharing one aircraft, which was held in Northumbria. It was a high-winged monoplane, an Islander—not a Highlander—whose call sign was GPASF, and it was commonly known as Sierra Foxtrot. However, in 1999, it was replaced with a new EC135T1, a blue and yellow helicopter, whose registration number was GNESV and which was commonly called Sierra Victor, although its radio call sign is 199.

A second helicopter purchased on 4 April 2005 is based at the Durham Tees Valley airport. It is an EC135T2, its registration is GNEAU and it is referred to as Alpha Uniform, but its call sign is 155, as opposed to 199. I ask that special attention be paid to the date: 4 April 2005 was about five months before my debate on the restructuring of the police force.

It was felt by Durham, Cleveland and Northumbria police services that the second helicopter was necessary. However, the two models of helicopter are different; 155, the one based at Durham Tees Valley airport, has an autopilot, but 199, situated on Tyneside, does not. As a result, starting in 2010, the 199 will not be able to fly at night without a second pilot, so it will be much more costly to operate. The vehicles normally operate with a jockey—that is, a pilot—and two police constables, though it has been suggested that one of the constables should be replaced by a police community support officer. The helicopters are used by the Northumbria, Durham and Cleveland police forces, as well as those of Cumbria and North Yorkshire, which pay for the use of the vehicles when they need them.

The units provide state of the art support to officers from all the Durham area commands, to other local emergency services and organisations such as ambulance trusts, fire services and the like. They are both equipped with a Nightsun searchlight, a daylight video camera, a thermal imaging camera, digital still cameras and a stretcher. They are used for crime scene searches, suspect vehicle pursuits, missing person searches and casualty evacuations. From April 2007 to January 2008, the air support unit in Cleveland undertook 1,371 tasks in the Cleveland area, including crime scene searches, vehicle pursuits, missing person searches, casualty evacuations and search and rescue operations. During the same period, the unit was involved in incidents leading to 295 arrests in the force area, and recovered property worth more than £191,000.

It is opportune to mention at this stage that during their flights, the helicopters frequently see indications of cannabis being grown. That surprised me, so I would expect you to be surprised too, Mrs Humble. Apparently, growing cannabis requires a fair amount of heat and light, which the thermal imaging cameras on the helicopters pick up, as it stands out like a beacon. The helicopters regularly find indications of where characters are carrying on their nefarious trade.

Why should I be concerned about the two helicopters? I have with me copies of some letters. I remind the Chamber that the second helicopter was purchased on 4 April 2005. At the same time, the Islander—the fixed-wing plane, affectionately called the "plank" because its wing looks very much like a plank—was disposed of. The second helicopter was then obtained, funded by the consortium of the three police forces, which now owns the two helicopters.

On 28 March, however, Northumbria police authority gave 12 months' formal notice of termination of the agreement to pay for the helicopters. The notice started on the final day of March, so the agreement will terminate in 2009. Three days later, Durham police authority issued formal notification that it, too, was withdrawing from the consortium. Durham and Northumbria have decided to withdraw from the arrangement, and are suggesting that as a result of their withdrawal one of the helicopters be disposed of, leaving only one. Which one is to be disposed of? It would appear to be the one without the autopilot, because come 2010 it would need two pilots to fly it at night. There is a certain amount of fiscal common sense in that. I suggest getting a helicopter with an autopilot to save on manning costs, but that is not what they are disposed to do.

Who says that the police authorities should take that approach? There are a number of advocates. Durham police authority chairman, Peter Thompson, who I understand is not a policeman, said:

> "The fact is that purely based on operational need there is only a requirement for one helicopter."

He argued that current use cannot justify investment in a new aircraft, so it will reduce to one helicopter. He continued:

> "There will be no detrimental effect to the people and communities of County Durham and Darlington by the switch to one helicopter. There will be savings and that money can be invested in front line operational policing."

[Frank Cook]

Both helicopters are available 24 hours a day and cost about £3.5 million a year to run—I can provide specifics if necessary—but Mr. Thompson says that the authority cannot afford them both.

The Durham assistant chief constable, Michael Banks, said that although the helicopters were a good idea when they were first brought in, policing and crimes have changed. When they were first brought in? I remind Members of the date I mentioned earlier—4 April 2005. The second helicopter was purchased only three years ago last month. He says that

"the operational needs of Durham Constabulary can be met by one aircraft",

that the

"shared use of one helicopter, on call 24 hours a day, will meet our demands without any significant detrimental impact",

and that the

"air unit still has a vital role to play"—

but with only one aircraft.

Apparently, the decision to use just one helicopter had been made in the best interests of people's safety after considering how best to spend public funds to support policing. After three years! We will look at that record shortly and consider just how valid those comments are. That view is also advocated by Chief Superintendent Neil McKay of Northumbria police, who has been leading the argument to reduce to one aircraft—I shall refer to him again before I conclude. They are the people suggesting that two aircraft are too many and that one has to go.

A number of people disagree with that view, including the Solicitor-General, my hon. and learned Friend the Member for Redcar (Vera Baird), who appealed to the forces to reconsider. Furthermore, the chairman of Cleveland police authority, Dave McLuckie, has spoken out vehemently on the issue. We should bear it in mind that the area normally to be covered includes 145 miles of coastline, much of it deeply ravined with valleys, and that more than 80 per cent. of the 3,500 square miles to be covered consists of rough moorland, hillside and rural areas. He makes a very valid point:

"A helicopter called out from Newcastle could take half an hour to get to south Cleveland, to places like Loftus and Brotton, by which time it would be too late in the vast majority of incidents."

If the single aircraft were to be based at Teesside, rather than Tyneside, it would take it more than half an hour to get to Berwick-upon-Tweed. The whole thing is fraught with a lack of logic and has not been thought through properly.

One would expect that view from the chairman of Cleveland police authority, because he is anticipating losing his aircraft from the Durham Tees Valley airport. However, the Berwick borough councillor, Geoff O'Connell, of Belford, said:

"The police helicopter has proved an invaluable tool,"—

I think that we can all agree with that—

"not only in catching criminals but in crime prevention work, and it should not be lost. I would be extremely concerned if the nearest one to us was based at Durham Tees Valley."

If we have only one aircraft, it can be based only in one area at a time, so there will be an argument over where it should be based anyway. Another person to disagree was, of course, my hon. Friend the Member for North Durham (Mr. Jones), who said:

"If Durham is going to lose its helicopter, there needs to be a public debate and some justification as to why it is being taken away. No decision should be taken behind closed doors."

I wonder why he made that point. On 28 February, when the matter was being discussed, representatives of the Northumbria and Durham police forces, having met to consider the proposals, abandoned the exchanges and walked out, for no other reason than that they thought the talks should be conducted in secret and that the public should not be made aware of what was under consideration. Such a standard of practice seems rather strange and masonic for the 21st century. It is hardly justified.

It is right, of course, that my hon. Friend the Member for North Durham should take them to task. He took me to task time and time again, in this place, over the police service and restructuring, trying to destabilise my statements—he cannot be present today because he is at a meeting of the Select Committee on Defence. Heaven knows what he might have said about what I am saying today, although of course I disagree entirely with the proposal and I shall explain why.

Part of my disagreement relates to incidents such as those that I am about to describe. On 3 April, a woman of 73, who was in poor health, went missing from the Castle Eden walkway near Stockton. It is a fairly easy walkway, but she had become separated from her husband. The Teesside-based helicopter was summoned and its crew saw the woman walking westbound on the A689. The helicopter was able to land in a nearby field and she was taken to safety. Although she had fallen over several times, she was safely returned to her home. As the chief constable of the police authority said, that example showed how useful the helicopter is in delivering a vital service to members of the public. On that occasion, it quickly helped to reunite a vulnerable missing lady with her husband and prevented her from coming to harm.

On 22 February 2008, the police helicopter helped to scour the River Tees in Stockton after reports came in that a man might have jumped from the Millennium footbridge. On 11 February 2008, the police helicopter airlifted a lorry driver to James Cook university hospital following an accident near the A689 in which 20 tonnes of potatoes spilled on to the road. The helicopter could not do anything about the potatoes, but the crew got the lorry driver to safety.

On 8 February 2008, the police helicopter helped the RAF Sea King helicopter to search the beach at Seaton Carew after reports came in of a man walking into the sea dressed only in boxer shorts. On 28 December 2007, the police helicopter worked with the lifeboat crew to rescue a man who was stranded on rocks off the coast at Redcar. In December 2007, the police helicopter located a group of walkers on the moors who had got lost in the mist. In October, the police helicopter swooped on a Redcar housing estate after reports came in of a man brandishing a samurai sword.

Examples of how the helicopters have been able to assist go on and on. There was an incident in which a young coastguard was dismissed from his job for rescuing a young girl who was lost on the cliffs at night, just below Redcar. The helicopter was able to hover above and shine its floodlight—its Nightsun—which enabled

the man to go down and bring back the girl safely. Because he undertook the exercise without the required webbing and lines, he lost his job, even though the girl's life was saved. In the view of the rescuers, there was no doubt at all that she would have perished if that action had not been taken when it was.

During the floods in Pickering and Malton, about which we have heard so much, people were in serious trouble. The Sea Kings were rescuing people who were in imminent danger of drowning. The police helicopter was able to hover above them and point out where they needed to go to rescue the next group of people. It can work in conjunction with the Sea Kings and the voluntary-funded air ambulance.

Over the past year, stolen goods worth more than £910,000 have been recovered—a 62 per cent. increase on last year. The units were called out nearly 6,000 times in the year, with the helicopters sharing an average of 16 call-outs a day—also a new record. Unit officers attribute the increase in usage to greater understanding among ground forces of how useful air support can be at the scene of an incident.

In the north-east, there has been a 29 per cent. increase in missing person searches, with 832 made in the past year. The unit also made 862 arrests and completed 60 search and rescue operations. Sergeant Dave Clarke, who works for the unit, believes that the most effective use of the aircraft is in high-speed pursuit of stolen vehicles, with 443 call-outs during the year. However, that is with two helicopters. How on earth will the police manage with only one?

It is true to say that twocking—taking without owners' consent—has almost disappeared. Youngsters now realise that if they decide to twock, they will be detected and apprehended. However, that is when two helicopters are being used. What will happen if the number is reduced to one? It means that the helicopter can be based only in one area, on one field. Will it be based on Tyneside, with a periodic visit up to the Scottish border and Berwick? God knows how long it will take to get down to Robin Hood's bay in North Yorkshire. Will it be based in Teesside, with a long haul up to Berwick and a substantial haul to Robin Hood's bay? How will one helicopter maintain the records that have already been established by two? It seems impossible that it will be able to do so. In fact, it is impossible.

I referred earlier to Chief Superintendent Neil McKay, who has been one of the leading proponents of removing one of the helicopters. I find it amazing that he can back such a plan, given that he was the officer in charge of the recent derby football match between Newcastle and the Maccums—Sunderland. The derby matches are usually painted with elements of disorder because what cannot be counted as victorious on the pitch is regularly redressed in the streets in an improper fashion. Chief Superintendent McKay was in charge of police control on that day. I wonder how he would have managed with one helicopter. On the day he needed two and called on them, yet he thinks that they should be reduced to one. Frankly, I have to question his logic, as I had to do with the Home Secretary on 29 November 2005 regarding the reorganisation.

All in, we are faced with a most illogical, insupportable set of proposals based on a need to save money. The police say that the current system is not operational, although it looks fairly operational to me, and it seems to me that they will never be able to conduct their duties properly with only one helicopter.

I should have mentioned earlier another opponent of the proposals: a Durham county councillor—even though Durham is in favour of them—by the name of John Shuttleworth, whom I have never met. He represents rural Weardale, and he said:

"If one of these helicopters is withdrawn, then it is the rural areas which will suffer as usual."

Some 80 per cent. of the area is rural. He continued:

"Police helicopters don't only help to catch criminals, they also can help save lives. And with ambulance cover in remote areas already under review, helicopters are needed more than ever before."

That is just one more of the opinions against the idea of withdrawing one helicopter.

On what basis is the reduction suggested? I remind the House that Peter Thompson, the chairman of Durham police authority, said that the money could be used in other ways. Well, let us see just how much the helicopter service costs. Cleveland police authority makes a contribution of £706,615, which amounts to 0.6 per cent. of its budget. Just over half of 1 per cent. of its budget is spent on the service. Durham police authority spends £705,633 on it. Again, that is 0.6 per cent. of its budget. Northumbria police authority spends £1,862,151, which is 0.69 per cent. of its budget. The police authorities are spending minimal elements of their budget on the service, which is doing so much good in executing arrests, following car pursuits, rescuing people and assisting the military in trying to help us. They want to save on the cost of one person in a night-flying helicopter.

I turn to *Policing Today*, which is a police magazine. Bernard Hogan-Howe, the chief constable of Merseyside police, makes the following point:

"Although only representing 1-2 per cent. of force budgets, air support is one of the largest discrete items in our budgets."

It represents 1 to 2 per cent. of budgets, but Cleveland and Durham pay only half of 1 per cent. and Northumbria just slightly more. Across the country, it is 1 to 2 per cent.—two or three times more than those three forces in the north-east pay. The article continues:

"Typically, a helicopter can fly 140 miles in an hour and stay on station for one hour."

The coastline of the three police areas is more than 145 miles long, with deep ravines and great inlets, so it would take an hour for the helicopter to get from one end to the other. Presumably, it would take half that time to fly from the middle of the coastline to the end. One helicopter will have an awful lot—I nearly swore there—to do to provide any cover at all. Had there been only one helicopter previously, there would presumably have been only half the achievements. The whole thing seems quite preposterous.

Hogan-Howe also made the following point:

"When an aircraft is down for maintenance or repair",

there are normally arrangements in hand across the country

"to provide reserve aircraft to neighbouring forces."

But if the helicopter is down at Tyneside, where will the reserve aircraft come from? At the moment, forces can box and cox with their maintenance. One of their arguments is that they fly only seven hours a day. I suppose that if they were flying 24 hours a day, there

[Frank Cook]

would be a real danger. The helicopters have to have downtime so that they can be maintained and looked after. Do we complain that a fire engine is out of its garage for only seven hours a day? Is that a basis for complaint? Does the logic appeal to us in any way? It certainly does not appeal to me.

Furthermore, Hogan-Howe went on to say that the increase in the number of aircraft available to the police services was funded by Home Office capital grants and based on two principles. I apologise for my slowness in reading this, but the print is very small and my eyesight is geriatric. He said that the first principle was

"which force made the best operational case to be prioritised to receive 50 per cent. of capital funding".

Capital funding of 50 per cent. is available to any police force that can justify it. The second principle was

"which force could afford the other 50 per cent. of capital costs and the cash to run the aircraft for every succeeding year."

So there is an answer. Durham and Northumbria seem to think that if the aircraft required a second jockey to enable it to fly at night, they could readily get funding from the Home Office to provide that alternative. They think that they could put on a sub, take the other one off and send him to hospital.

Hogan-Howe went on to say:

"We need to keep the best of what we have developed"

and improve on it. Would we be improving on it by disposing of half the resources? The whole suggestion is quite preposterous, it really is. I suggest to the Minister in all humility, if I can summon it, that before Northumbria and Durham make bigger fools of themselves than they have already, she persuade them sometime before 2010 to sell I99.

It is a good vehicle—there is nothing wrong with it—with some excellent equipment and it has been functional. I suggest that they sell I99, the one without autopilot, and buy another one identical to I55, which has autopilot; then, we could have total cover throughout.

There is an important piece of information that I must mention. There has been a reduction in efficacy in Tyneside, whereas there has been an improvement and an increase in efficacy in Cleveland. In Cleveland in the past 12 months, there has been an increase of some 11 per cent. in the effective use of the Tees-based vehicle, but there has been a 5 per cent. reduction in Northumbria. However, that does not justify cutting the whole resource in half. In fact, quite the opposite is true.

[JOHN CUMMINGS *in the Chair*]

According to my information,

"between April 2007 and January 2008 the tasks undertaken in the Cleveland area rose by 11.6 per cent compared to the previous 12 months, while in both Durham and Northumbria they fell by about 5 per cent...the Teesside-based helicopter has flown 13 mercy missions at night, airlifting injured people to hospital since early January this year."

And this is only the beginning of May. Furthermore:

"Of those flights, five involved casualties with serious injuries and whose lives may well have been saved by speedy airlifts to hospital.

The Northumberland-based helicopter has undertaken four medical flights, with one serious injury, in the same period."

So they are both performing good work: it is just that we cannot predict when and where we will need them. But that is why they are so useful; that is their whole purpose. It is wrong to suggest that we should cut our resource when it is more necessary than ever, as is borne out by Hogan-Howe's statements in *Policing Today*. The case is obvious to me. I do not have any special intelligence to work this out. It is hardly brain surgery.

I hope that the Minister will bear in mind the advice that I am offering. One of the helicopters should be sold in time—it does not have to be done tonight—but in the meantime the police authorities should be asked to reconsider their official notice on terminating an agreement, because the co-operation that followed the arguments about whether the relevant forces should merge has been effective. Cleveland contributed to the consortium, even though it was in serious financial difficulty because of a number of necessary inquiries that proved expensive. Nevertheless, Cleveland police authority saw the wisdom of pursuing the acquisition of a second helicopter in 2005. Three years and one month later, what can be the justification—what has happened in respect of policing need?—for the other authorities saying, "We can now cut the resource in half"?

Was the acquisition of the second helicopter part of the tactic of merging and creating a police empire? I have to pose that question, because it is bound to occur to anybody with half an eye. It does not make sense. We need to retain the cover. The people in the north-east deserve it.

I am disappointed that no other hon. Members are here to make the case, which is obvious. I hope that the Minister can exert her influence on the police in Durham and Northumbria and they withdraw from their course of action. Cleveland made a sacrifice in helping to form the consortium. If Durham and Newcastle withdraw, who can blame Cleveland? It cannot support one helicopter on its own, so why should it contribute when others are dropping them in the cart?

It is a pretty sad situation. I hope that the Minister can redeem it.

11.46 am

Willie Rennie (Dunfermline and West Fife) (LD): It is a pleasure to take part in this debate, especially following such a forensic, comprehensive exposition of the case over three quarters of an hour. I understand why no other hon. Members turned up this morning; even had they done so, I do not think that they would have had an opportunity to contribute to the debate, such was the comprehensive nature of the exposition by the hon. Member for Stockton, North (Frank Cook). There was a certain amount of style and composure in the hon. Gentleman's presentation, which other hon. Members will find difficult to follow.

I should like to follow up on some of the hon. Gentleman's observations and rehearse some of the key factors. There are three police authorities in hand, and it is 130 miles from one end of the region to the other, from Berwick down to Staithes. Some 750,000 people live in the central conurbation of Middlesbrough, Stockton, Hartlepool, Darlington and Redcar and, crucially, the petrochemical industry is concentrated in that area, which also contains a nuclear power station. Northumberland is a massive geographical area, with Newcastle, its largest city, at the foot of the region. The two helicopters cost £3.5 million to run and, as has been

mentioned, only one of them is operational for seven hours out of a possible 48 man-hours a day. The police classify only 5 per cent. of that use as critical.

The police have said in numerous statements that crime and the methods of crime detection and prevention have changed. I was fortunate enough to participate recently in an event at the Scottish police driver training centre in my constituency and was impressed by the new techniques that it has developed to detect and control cars during chases. The police are well-trained and able to cope with dangerous situations. Therefore, helicopters are no longer required in such circumstances. We have to recognise that sometimes things change slowly and at other times they change a wee bit faster. It is difficult to believe that things have changed that dramatically since 2005, but this issue has been recognised for some time.

There is no getting away from the fact that this matter has been divisive. A well-run consortium, involving three police authorities, has been riven apart. Effectively, the consensus approach that would have been adopted prior to this occasion has been replaced by out-voting or withdrawal from the consortium. I assume that the situation has caused divisions among the police officers, who are arguing against each other about the needs of their police authorities at a time when we need them to co-operate to tackle crime. It is undesirable and unacceptable that the situation has got to this stage.

The situation also makes the Government's previous desire to have merged police authorities even more difficult to achieve; if police authorities lose trust in one another in such circumstances, it will be even harder to bring them together in some formal arrangement.

I do not want to get into a position of arguing where the helicopter should be based, if there is only going to be one helicopter. That is far too invidious a position to put ourselves in. That decision is ultimately a local one that must be made in the short term.

Frank Cook: Perhaps I never made my view on that point sufficiently clear. I am not arguing for one helicopter; I am arguing for two. If we are reduced to having only one helicopter, wherever it is placed, the situation will be inadequate. There should not be a choice; the only option should be to obtain a replacement helicopter.

Willie Rennie: I heard what the hon. Gentleman said in his contribution. However, the fact of the matter is that councillors from different parts of the region are arguing against one another, because they have conceded that there will be only one helicopter. That situation is extremely unfortunate, especially when we need all the councils, police authorities and the police themselves to work together. It has been a very difficult period, which I hope we can emerge from, and I will make some suggestions about how we can do so.

I suppose that it is little surprise that we are in this circumstance when police authorities are facing increasing financial pressure. The comprehensive spending review was not as lucrative on this occasion as in the past, so it is no surprise that police authorities are looking to make savings wherever possible.

The fire service has adopted a new approach of integrated risk management, whereby it examines all service provision across the board, so that it can make an assessment and a comparison between the different types of provision available. It has made some very difficult decisions that are extremely unpopular, not only with local people in some areas but with the members of the fire service itself. However, that integrated approach is how we need to look at this situation, so that we compare one sort of service provision with another and do not go for a gold-plated service in one area and an inadequate service in another. Nevertheless, adopting that approach will pose some difficult questions.

If we look at helicopters versus ground forces, we would say that helicopters are perhaps relatively expensive per head. They are premium items that have a small number of big successes; their presence is fleeting but dramatic. By contrast, officers on the beat are ever-present—at least, we hope so. Perhaps they are not as ever-present as they should be, but they are more ever-present than a helicopter would be. They have a larger number of smaller successes and that must be recognised; we need to balance the two, helicopters and officers on the ground. However, this is not an either/or situation; it is a matter of ensuring that there is appropriate provision. The helicopters provide a service that simply cannot be delivered by other forms or other tools of service provision.

Ministers are very good at promoting positive initiatives locally and working with police authorities to share in their success. However, a very important principle seems to come into play when difficult decisions are made, when Ministers say, "We believe in local decision making. We can't have Government Ministers interfering every other day. That's why we have police authorities and chief constables." But this is an instance where ministerial direction and governmental support would be beneficial, because we need to develop best practice across the country, rather than the haphazard approach that seems to have been inflicted on the local region of the hon. Member for Stockton, North.

On a couple of occasions, the hon. Gentleman has mentioned the chief constable of Merseyside police, Mr. Bernard Hogan-Howe. Hon. Members may have read an article by Mr. Hogan-Howe in *Policing Today*, in which he set out the case for a more structured and co-ordinated arrangement to ensure that a countrywide system could be established to extract maximum cover at a cost-effective price. He also envisaged cross-police authority co-ordination, rather than the helicopters working only within one authority area or within an area covered by a consortium of authorities.

The hon. Gentleman laughs, and I think that I understand why. There is co-operation across borders just now, such that the Cumbria and North Yorkshire police authorities pay on a pay-as-you-go basis. However, I am not sure whether that is a common feature throughout the United Kingdom. Certainly, in my part of the world—in Fife—we have no helicopters. I do not know what extra support is provided for Fife when helicopter cover is required, but the system seems to be rather haphazard just now and perhaps a more co-ordinated approach could be provided.

I am not sure what that co-ordinated approach would mean for the hon. Gentleman's region. We would need to see the detail of how that approach would work out, and perhaps there is a need for two helicopters. However, I am not sure whether there has been a UK-wide study to establish what the appropriate helicopter provision is for each part of the country.

Frank Cook: The hon. Gentleman makes a valid point, in agreement with Mr. Hogan-Howe. In fact, the two helicopters are serving not three county services but five, because when North Yorkshire or Cumbria require a helicopter, those authorities simply rent it in. So the helicopter has to cover a substantial area.

Willie Rennie: Perhaps Cumbria and North Yorkshire have got a very good deal. If they only use a pay-as-you-go service, perhaps they are getting quite a good bargain in the process.

Traditionally, helicopters have been used for surveillance, but they have developed further capability over the years. Reference has been made to the identification of cannabis farms. To try to tackle the drug problem in our communities by carrying out infrared searches is a very interesting use of helicopters.

The chief constable, Mr. Hogan-Howe, also made some important points about cross-service co-operation. For example, there could be greater utilisation of resources for the air ambulance, search and rescue teams and the fire service. Again, reference was made earlier to the air ambulance. When I used to live down in the south-west, in Cornwall, people were very passionate about the air ambulance and raised thousands of pounds every year to support that service. However, it always seemed to me that that was a rather haphazard approach to service provision. I am not saying that the state should always provide every bit of service support; there is a role for charity and other financial donations at times. Nevertheless, it seems to me that we are leaving an awful lot of the system to chance.

There are hurdles to progressing towards a more structured approach. The possible increase in cost may be a factor to consider, and the removal of a certain amount of autonomy from each police authority must also be taken into consideration.

There is also the lack of interoperability. As a defence spokesman, I know that it is really important that US forces and British forces can communicate and utilise the full potential of their resources in times of difficulty. So interoperability between the different helicopters and different equipment is absolutely essential.

There will be competing demands from different regions. There will always be a feeling that perhaps Northumbria, Cleveland or Cornwall is missing out on a UK-wide—or rather an England and Wales-wide—service. So there will be tensions and hurdles to overcome to develop a more comprehensive service.

However, I strongly believe that the approach that I have outlined is the way forward and that the Government and the Minister should provide some guidance and support. This should be not top-down provision, but provision in partnership with the police authorities and local councils, so that a bottom-up need or dependency is created. Therefore, I hope that the Association of Chief Police Officers follows the advice of Mr. Bernard Hogan-Howe and starts some kind of discussion. Such discussions might be under way already, but we are not aware of them.

What does all this mean for the north-east? It may sound as though I have gone off-track in talking about the rest of the country, rather than the north-east. However, there are important consequences for the north-east from the adoption of a more comprehensive approach. Potentially, we have about two years in which to try to catch up with this issue, so that we have a system in place that allows the whole of the north-east region to get the service that it needs and deserves.

I hope that the Minister, having heard my short contribution this morning, will consider kick-starting some discussions between the police authorities and ACPO, to ensure that we have a more comprehensive system in place. The need for that system is quite urgent; we need it so that the people of the north-east can be confident that they have the service in place that they require and deserve. I hope that the Minister will consider that point.

11.59 am

Mr. David Ruffley (Bury St. Edmunds) (Con): I have two reasons for congratulating the hon. Member for Stockton, North (Frank Cook) on securing this debate. First, we heard him speak passionately in defence of his constituents and, more broadly, the people of the north-east. Secondly, he raises an issue that goes to the very heart of the reform of the police service and, indeed, police authorities. In short, what is the balance to be between prescription from Home Office Ministers in London and the accountability of local police authorities in the north-east and other regions? This debate goes to the very heart of that national question. I will listen with interest to the Minister's comments, but I want to take some time in what has been a detailed debate to give some indication of what Her Majesty's Opposition think is the answer to that question.

The north-east forces of Cleveland, Durham and Northumbria have a reasonably good history of effective collaboration, of which the issue that we are discussing is a classic example. I hope that the disagreements that we heard about from the hon. Member for Stockton, North do not sour future collaborative arrangements in other areas in the north-east, because effective collaboration is important if households in the north-east are to get the effective law and order services that they need.

Effective collaboration was one of the key drivers in some of the excellent ratings that those three forces received in the police performance assessment framework for efficiency savings. They and the police authorities that supported their work should be congratulated on delivering those good ratings. Whatever people think about PPAF, if the framework can demonstrate that collaboration works well for certain forces, the Opposition are keen to see it continue. Why? Because effective collaboration can deliver efficiency savings. That does not mean that we want cuts in the police budget—far from it—but making efficiency saving in one part of the budget frees up resources for transfer to other areas of police priority. I am sure that the Minister and Her Majesty's Government would not disagree with that point. Where the official Opposition disagree with Ministers is on whether enough has been done from the centre to promote more effective collaboration.

In the north-east, the three forces and authorities in question formed a consortium in 1995 that collaboratively provides air support services for their force areas. We heard from the hon. Member for Stockton, North that such services go beyond the three force areas. Other forces are able to access the helicopters.

As we heard, the aircraft are equipped with proper kit. A serious operation is run from the two sites. Each aircraft has a Nightsun searchlight, a daylight video camera, a thermal imaging camera, which we heard about, digital still cameras and a stretcher. The aircraft are used for crime scene searches, suspect vehicle pursuits, missing person searches, casualty evacuation and surveillance when the two proud teams in the north-east play derby matches. I understand the Solicitor-General made those points in her capacity as a local Member of Parliament, particularly in that regard.

As we heard, the authorities are considering the future of the service, in particular whether the two helicopters should be reduced to one. The review concluded that there should be one. I understand that it was carried out by officers from Northumbria, Durham and Cleveland, and that the recommendation was an operational one. I would be grateful to the Minister if she clarified whether it was an operational recommendation that one helicopter could provide an adequate service across the three areas. Clearly, that question is at the heart of this debate. The hon. Member for Stockton, North passionately described in forensic detail and with some logic that going to one helicopter would not make operational sense, but it would be useful to get the nitty-gritty on what the police operational side said. I am sure that the Minister and her officials took the trouble to find out in advance of this debate what the answer to that question is.

In short, I would be interested to hear in the Minister's winding-up speech whether any knock-down arguments of cost or operational effectiveness meet some of the powerful questions posed by the hon. Member for Stockton, North. I shall make a strange confession for a politician: I do not yet know the answers to that question.

We heard that the talks between the three authorities resulted in a failure to agree on a common position and that the Northumbria police authority gave formal notice to withdraw from the consortium with effect from April 2009. I understand that the consortium members have decided to continue formal negotiations, irrespective of that notice, and to try to reach agreement.

I shall not rehearse all the arguments against grounding one of the helicopters, although I believe that those arguments, which we have not yet heard enough about, need to be put on the record. Northumbria police have argued that crime, particularly vehicle-related crime, has changed in recent years. They seem to be saying that the helicopters were particularly effective at tackling vehicle-related crime in the past, but that changes in policing techniques mean that there are different ways for officers on the ground to deal with incidents such as car pursuits, for which a helicopter might traditionally have been used.

The north-east air support unit costs nearly £3.5 million a year. Questions have been asked about the number of daily flying hours and the amount of time spent on stand-by. Those arguments seem to come from Northumbria, which has calculated that about 50 per cent. of the tasks undertaken by NEASU involve maximising existing resources, rather than reflecting the risk-assessed and proportionate use of the helicopter. The argument is that the money could be used more efficiently.

As I said earlier, collaboration in the north-east raises questions about the kind of collaboration the Home Office should be driving. My sense is that, if we are to close the gap, particularly in protective services—level 2 services—we need faster, better and deeper collaboration, but not at a regional level, following the boundaries of Government offices for the regions. There are plenty of arguments for collaborative agreements between forces that fall slightly outside those regional lines. However, there should be more collaboration, and there is a logical follow-on from that.

In a nutshell, it is not immediately obvious to me that a Home Office Minister should be intervening to decide whether a part of the country should have one helicopter or two. The best answer for the people of the north-west and the three force areas and beyond may be to have two helicopters. I do not know the answer, but my feeling is that accountability for essentially operational decisions on what is the best crime-fighting set of tools—in this case, air support—related to their cost compared with alternatives such as efficiency savings in one part of the budget can be moved across—

Frank Cook: I want to supplement the hon. Gentleman's line of argument. On the Home Office's attitude and the points about intervention, London has police cells that are specially equipped and provided for the detention of terrorists, and Glasgow has similar provision. There is such provision in only one other place in the United Kingdom—on Teesside. Another factor, which I have not raised, is that aerial cover may prove necessary. We are trying to provide for every eventuality in that regard.

Mr. Ruffley: I am grateful to the hon. Gentleman for that interesting point, to which I hope the Minister will respond. It is not one that I have pondered.

This debate is hugely important and illustrates a national question with particular reference to the north-east air support unit, and the hon. Gentleman has done us a great service. On the specific question whether there should be one or two helicopters, I look forward to the Minister's reply. It seems to me that operational decisions should have more to do with local police authorities, however they are configured. My party believes that there should be more than an indirectly elected police authority. We believe that there should be directly elected lay police commissioners who should be able to make judgments on the best mix between what police forces do and whether there should be lead police force for activity X or activity Y. I thank the hon. Gentleman for raising the issue, and look forward to the Minister's comments.

12.12 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): I congratulate my hon. Friend the Member for Stockton, North (Frank Cook) on securing this debate, and on his eloquent exposition of the detailed case for retaining two helicopters in the north-east. As many hon. Members know, he is a strong advocate for policing in Cleveland and was one of the most effective Members in lobbying on the merging of forces. His successful track record lies before him, and perhaps he will be successful on this issue. He asked me whether I could press the forces to change their mind, but I think he has already done that eloquently. I shall come to the Home Office's role, but it is worth going into why aircraft need two pilots, and I shall give a little more detail in addition to what my hon. Friend has said.

[Meg Hillier]

Two EC135 aircraft are based in the north-east, and notice has been given to Cleveland police by the Northumbria and Durham forces that they want to withdraw from that informal consortium arrangement—they do not have a legal agreement—on 31 March next year. One concern that my hon. Friend raised is that at that point the sole remaining aircraft would move from Durham Tees Valley airport to Newcastle airport. He explained clearly the geographical problems that he and his constituents might have with that move.

The reason for withdrawing the aircraft is ostensibly because of changes in Civil Aviation Authority requirements for air transport. I am sure that my hon. Friend appreciates that some of the decisions he talked about are matters for police authorities and forces to determine, so I shall go into the balance of Home Office and police relations.

Police helicopter operations in the United Kingdom have been useful and important in key operational policing. My hon. Friend referred to the work on targeting particular criminal activity and to the important issue of cannabis farms. My right hon. Friend the Home Secretary made a statement about cannabis to the House on 7 May. It is a top priority for the Home Office to tackle not just cannabis use, but its supply. As my hon. Friend rightly said, airborne policing is important in identifying cannabis farms and tackling them. The matter has been raised on the Floor of the House. Perhaps we shall see some change in practice, but let us hope not.

As my hon. Friend said, the resource is well used in Cleveland and is important, but it is worth explaining the background. Following a number of helicopter accidents involving controlled flight at night, the Civil Aviation Authority amended the air navigation order to increase compliancy requirements for public transport at night. It stipulated that to fly at night the aircraft had to have two pilots with appropriate instruments, or be fitted with a functioning autopilot providing at least height and heading hold to keep it in a particular position.

Due to the composition of the police fleet, and the nature of its task and training, that was a big challenge for the police to meet within the right time, so an exemption was granted so that they could continue to operate under the old rules. However, in 2006 events caught up with them and the Civil Aviation Authority, in consultation with the Home Office because of the implications for the police, decided to remove the exemption and to bring aircraft owned and run by the police into line with other public transport operations. The target date for compliance is significant—31 March 2010, about a year after the proposed withdrawal of the aircraft in the north-east.

The Civil Aviation Authority informed all police forces of the intention to amend the air navigation order. Currently, police aircraft covering 16 forces are affected. Two aircraft, shared by five forces, have already been replaced with compliant types and five of the remaining six are in the course of changing. The one remaining aircraft where there is a difficulty is the one operated by the north-east consortium, which my hon. Friend has identified and which is the subject of this debate.

It is important that standards are harmonised for police helicopters so that the same equipment and crew requirements apply as to other public transport. I do not believe that any hon. Member in the Chamber would gainsay the positive benefits in improving safety. However, we are seeing unintended consequences of that in the north-east. Of the other police helicopter operators likely to be affected by the legislative change, about three quarters are already compliant with the equipment requirement.

I want to draw my hon. Friend's attention to the existence of a national strategy underpinning police air operations, which dates back to January 1993. I first became aware of the issue when I was alerted to a discussion about whether the Home Office would fund the new aircraft or changes to aircraft needed as a result of the change. I spoke to my right hon. Friend the Minister for Security, Counter-Terrorism, Crime and Policing about how the Home Office works with forces to procure and provide aircraft.

Perhaps I should explain on the record that the Government allocate specific capital funding of £5 million a year to support aviation. Under the 1993 strategy, the Home Office contributes 40 per cent. and the police authority contributes 60 per cent. That strategy was developed by the Association of Chief Police Officers, the Home Office and the then Association of County Councils.

As hon. Members have rightly said, since 1993 there have been significant changes in policing and air operations. They included the need to provide value for money without the loss of operational performance, the need for a clear link between expenditure and performance delivery—we would all no doubt agree with that—and the change in capability as a result of the air navigation order that I have outlined.

The strategy has served us well, but it has been in place for 14 years. If we compare 1993 with now, at that time only 16 forces nationally had any form of air support. Today, 39 forces—we have 43, of course, in England and Wales—have direct access to aircraft, and 34 helicopters and 4 fixed-wing planes are available to the police nationally. The initial process to update the strategy began in 2003 but lost impetus and stalled because of the proposals to merge certain police forces in 2006. It is clear that there is a real variance in the way air support is delivered locally and regionally. Across air support units and consortiums there are widely differing performance indicators and approaches, including in relation to operating hours, system capabilities and supply agreements. That is one of the issues with which I have been involved as one of the Ministers responsible for procurement in the Home Office.

In the Home Office, we believe that such variance leads to a piecemeal approach that does not take into account the necessary economies of scale or provide the best service. There is no clear structure for the current organisation of police air support units. They are primarily based on individual forces, and as we have heard eloquently from all hon. Members, air support for just one force may miss the point about how it can be used because the types of crime that can be tackled do not respect bureaucratic borders. Such a method of organising air cover is clearly not the most efficient.

The Association of Chief Police Officers, in the form of the ACPO air operations working group, is, therefore, undertaking a fundamental review of police air operations in England and Wales. The group is working with the National Policing Improvement Agency and the police service to provide a better framework for the consistent

development and procurement of police air support over the next 10 years and to provide greater air capability to enhance the protective services across England and Wales that my hon. Friend outlined. As part of the review, ACPO will establish what the forces and the public need air support to deliver and what the policing priorities are. The recommendations will flow from that.

Returning to the Teesside question, the decision to change how air support is delivered in the north-east is made by the local police authorities and the forces concerned; it is not the role of the Home Office to direct operational priorities. However, hon. Members have raised the issue of police funding and the hon. Member for Dunfermline and West Fife (Willie Rennie) suggested that funding is tight for the police. It is worth reminding hon. Members that in the last settlement—this year's settlement—we set floors for grants so no authorities lost out. The Government have invested a great deal of money in policing during the past 10 years. In fact, in the settlement last year, for 2010-11, there was 2.7 per cent. over the 2009-10 settlement, which is £9.7 billion. It is not in any respect fair to say that the Government have not put money into the police. The Government grant for the police will have increased by more than 60 per cent.—more than £3.7 billion—between 1997-98 and 2010-11.

On helicopters and air cover, the Civil Aviation Authority, which is in contact with my right hon. Friend the Secretary of State for Transport, recognises that there needs to be a degree of flexibility regarding achieving compliance with the air navigation order. My hon. Friend the Member for Stockton, North might be interested to know that I am advised that it would be prepared to consider individual representations for short-term alleviations to allow new equipment to be procured. Under the timetable for the procurement of helicopters, it takes about 18 months from procurement to delivery to provide a new helicopter. Fully worked-up bids for the next round of Home Office funding of £5 million in total for the England and Wales pot need to be in by December this year.

Frank Cook: Can I ask the Minister to repeat the last 30 seconds of what she has just said in a loud voice that can be heard throughout the country and will carry as far as Northumbria?

Meg Hillier: Happily, we have the excellent services of the *Hansard* reporters whose skills, together with those of my hon. Friend, who is a champion for Teesside, and of our friends in the press—honourable or not—will no doubt ensure that this will be heard.

As I said, fully worked-up bids for the £5 million pot of money need to be in by December this year. That allocation will be made available in April next year. The changes in the air navigation rules mean that much of the money available in the budget so far is already tied up with other affected forces. However, the Home Office is prepared to look flexibly at the issue of the one remaining helicopter—although I make no firm promises. Clearly, there must be a worked-up bid and it must be operationally achievable. Cleveland police must be prepared to pay their share into the pot, too.

I have mentioned that the operational requirements of the police are dominant. However, the national strategy for air cover recommends that target attendance time is 15 minutes for major urban areas. Clearly, there are differences in target times, but if my hon. Friend would like me to send him more detail about that part of the strategy or on the strategy as a whole, I am happy to do so.

On the brass tacks of funding, I have mentioned the £5 million pot available. A new aircraft at today's prices would be about £4.6 million, which is the top figure—although perhaps my hon. Friend has a chief constable who is a good negotiator. Trading in the aircraft—if my hon. Friend's suggestion of selling a helicopter and buying one was taken up by his chief constable—would net around £1 million. I am not a second-hand car or helicopter sales person so I rely on other expertise in that matter, but that is the ballpark figure. If there was a total 40 per cent. capital grant, £1.4 million would be available from the Home Office. If it was funded at that figure or anything up to that, it would leave at the minimum a remainder of £2.2 million to be split three ways if the aircraft was bought by the consortium or funded by Cleveland police, if they were to go it alone.

Earlier, I said that it would take 18 months to deliver an aircraft. I should correct that figure as it can take between 18 and 24 months, and up to two years in some cases. That is why the flexibility of the Department for Transport and the Civil Aviation Authority is important.

I shall briefly mention the issue raised by the hon. Member for Dunfermline and West Fife about merging forces. I wish to make it clear that merging forces is off the agenda at the moment. However, Sir Ronnie Flanagan's independent review of policing, which was published only in February, recommended that if forces wanted to join together voluntarily, the Home Office should assist them to do so. It is a matter of a bottom-up, rather than a top-down approach. That is the current position.

The hon. Gentleman also talked about charitable funding. The police use only one helicopter that has any form of charitable funding and that is in Wiltshire and Sussex. That is because the Wiltshire and Sussex police helicopter is also the air ambulance, so it is a combined facility. I want to make it clear that there is no routine charitable funding of police helicopters.

The hon. Member for Bury St. Edmunds (Mr. Ruffley) rightly mentioned the balance between local and central Government decision making. I have made the Government's position clear on that. It is important to let chief constables and police authorities make the appropriate operational decisions. Clearly, the Home Office has an overarching role, particularly through the National Policing Improvement Agency, which has just been set up. The agency is an important body and will ensure that the 43 forces do not take a too divergent an approach to operational delivery. I agree—I am happy when we can agree across the Chamber—that every pound of public money saved is a pound that can be spent elsewhere. Clearly, efficiencies are important because they allow for further investment in the Home Office's important top priority of tackling crime.

Thank you, Mr. Cummings, for chairing the debate. I hope that I have reassured my hon. Friend the Member for Stockton, North that there may be some leeway. Clearly, it is not a matter for the Home Office to direct, but I am sure that with the information he has obtained and his passion for the issue, he may be able to have a useful conversation with his chief constable.

Worker Registration Scheme

12.29 pm

Stephen Pound (Ealing, North) (Lab): It is an honour and a pleasure to appear under your aegis, Mr. Cummings. For the record, I am not opposing the abolition of the worker registration scheme; I am seeking to advance its abolition—indeed, if it were up to me, I would take it out into the street and kick it to death now. I hope to make the case for why I propose that course of action.

I am delighted and considerably honoured that my hon. Friend the Minister will speak for the Government on this matter. It is important to place a couple of points on the record. First, very few Ministers in the history of this Government, let alone this place, have had a better record on combining the need for accurate statistical data and the strength and security of our borders with the human rights and civil rights for which he has become so well known. I pay a warm tribute to him.

Secondly, we are, I accept, in an area that is intentionally contentious. Emigration to this country is an issue that is constantly misrepresented, which leads to an absence or the opposite of social cohesion in many ways. It is crucial to have accurate data when we talk about people working in this country. Wrong statistics can be interpreted in whichever way they will by people of ill will, and I fear that the worker registration scheme is grist to that mill.

Many if not all hon. Members will know the basis of the worker registration scheme, which was initiated on 1 May 2004. The idea was to facilitate the then accession 8 countries—Slovenia, Slovakia, Poland, Lithuania, Latvia, Hungary, Estonia and the Czech Republic—giving them immediate access to the UK labour market. That decision by the UK Government, along with the Governments of Ireland and Sweden, has turned out to be immensely beneficial to this country.

It is mandatory to register if a person wishes to work for an employer in the UK for more than one month and they are normally a resident of one of the A8 countries. However, the minute we start to look down into the interstices of this legislation, we discover that exemptions exist, which seem quite dizzying in their breadth. The most important one is that a person does not have to register if they are self-employed. They do not have to register if they have worked legally in the UK for 12 months. They do not have to register if they provide services in the UK on behalf of an employer who is not established in this country.

Things then get rather interesting. A person does not have to register if they have dual citizenship of the UK and another country within the European economic area that I have not listed, or, as is always the case in these matters, Switzerland. They do not have to register if they are a family member of a Swiss—yet again, the exceptionally treated Swiss—or an EEA citizen, excluding of course the A8 countries, and that person is working in the UK. Finally, a person is exempt if they are a family member of—guess what?—a Swiss or an EEA citizen who is living in the UK as a student or as a retired or self-sufficient person.

Employers have a considerable list of obligations, mostly to do with keeping a copy of the application form, receiving and keeping a copy of the valid registration certificate and generally administering the system. Most importantly, registration originally cost a lesser sum but now costs the employee £90. One reason why I am raising this matter is that a number of my constituents have said to me, "What are we getting for the £90?" I have found it very difficult to give them an answer. If Her Majesty's Government were obtaining valid data, if we had a controlled system whereby we were obtaining important information, I would think that the £90 was well spent. However, I cannot see that any of the aims and intentions of the worker registration scheme are met by it in its present form.

Among the flaws is the one that I mentioned relating to self-employed people. They clearly argue that registration is not compulsory, but there is an argument to say that it should be. There is also, bizarrely, no penalty for failing to register. Registration is required if the worker changes employers, but many simply do not register. There is no requirement to de-register from the scheme on leaving the country, so we are dealing with base data all the time. We will never know the accuracy of the data unless we measure the people leaving the register as well as those coming on to it. The £90 fee is certainly a disincentive and will discourage some people on low incomes from registering.

The registration form is complex. Unlike many hon. Members, with their glittering double firsts from Oxford, I left school at 15 and am largely self-educated—and not very effectively, either—but I have studied the four pages of questions and the seven pages of guidelines involved in filling in the form for the worker registration scheme. Fortunately, all the instructions are in English, which is, although some may be surprised to hear it, my first language. If it were not, I would find it immensely difficult to fill in the form.

In addition, the number of emigrants to the UK was considerably larger than originally anticipated, mostly because of the benign economic circumstances in these fortunate islands. As a result, the processing time for the worker registration scheme has been a great deal longer. Between May 2004 and June 2006, 427,000 central Europeans registered to work. It is reasonable to assume that that figure is more like 600,000 once self-employed workers are included.

I am not a voice crying in the wilderness, either in English or in Polish. The TUC wants to see the immediate end of the worker registration scheme. The union formerly known as the Transport and General Workers Union wants to see the end of it. Even Mark Boleat, the chairman of the Association of Labour Providers, said in a recent statement—in rather stronger language than someone as supportive of the Government as I am would ever use—that the Government may be "deceiving" migrant workers from the European Union into paying £90 to register under the accession states worker registration scheme, because they get virtually nothing for it.

We know that the worker registration scheme will end in the spring of next year anyway, so it could be asked why I am seeking to advance its abolition. We should have a proper system of registration in this country. I personally think that identity cards are an excellent idea and I like the work that the Minister has done on electronic borders and border control, but this scheme is cumbersome, bureaucratic, inefficient and, above all, dangerous, in that it provides data that are open to misinterpretation.

I, or rather my office, delved deep into the subject and we are grateful for the Institute for Public Policy Research statement published in April 2008, "Floodgates or turnstiles". We have the very useful Department for Work and Pensions report authored by Gilpin, Henty and others entitled "The impact of free movement of workers from Central and Eastern Europe on the UK labour market". We have the Library brief. We have a range of documents. The one thing they have in common is that we can draw a different conclusion from every single one of them.

My personal concern and interest, as I mentioned, is as a Member of Parliament for the glorious London borough of Ealing and for the Polish community in particular. Ealing is an area that, for excellent reasons, has had a very long, amiable and cordial relationship with the Polish. I am referring to the relationship with, originally, the Polish combatants who came to fight with us between 1939 and 1945, particularly at RAF Northolt, and the Polish people who have put down deep roots in our part of west London. In fact, the Polish community form the bulk of the A8 nationals who have come to this country in large numbers since 2004. I would say that most of them see themselves, as anybody with access to an atlas or a globe could confirm, as central Europeans, not, as they are frequently referred to, eastern Europeans, and as EU citizens or EU workers with their families moving within the EU, rather than migrants.

If you looked at the data available, Mr. Cummings, perhaps you would ask yourself the same question I did. Would astrology, bibliomancy, necromancy or peering into the entrails of sacrificed beasts provide a more valid source of data than the worker registration scheme? I think it probably would, because the WRS has the imprimatur of legitimacy but the end-product is virtually irrelevant.

The data that we use on the people working in this country come from four major sources. The labour force survey and the international passenger survey—two of the sources frequently prayed in aid—are flawed because they are based on random samples, not on solid total figures. Although the labour force survey gives an interesting sociological glimpse of possible trends in the Polish community in Britain, it is not a valid source of data for the number of people working here. The international passenger survey is useless as it fails to record anything except arrivals through the major London airports and the Channel tunnel. It takes no account of arrivals and departures from provincial airports, and as I said it allows a skewed picture of immigration to provide ammunition for political parties of ill will.

The third source, the worker registration scheme, was seen as a useful tool for the Government, who were seen to have acted sensibly and responsibly in the face of a large influx of new workers, estimated to be about 13,000 a year. It was thought that it would be useful also for new arrivals; it was argued that it would help them to acclimatise to a regulated work force, and enable them to regulate their employment as an official part of our work force.

According to the WRS statistics administered by the Home Office, 327,538 Poles registered for work between May 2004 and December 2006. The number has decreased since then. In 2007, it was 150,000, with 38,000 in the last quarter. Those statistics were seized upon by *The Times*, which noted an apparent drop in the number and declared that Pavel the plumber was heading back to Wroclaw and that the Poles were leaving. At the time, I received a letter from a constituent complaining, "One cannot get a Polish plumber nowadays," and asking, "What are the Government doing about it?".

In reality, statistics based on the WRS do not provide the answer. The scheme is expensive and bureaucratic, and it has never covered the thousands of Poles who declared themselves to be self-employed. Few Poles bothered to record changes in employment after one year. When newly arrived or formerly self-employed Poles sought to register later, Home Office advice was that it was no longer a requirement. It was subsequently discovered that not registering made people ineligible for all benefits except child benefit.

Regional statistics based on the WRS are extraordinarily unreliable. I have a WRS list of every council area in the United Kingdom that shows the number of people registered. Camden and Westminster are shown as the London boroughs with the highest population of Poles, when evidence to which I shall refer in a moment shows that the largest concentrations in London were demonstrably in Ealing, Brent and Haringey.

The fourth statistical source—the national insurance registration figures—is the one that I recommend to my hon. Friend the Minister. I consider them the most reliable source of information not only on Poles but on all workers covered by the worker registration scheme, although imperfections remain. National insurance figures are more trustworthy because they correlate with other important local statistics, such as the number of children speaking Polish, the number of Polish births and the number of Polish citizens on the electoral register.

I pay tribute to Victor Moszczynski of the Federation of Poles in Great Britain for the work that he has done over the past couple of years in listing every person on the electoral register who can be identified by a Polish surname. I shall refer to that again in a moment. I realise that Polish names like Miller may not obviously be Polish, but if the first name is Stanislav or Piotr one can make a fairly good guess that the person is Polish. I give credit to Victor Moszczynski: I also thank Her Excellency Barbara Tuge-Erecinska, the Polish ambassador, for the work that she and the embassy have done.

Between 2001 and 2006, 333,000 Poles registered for national insurance. In 2006-07, a further 223,000 were registered, making a total of 556,000. The figure for last year shows an increase in registration, not a decrease. In other words, it is completely contra-indicative to the WRS information. That might confuse *The Times*, if no one else.

It is generally accepted that more Poles have not registered for work but are working none the less, although many are seasonal workers. I mentioned the work undertaken by the embassy. It has good reason for knowing that 600,000 or more Poles come here during the summer, and it can correlate that with data from within the Republic of Poland. The situation is slightly confused, however, in that the 2001 census shows that 57,000 are recorded as being of Polish origin, but that could go back four or five generations, with 100,000 or so being from inter-generational groups. Nevertheless, they would still be Polish.

[Stephen Pound]

The work done by Victor Moszczynski and the Federation of Poles lists every constituency in the United Kingdom in which more than 1,000 new Polish names were entered on the electoral register last year. The list starts with Ealing, Acton and Shepherd's Bush. It continues with Bedford; Birmingham, Ladywood; Birmingham, Perry Bar; Boston and Skegness; Brent, East; Brent, South; Brentford and Isleworth; Crewe and Nantwich; Doncaster, Central; Hackney, North and Stoke Newington; Hornsey and Wood Green; Leeds, Central; Leicester, West; Mitcham and Morden; Northampton, South; Nottingham, East; Oxford, East; Peterborough; Salford; Ealing, Southall; Southampton, Test; Streatham; Walthamstow; West Ham; Aberdeen, North; Edinburgh, East; Glasgow, Central; and Inverness, Nairn, Badenoch and Strathspey. Five constituencies recorded more than 2,000 new Poles registered for national insurance in the current electoral register as against last year's. They were Edinburgh, North and Leith; Tottenham; Slough; Luton, South; and Ealing, North. And a few hours ago, when leaving Belfast, I saw evidence of the 8,900 Poles who registered in Northern Ireland last year.

The Department for Work and Pensions has provided some important and useful data. It says that one third of the Poles who came here before 2006 are employed in administration, business and management. It also says that 22 per cent. work in hospitality and catering, 10 per cent. in agriculture, 8 per cent. in manufacturing, 6 per cent. in the health service, 5 per cent. in food processing, just under 5 per cent. in the retail trade and the same again in the construction industry.

We therefore have a great deal more than the stereotypical Polish plumber or builder. It could be said that our fresh food production has been saved by central European migration. The movement of people, particularly Poles, Lithuanians and Latvians, to places in Scotland and the rural areas of Wales and Lincolnshire has been the saviour of rural fresh food production.

It may not be the most accurate statistic, although I can understand why people might have said so, but when the Institute of Directors surveyed 500 employers, 61 per cent. said that they hire Poles because of their superior skills; only 16 per cent. said it was because they were cheaper.

There are also some extraordinary statistics about the value added by Poles. According to the National Bank of Poland, each year about £4 billion is sent by Polish workers in the UK to their families at home. However, according to the National Institute of Economic and Social Research, the Polish work force contributed £12 billion to the British economy between 2004 and 2006. A great deal of work has been done by Piotr Grzeszkiewicz, the director of Sara-Int, the recruitment agency. He concludes that about £1.9 billion a year is contributed to the British Exchequer by the Polish diaspora.

Changes in the exchange rate, from 7.2 zloty to the pound in 2004 to between 4.83 and 4.9 this month, have contributed to a slowing down of immigration—just like the "Auf Wiedersehen, Pet" generation who went to Germany in the 1980s to flee the dark, doomy days of Thatcherite recession, and who, as soon as trade turned in the opposite direction, came back home. Here, we have the pull-effect of a strong and vibrant economy. However, that is being slightly counteracted by the growth in the Polish economy, particularly because of the 2012 UEFA championships. Indeed, the deputy mayor of Gdansk said just before Christmas that he was glad that the Poles were starting to return now; he did not want them all to return at once.

The Minister is a man of good will and I have paid tribute to him before. It is fairly unusual for a humble, insignificant and almost irrelevant Back Bencher to stand up and propose something that will save the Government money and may make life a little easier for all of us, but that is what I am doing. By bringing forward the abolition of the WRS, which will happen anyway, we will save money, and by moving to a national insurance based register or even by building on the work of organisations such as the Federation of Poles in Great Britain, we can come up with a far more accurate picture. Without accurate data, prejudice will flourish in the darkness, which no one wants.

I have every confidence that the Minister will resolve the matter one way or the other, but I want to place on the record my appreciation of the work done by the Polish community in this country. I hope that we can develop a valid set of statistics and some valid, solid data that will meet Britain's need to secure its borders. I hope that we recognise the need for accuracy in the data on those who work in our nation.

12.50 pm

The Minister for Borders and Immigration (Mr. Liam Byrne): I congratulate my hon. Friend the Member for Ealing, North (Stephen Pound) on securing this important debate. I should first like to take a brief detour through his virtues. He has raised the issue in the House this afternoon, but he has also lobbied me consistently in the past few months. I do not believe that the House of Commons has as doughty a defender, as strong an advocate or as keen an analyst of the contribution made to this country by the Polish community. He woke up extremely early this morning to participate in the debate this afternoon, which is an expression of his commitment to putting those arguments forward.

I have a couple of points to make in response to my hon. Friend's remarks. It is typical of his style that he has made a very early strike on the rethinking of the policy. As he knows, the Government said that we would review the policy towards the end of the year, yet even though it is only May he has laid out an alternative approach for us to consider. His words will weigh all the more heavily with me for the fact that he got them in first, as it were.

I echo my hon. Friend's celebration of the contribution made to our country and economy by A8 nationals. As he said, A8-born nationals in the UK have an employment rate among the highest of any immigrant group in Britain. They are more likely to be in employment and they make a tremendous contribution in some vital sectors of our economy, including administration, business and management, hospitality and catering, and agriculture. They also make a significant contribution to the provision of public services throughout Britain. When we look at the available figures and information for 2004 to 2006, we see that about 84 per cent. of people from A8 countries say that they came to the UK for work-related reasons or that they were coming to look for work. That is an extraordinarily high proportion. My hon. Friend

quoted some figures, and his constituency has among the highest numbers of new national insurance number registrations issued to people from A8 countries. He speaks with a great deal of personal experience, as well as wisdom, because he sees at first hand in his constituency the contribution made by A8 nationals.

There is an enormous amount of nonsense in the debate, to which my hon. Friend alluded in rather polite language. Sometimes one hears arguments such as, "Migrants are coming over, taking jobs, driving down wages and consuming more in public services than they pay in taxes." Overwhelmingly, such arguments are complete nonsense. On the contrary, the migration of recent years, particularly from eastern Europe, has profited our economy and the Exchequer. Indeed, the Treasury estimates that new migration added about £6 billion to our national output in 2006, which is worth having. Migrants add to our national wealth because they complement the skills of resident workers and therefore help to make the economy more productive, which is important because in the long term, there is pretty much a one-to-one relationship between increased productivity and increased wage growth.

When we look at Britain's economic performance in the past 10 years, we see that productivity, wages and wage growth have gone up. That triple is rare—I do not think that we have seen it in any period since records began in the 1970s. Migration has been central to that economic performance. On top of that, migrants contribute about 10 per cent. of the taxes received by Government, but have consumed only 9.1 per cent. of Government spending. That is based on what is probably the best study of the issue, which was published some time around 2003-04. My hon. Friend was right to say that there is great deal of rubbish talked in the debate and it is important that we nail it when it rears its ugly head.

My hon. Friend asked whether it makes sense to continue with the worker registration scheme. Of course, it was a transitional measure put in place by the Government a few years ago to regulate A8 nationals' access to the labour market. In essence, it requires A8 nationals to be registered for 12 months' continuous employment. It helps to regulate access to the market but, importantly, it helps us to see clearly whether somebody has been working long enough to become eligible in due course for in-work support and benefits provided by Government. Ensuring that those safeguards are in place is an important part of building public confidence in our immigration system. There are exceptions, as my hon. Friend said, which are generally created by EU legislation, some of which, I fear, may be imperfect, but they are none the less in place. However, we felt that it made most sense to use the available controls.

The restrictions need to be reviewed—indeed, there are rules on when they should be lifted. Under the accession treaty, the second phase of transitional controls, which is what we have in place, must end five years from the date of accession. The Government are allowed to continue to use those controls, but any case that we make to the European Commission for retaining them must be based on guarding against any serious disturbance to our labour market or threat thereof. We have not yet begun to study that. If we could prove that there is a risk, we would be allowed to keep restrictions for another two years—in other words, until 30 April 2011. We need to get stuck into that work in the latter half of this year.

We will have one eye on the behaviour of other EU states, only five of which maintain tougher restrictions than the UK on A8 workers. The lifting of those restrictions would have an impact on where people from A8 countries, particularly from Poland, chose to go. If Germany lifted its restrictions, it would doubtless be an attractive place for many people from Poland to go and work.

The truth is that we can already see dramatically changing patterns of A8 and Polish migration. We will publish next week the new WRS statistics, which I suspect will show a slower rate of movement to the UK from Poland.

My hon. Friend made a number of important points this afternoon. I was particularly interested by his idea of a national insurance based system as an alternative means of achieving the Government's objectives, which, alongside our plans for the introduction of new electronic border controls, would give with far better accuracy a sense of who is coming in and leaving. Alongside our plans for identity cards for foreign nationals, which will come in later this year, there are a number of different moving parts that we must put together to achieve our objectives. As we go about that analysis, I shall pay close attention to what my hon. Friend said this afternoon.

Eaga Warm Front Scheme (West Dorset)

1 pm

Mr. Oliver Letwin (West Dorset) (Con): As the Minister will be aware from my participation in previous debates and from the letters that his Department and I have exchanged, I have been rabbiting on about this subject for some while.

The Minister for the Environment (Mr. Phil Woolas): Six months.

Mr. Letwin: It was indeed about six months ago that I first thought that it worth raising the issue in public, rather than merely dealing with my constituents' complaints.

As the Minister will clearly remember, the origins of the debate lie in a series of complaints that I received from constituents about the service they received under the Warm Front scheme over which Eaga presides. He will also recall that some other hon. Members, including several Labour Members, raised similar points in a recent debate, and they continue to pursue the issue.

Mr. Woolas: I welcome the right hon. Gentleman's efforts. He is doing a good job on behalf of his constituents, and his criticisms have sharpened up both me and my Department.

Mr. Letwin: That is very generous of the Minister. He and I have had long discussions in Committee on various matters, and I am conscious of his general disposition to be generous. I am grateful for his comments.

As a result of appearances on various obscure radio and TV programmes, I received considerable correspondence from people outside West Dorset. At one stage, I had thought of troubling hon. Members with a retelling of the various things that I had heard, but I decided on reflection that it would not be a productive line of action. Instead, I shall describe the conclusions that I have reached following conversations with various experts, people who have been involved with Warm Front over the years, constituents and others who have corresponded with me. Those conclusions relate to the possible character of the problem and how we might test that it is indeed the character of the problem in an effort to arrive at a constructive medium and long-term solution.

Let me start with the issues that have arisen, with which the Minister will be entirely familiar. First, there is the question of the prices that people pay—partly themselves and partly with the assistance of the taxpayer—for the equipment and for its installation in their homes. Are those prices in line with the best prices available in the market? The second issue is the speed of responsiveness and the degree to which the customer—typically an elderly person in need of better heating and insulation—receives what they need when they use the Warm Front process.

Finally, alongside the question of price and speed, there is the question of responsiveness. As many of us have being saying for some while, we live in a post-bureaucratic age. As a result of the net, open networks in general and the changing conception of people's relationship with public services, people increasingly feel that they are, or at least should be, in control of their own lives to a much greater degree. Part of the frustration that I sense among many of those who have written to me from West Dorset and elsewhere arises from the fact that the scheme seems to put the customer in the position of a supplicant. The customer is offered something, but feels from then on that they are in the position of a dependant who has been lucky to receive something from on high, even though they have relatively little control over what they receive or how and when they receive it. Alongside the questions of pricing and the speed of responsiveness, therefore, there is the question of the degree to which the customer feels empowered or, rather, disempowered.

Let me deal first with the question of price. In West Dorset, I have tried to identify the truth behind the considerable allegations about the difference between the gross price for an installation under the Warm Front scheme, which includes the customer's contribution and the grant, and the lowest price available locally for doing the same work. I received assistance from Eaga—I am grateful to it for its considerable co-operation—in the form of a confidential account of its labour rates for specified jobs. I then wrote to all the contractors whom I could identify in West Dorset to ask them precisely what they would quote for the same jobs. I did not reveal the Eaga amount to them and I promised that I would not reveal to Eaga or anybody else the amounts that they quoted. I sit in the middle as an opaque recipient of pieces of information and I do not reveal to either side what the other side's answers are.

Unfortunately, I must admit that few of the local contractors have replied and I am trying to investigate why not. In general, my constituents are not shy about writing to me. I receive about 15,000 letters a year, so I doubt that there is a lack of postal inclination on the part of those of my constituents who are contractors. They might not have been sure that I would indeed observe their confidence—I hope that is not the case, but it might be. They might not have wanted to spend their time engaging in a theoretical exercise that had no effect on their business, when they were busy trying to get on with it—quite a likely explanation, given that many of those contractors are one-man or one-woman operations. Indeed, one or two contractors have rung me up to say that is the case and that they do not really know how to quote for a job until they have seen it. In any case, they said that they do not much like quoting, that they preferred getting on with the business and that they were very sorry, but they did not want to spend their time answering my questions. In other cases, people might have been reluctant, for one reason or another, to divulge precisely what their prices were, even to me. I do not know what the explanation is, but in any event I have had only a small selection of responses. As of yesterday, I had received four; by this morning, I had received five. That is not a large sample.

Nevertheless, as far as I can make out, the five quotes are below the Eaga price for the same work, which I had not disclosed—one is slightly lower, three are rather further below it and one is considerably below it. Of course, I have no means of telling whether the work would be of a better or worse quality. Eaga and those defending it have maintained that the Warm Front scheme delivers superb quality on the whole, and it is true that the scheme is inspected. On the other hand, critics have written to me in considerable abundance to

assert that the materials used are often substandard and do not last long, and that some of the work is not good. I do not know the quality of the work of the contractors who have written to me, because none of them happens to have installed any central heating for me, and I do not know any of their customers and I have not managed to conduct a customer survey.

I cannot, therefore, offer a view of the comparative quality of the work involved. However, if the quality is similar, I can at least assert that such relatively slight evidence as I have been able to accumulate so far suggests that some of the prices available in the market for the same work are a little or considerably lower than the Eaga price. Interestingly, I have also observed—the Minister and his officials will be well aware of this feature of the market, but I had not understood it—that there is a wide discrepancy between the quotes that one receives from different local contractors for a precisely defined job. That points to an interesting feature of the market, to which I shall return.

In light of that information, I have a suggestion about how we might proceed if the Minister is willing to do so, although I accept that it is not something that he will be able to do overnight. Perhaps the Government could achieve the same or better results as with the current scheme, with the same or lower expenditure, while making the system more responsive to customers and giving them a sense of being empowered—at least more so than now. My proposal relates to West Dorset, but it would be possible to do what I suggest in another part of the country. I would be delighted, on the part of the people of West Dorset, to host it there, but if the Minister wanted to try different areas, that would be almost as good.

My proposal relates to what happens with a wide range of similar grants that are provided through the Department for Environment, Food and Rural Affairs and other Ministries. Examples include grants for the installation of low-carbon energy equipment and for heritage tiling on roofs. Such improvements to houses are subsidised by the Government in one way or another. In almost all such cases, instead of a large superstructure of national tendering and a company that both organises the tenders and has a subsidiary that wins a lot of the tenders, or is exempt from the tenders and carries out the action and then further subcontracts to others, the norm is for the customer to apply to a Department, or someone who acts on behalf of a Department, and to be given a voucher or cheque that enables them to do whatever they are trying to do.

Such systems empower customers, as they can choose what they want to do, and the speed of response within such systems relies on how long it takes to get through the paperwork and send the cheque. Of course, that is also a feature of the current scheme; the paperwork will be there one way or the other. With such systems, there is no need for the superstructure of national tendering and the many rules that I am told by Eaga and others have to be applied. In the superstructure system, a vast part of the marketplace is excluded because many contractors and subcontractors do not fit the specifications of the tendering regime that Eaga is compelled to observe. All that is swept away if the customers simply receive vouchers or cheques and choose the equipment from whom ever they can get it cheapest and most quickly. Under such an arrangement, suppliers would have to be certified in some way—perhaps the CORGI—the Council for Registered Gas Installers—scheme could provide certification. We could discuss the appropriate form of certification, but beyond that there would no need to worry.

Such a scheme would trade on the wide discrepancies in the marketplace between the prices quoted by different contractors for the same job. I have identified discrepancies through my amateur work, and all the experts assure me that it is a general feature of the marketplace. The scheme would reveal to customers what the quotes were, as they would ask local contractors for quotes—presumably, most customers would ask for two or three. Contractors would have to be certified, but, other than that, customers would simply be looking for the nearest and cheapest providers. I suspect that there would be a vigorous market, as there is in non-subsidised installations. I do not know whether the quality of work would be as good as it is now or better, or whether the price would be as low as it is now or lower. I do not know whether the speed would be as great or greater, or whether people would be happy to be empowered in that way, but those are empirical questions that are subject to empirical methods of verification.

The Minister could launch a small pilot scheme in West Dorset, or some other area or areas. The same scheme could be run, but the block of spending that is to be devoted to the scheme in that area for the following year, or the year after, could be used to run a voucher scheme. After about a year, it would be possible to come up with an extremely robust analysis, because we would know all the people who had been involved. It could be a condition of the scheme that the Department could send in inspectors to find out whether the quality was as good as, or better than, the quality of Eaga installations, which is already being measured. We could find out whether there were any complaints and what the pricing was. We would then know the answers, and could stop having debates on this issue.

My hunch is that under such a scheme, prices would be lower, speeds faster and customers as satisfied. Furthermore, inspections would show that the materials used were as long lasting or better than those used by Eaga. Presumably, if my hunch were right, the Minister—or his successor when he moves to greater things, as I confidently expect that he will, despite the current problems with the Government—would opt for the Letwin scheme. If, on the contrary, the prices were higher, the quality was lower and the system was slower, no great damage would have been done, because West Dorset, which is already suffering from some problems, as I can testify, would simply have been through a period in which the scheme had not been improved or had been made slightly worse, but not for long and not for many people. In such circumstances, the Minister or his successor would revert to the current arrangements.

In short, a small-scale pilot would provide us with real evidence as to whether those of us who think that there is real room for improvement are right, or whether we are dreaming and should stick with the current arrangements. I hope that I can induce the Minister to consider that possibility, although I do not naively anticipate that he will do so now, or firmly. I hope that he will run a pilot, so that we can find out the truth of the matter.

1.17 pm

The Minister for the Environment (Mr. Phil Woolas): I offer the right hon. Member for West Dorset (Mr. Letwin) the traditional congratulations on securing the debate, and I wish to re-emphasise the point that I made earlier in my intervention. The debate shows two things. First, it shows the value of having constituency Members of Parliament as policy makers, because the right hon. Gentleman has drawn from his constituency experiences and not just from policy theories. Secondly, it shows that he is one of Parliament's leading thinkers, although he is not in my party. The combination of those two factors has brought about a sharp scrutiny of the Eaga scheme and the Government's policy on it. If nothing else, I can assure him that his work and that of other hon. Members has prompted much activity and thought within the Department and across the Government about whether the scheme should be changed.

I am grateful to the right hon. Gentleman for acknowledging the value of the scheme. None of us is debating whether we should have the scheme at all. The scheme is aimed primarily at addressing fuel poverty, which has increased in recent months because fuel prices have gone up. It is also a major fuel efficiency scheme. It is a paradox of the scheme that eligibility is assessed in relation to householders, but that retrofitting is by the house. At some point, we will have done our job and completed the task, notwithstanding the lifetime of boilers and heating systems.

The right hon. Gentleman's remarks have prompted a review of not only the way in which the scheme works, as discussed in my meetings with Eaga, but of where it fits into energy efficiency schemes—most significantly, the carbon emission reduction target scheme. The way in which that obligation on energy suppliers, which has a vulnerable groups category, works provides lessons for this scheme.

Let me put on record a few statistics to back up our support of the scheme. It began in 2000, since when 1,700 households in the right hon. Gentleman's constituency have received either a main heating system, an insulation measure or both. Across the country, 1.7 million people have benefited from Warm Front, and half a million have been assisted in the past two years alone. That is a huge achievement, and we must not lose sight of it. Mr. Cummings, I think that the figures for your constituency are even greater than those for the right hon. Gentleman's and mine.

The challenge is huge. Have we got it right? I am pleased to be able to tell hon. Members that the National Audit Office—off its own bat; I have no influence or powers over it—has announced a study to review whether the scheme offers value for money. Areas of particular focus will include eligibility criteria, grant levels and the performance of Warm Front contractors. The report will be published by Christmas and will back up work that we have done with our own contractors. I welcome the study. By good coincidence, Warm Front's annual report will be launched tomorrow in the Palace of Westminster at 10 am by my colleagues and me. The report will address some of the issues raised by the right hon. Gentleman on this occasion and others.

The issue of price is central to the debate. I refer the right hon. Gentleman to the Adjournment debate held on 3 March 2008 for an outline of Government policy. I reiterate that I understand his concerns. As he knows, there is a cap on how much cash can be contributed to each household, which raises another dilemma of policy choice. By capping the money and asking householders to make contributions, we can help more households across the country, but we also do two things. First, we change the relationship between the customer and the provider. As he says, the customer is then paying for part of the service, which might give rise to a different relationship. Secondly, we provide a different question to the contractor. Rather than being top-down, the scheme introduces an element of consumer choice.

We have considered the right hon. Gentleman's point. There is a decision to be made about the cap: whether there should be one and what it should be. We are also considering the value for money aspects. The Department's independent quality assurors oversaw the price-setting process to ensure that it was competitive and delivered best value to the public. Since then, two independent price reviews have taken place, both of which are on the DEFRA website and discuss Warm Front prices. The assessments are independent. I listened with great interest to the findings of his constituency research. I am minded to do something similar, perhaps. I suspect that the reasons for the non-response are as he outlined; such is the busy world in which people operate.

The assessments made for us show a favourable picture of Warm Front prices. Excess payments made for costs over the cap might change people's attitudes, but the question that matters to me is whether dissatisfaction with Warm Front provision is greater than with provision in the non-Warm Front sector. That is an important question to ask. I do not want to cast any aspersions on the industry as a whole, but we all hear stories, and we try to establish whether they are true. That is the first question.

The second question is the right hon. Gentleman's. Would a different, non-tendering system provide a better result for the customer and, implicitly, the taxpayer? I am grateful to him for not pushing me for a response, and I give him a commitment to consider his suggestion. Perhaps I should throw into the debate the fact that Warm Front already provides for non-eligible pensioner households a £300 voucher towards heating measures, so the idea is already there. I suspect that, because the value is a lot lower than the £2,700 or £4,000 figures, the idea is different, but it is there.

The right hon. Gentleman referred to other schemes as well. I do not want to pick holes in his argument, but any scheme must pass the pragmatic test of whether it works. Would it be advantageous not to have the contracting phase for the scheme? Would Eaga, as the appointed scheme manager, not have to go through an appointment procurement scheme? Would it just rely on CORGI or some other suitable registration scheme? I suspect that CORGI is the one that we would look to. If so, what would be the implications for quality and price, for customer empowerment and for the relationship between the scheme and other partners, such as local authorities?

By a happy coincidence, I was in Easington in the north-east recently, at the invitation of Mr Cummings. I witnessed what is, in my view, one of the strongest schemes in the country. The relationship between the contractor and the contracted other partners brings greater added value to the scheme. I do not know

whether that would be possible under the right hon. Gentleman's idea, but as I said, I have an open mind.

I should like to defend the reputation of Eaga and the Warm Front scheme. To answer a point that has featured in previous debates, although not today's, Eaga has subsidiaries that deliver some parts of the scheme. Proper tendering and procurement processes are of course in place, as well as independent assessment. Eaga, as the scheme deliverer, is paid an administration fee based on the number of houses, so it is not in its financial interest to interfere in the market in any way. I hope that those two assurances will be publicised. I am keen to send a message to Eaga employees and contractors that we think that the scheme is doing a good job. That is not to say that it cannot improve. The right hon. Gentleman has shown us one way forward—a pilot in his area—to which I will of course give due consideration.

The other issue that the right hon. Gentleman has raised in various debates and on BBC programmes relates to timetables. It is okay for me to say that Warm Front is not an emergency service, because it is not, but clearly, as a Member of Parliament, I do not want constituents not to have heat or hot water. That is an appalling situation. If it happened under my local authority, I would be furious, so I need to be furious if it happens under Warm Front as well. We must ensure that timetables are kept to. I have met Eaga to discuss that point, and it has responded positively, but we must build into policy some guarantees and assurances to prevent the sort of thing that happened to the right hon. Gentleman's constituent, whose name has fallen from my memory, I am afraid, although I should not publicise individual cases anyway. We considered the case that he raised with me, not just specifically but as an example of a generality.

We are debating how to improve the scheme. I am pleased to hear that Eaga has responded positively to the right hon. Gentleman's investigations. Other Members echo that, and I have met Eaga representatives and been reassured by their commitments. They have also put to me the other side of the story, which involves the many thousands of grateful consumers who have written to thank them and, through them, the Government and the taxpayer. I am determined to ensure that the scheme is the best that it can possibly be, and I thank the right hon. Gentleman for his positive approach in putting forward his ideas without seeking to score cheap political points. That is not his way of doing things, and he should be commended for it. My obligation in response is to take his ideas seriously.

Business Improvement District (Coventry)

1.30 pm

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): I should like to thank you, Mr. Cummings, and through you, Mr. Speaker, of course, for granting this Adjournment debate on the business improvement district programme under way in Coventry. It is a very important topic to big and small companies in Coventry—particularly to the medium to small ones.

The matter was brought to my attention at a meeting in early March by three small companies operating in the Coventry business park. I was then contacted by the university of Warwick and a company on the Warwick science park, representing many more companies, which brought to my attention similar dissatisfaction. I have been very active locally in expressing their disquiet about the expense that the process has involved them in, and I have let it be known that I intend to probe the Department for Communities and Local Government on the matter—I thank the Minister for attending this debate on behalf of the Department. We have tried to take the matter further and to get answers to a number of questions.

To my knowledge, neither in my office in Coventry, nor down here, have we been contacted by a single company in the whole of Coventry in support of the BID. In their five-year plan, the BID promoters laud themselves for their Herculean efforts to contact everybody who needed to be contacted. It struck me as strange, therefore, that three quite important companies—they might be small, but in the context of a small business park, two of them are certainly quite large—had no knowledge of being contacted, in writing or in person, by the BID company.

Out of interest, I checked at the reception of Eu-Matic—one of those companies—and asked whether anyone remembered seeing a letter to that effect, and was told that they did not. Neither the managing director, the general manager nor the finance officer had any recollection of it. The first that they knew of the matter was when a bill came through the door for £16,000—if you please—which is an awful lot of money. It represents an additional 1.5 per cent. supplementary business rate for a small company that exports about 60 or 70 per cent. of its products, which are, believe it or not, components for the automotive industry.

In this day and age, that is an achievement, given that the UK has become less and less a centre for the manufacture of component parts—we still do quite a lot of assembly—which are increasingly manufactured outside the UK. That company has survived through making huge investment in very good product development and manufacturing technologies, and it has remained competitive when the world is going global and when such metal-based door components are increasingly sourced out to the low-cost economies. Those at that company said that they knew nothing about the new rates; as far as they were concerned, they had not been contacted by the BID promoters. As Members can imagine, therefore, it was a bitter blow to learn about the £16,000 supplementary rates bill from the BID promoters, the idea of which is to ensure that Coventry continues to be seen as the best place from which to do business.

[Mr. Geoffrey Robinson]

I told the chief executive of the BID company that the best thing to do to ensure that Coventry is seen as a good place to do business from is to reduce the business rate, which would be welcomed all round. People would flock to Coventry if the rate was significantly reduced; otherwise, it will become increasingly difficult to sell. However, the BID company claims to have contacted everybody. On 18 March, the chief executive, Mr. Stephen Welch, assured me not only that the three companies with which I had the first meeting—Eu-Matic, McBride and Palmer and Harvey—were contacted in writing, but that they all received an individual visit. That is consonant with the sort of claims that it makes in its five-year plan about the depth and breadth of the consultation.

The companies, however, have no record of such contact—certainly, the managing directors and finance directors of each of the three companies could find no trace of it. I replied to Mr. Welch, "You must have an audit trail. A note must be made of every visit, and it must be dated. You must know who went, whom they saw and for how long." That was some two months ago, but I still have not received anything from him. One begins to wonder, "Where is this paper trail? Where is this evidence? Are they quite sure that they did carry out this consultation to the extent that they claim?"

I turn my attention to another company that came to see me in the second wave. It is based on Warwick science park, which works very closely with the university. Dr. Colin Fink is medical director of the company, which deals with diagnostic medical equipment of the highest technical quality. His calculation of the participation in the vote—I shall leave a copy of this quote with the Minister for him to consider—is that

"2,520 ballot papers were issued. 7 per cent. (177) were returned by the Post Office. So 2,343 were believed delivered and 49 were re-issued. So 2,392 papers were apparently issued. The Council records 833 were returned as 33 per cent. return. (Why such a poor return I wonder?) In fact of the total business properties"—

in Coventry—

"that is 10.85 of the total. The Council reports 54 per cent. were 'in favour'. I estimate that to be 450 'in favour' results. 450/7693 = 5.8 per cent. of the total business properties. The maximum mandate therefore...was 5.8 per cent. of businesses in Coventry."

Even if we calculate that percentage using the restricted level of properties that the BID company, rightly or wrongly, wants to use, it still comes out at only 18 per cent. in favour.

I put it to every Member of Parliament, the Minister, the Department, the BID company and the council that 18 per cent. is no basis on which to proceed with a 1.5 per cent. increase in business rate. One could argue that that is where the BID has set the bar. However, if it wants to push through a 1.5 per cent. increase, the bar for participation must be set a lot higher than 18 per cent. of the businesses eligible to vote.

Other companies that I have met and those speaking alongside the university—they are very much on the ball—make no bones about it: they were contacted and told all about it, and they voted against it. The whole of the university voted against it. Everyone on the science park voted against it. Indeed, not only did they vote against it, but they cannot accept the so-called improvements or additional services being offered by the BID company, because standards have been lowered so much that they would not be allowed to continue to train.

The medical equipment company is being told that it cannot have its full-time receptionist. It has to have a van going around every so often, but it does not know how often. It has to have a single camera replacing its fully fledged, proven, tested and accepted system of individual reception for every item that comes in. Given the business of the company concerned, one imagines that such items would include viruses and other pathological goods.

Those people have contacted me. No one has come forward to support the BID. The whole process leaves a great deal to be desired. One cannot set a bar so low that 5.8 per cent. or even 18 per cent. of those voting, not those eligible to vote, is acceptable. People should not claim that they have carried out an effective and extensive survey or consultation—all those words are in the five-year plan—if only 5.8 per cent., or even 18 per cent, vote in favour, and that is after putting through a real selling document. The process has not been conducted on the basis of what people would like, although the BID company pretends that it has. However, anyone who reads the five-year plan can see that it is a document of pretty slick salesmanship—to put it quite bluntly. I wish in no sense to impugn the integrity of any member of the BID team, the council or any of the organisations involved. However, this is not a consultative document. It is a business plan proposed, as the BID team says, on the basis of deep, intensive consultation with the companies concerned. There is no need for me to belabour the point; we know that participation was minimal and that only a minimum of the majority voted in favour of it.

Anyone who reads the document will find that its advertising is subliminal. It suggests that everyone is madly in favour of the plan. The document claims that circulars and junk mail communications were not used to let people know about the ballot. However, when I tried to find out what was used for the ballot, I found a four-sided document with the details of the ballot tucked away on page three of four. It was written in small print and took up only a quarter of the page, and that is all there was about the ballot.

A proper timetable was laid out. I have the document here. It says, "BID ballot" on about a third of the page. It then says:

"We're supporting Coventry Best For Business...are you?"

On the front page, it says that Jaguar is all up for it. It has the feel of a selling document. I do not want this to be taken further than this Chamber, but it reminded me of the mis-selling of pensions, which had to be cleared up in 1997 by one of our former colleagues, Helen Liddell, who is now high commissioner to Australia. The same sort of technique was used. People were trying to sell something for much more than it was really worth. All that customers were really being sold was puff and smoke.

Mr. Jim Cunningham (Coventry, South) (Lab): My hon. Friend and I often collaborate on a number of issues that affect people in Coventry. One of the things that worries me is the fact that we are trying to reduce the amount of so-called red tape on small businesses. About 20 years ago, when we had the big recession in Coventry, there were lots of efforts to establish the business parks, which is the background to our concerns.

This plan may have good intentions, but it could quite easily deter investment from coming into Coventry given the present economic climate. Those matters should be considered when we look at the levies mentioned. I can remember the justification for stopping local authorities levelling a business rate. The argument was that the rate was about 3 per cent. of the overheads. In fact, it was about 1.5 per cent, and here is an increase of 1.5 per cent. Therefore, without impinging on the integrity of the company, the plan alarms me. Given the economic situation, the matter must be taken very seriously.

Mr. Robinson: As my hon. Friend has said, we have worked closely on many such issues, and I am very pleased that he has come today and contributed to the debate. Some of the companies are in my hon. Friend's constituency. This is not a constituency issue; it is a Coventry-wide issue, and he has lent his full support to it. A 1.5 per cent. increase on the business rate is huge, especially as everything else is going up. What a time to do it!

Time is marching on, and I must give the Minister some time to reply. I think that the real reason for the increase is that the city and its organisations, such as the chambers of commerce and CV One, are losing Business Link funding. They are losing funding from the European regional development fund and from a number of other sources. They want to keep themselves going. The chamber of commerce may even be losing the support of its members and needs new funds. The city and its organisations are trying to get a 1.5 per cent. increase in the business rate—I cannot believe that they think that they can get that through—to make good all the things that they are losing. They then ask, "What sort of basis shall we sell it on? What sort of positive benefit shall we offer to these people?" They then come up with two ideas. One is security, and we have seen what that means for one firm—the company on Warwick business park. If it adopts that security, it goes out of business. We know what it means for the others as well. They have perfectly good security already. One of them is part of the Canadian group, Eu-Matic. They will not get investment. Some £16,000 has gone out of their income at the drop of a hat. So the measure will have the opposite effect to the one desired. That is why we are bound to question it.

Therefore, I do not think that the process has been successful. The representations made in the document about what the BID company is going to do need to be considered from a legal point of view. I am not sure that it is not on the very verge of illegality in a number of respects. Have the Department or the BID company taken legal advice? There are several respects in which I think that the company needs to take legal advice, one of which is in respect of UK law—it is probably all right there. I am no lawyer, but I have some experience of the implication of legality in taxation matters. However, I am not so sure about EU law. Imposing a tax on one group of companies but not on another could be open to challenge. Have we had legal advice on that? If we have, I would be very interested to see it. What about the European Court of Human Rights? Are we sure that there is not too great an imposition on one company as opposed to another? That is a separate point. I think that the whole process could be susceptible to challenges on both those fronts. I should like to know that the proposal has been considered and is watertight in both those regards.

My third point relates to the representations. Are we sure that they are capable of being fulfilled, that they have not been oversold and that we are not committed to doing things that we are not able to deliver? Are we sure that the legality in those three respects is in good order? It is mentioned that reductions can be negotiated with the landlords of existing estates. Have we negotiated those reductions and will they be of the order claimed in the document, which is 40 to 60 per cent.? Has that been done?

The BID has been up and running for 10 months now. Outside the city centre, which I understand is covered by CV One, why is it that sports, recreation and leisure facilities are excluded? A lot of the promotional money is directed precisely to their benefit. For example, it is directed at hotels and sports facilities. People coming into the town from outside benefit from everything that is being done there. Despite that, we are making another class of company pay for it. That class is defined very carefuliy in the document.

I do not wish to take up all the time, and I am conscious that my hon. Friend the Minister will not be able to answer all the points that I have raised today. I will let him have a series of question that I would like answered. He will no doubt tell me that we are launched on the BID now and that it will take at least three years. If Advantage West Midlands does not come in with its money, it will take at least five years. He might say that it is too late to do anything about it now and let us see how we go. My reply to that would be simply that we should not go headlong into it. We should re-test it seriously. It is in the open now, and companies know about it and have received their first bills. We know how it is with a tax reduction—we do not notice it until it arrives on the doorstep. It is the same with a tax increase. People did not realise about the 10p tax increase that was announced a year ago until it landed on their doorstep, although some of us tried to mention it. So it is in this case.

Small companies are competing and do not have time to study the matter. Universities are used to dealing with forms, and I can see why they cottoned on much earlier. The matter is out in the open now, and we should test the water in a non-binding way. We should reissue the offer and say, "This is what is now being offered to you. Do you still wish to continue with the BID?" Let us see what response we get. If we get a favourable response, I shall withdraw and say, "Well, despite all my worst misgivings and the representations made to me by these few companies, of course I will let it go ahead."

However, if we were to get an overwhelming majority, with a high turnout this time, saying, "No, we really didn't realise what it was, and we don't want it," perhaps we could find something else to do with the money. It is pointless to have money going in that nobody gets any benefit from except the people who are not paying anything towards the BID, such as Coventry chamber of commerce, who are getting back Business Link money, and some of the hotels.

We need to call a halt to further commitments, and it will take a matter of three months to test the water and say, "This is what it's really about. This is how much you've got to pay, and this is what you're going to get.

[Mr. Geoffrey Robinson]

Do you wish to proceed, or are there alternative ways in which we could proceed?" That does not mean undoing everything, but it would mean people being much happier about a situation that they are currently deeply dissatisfied with.

1.51 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): It is a pleasure to work under your stewardship, Mr. Cummings.

I congratulate my hon. Friend the Member for Coventry, North-West (Mr. Robinson) on securing the debate. He will know even better than me, from his days as a Minister, the power of such debates and the power of Westminster Hall and the spoken and written word here. I am sure that that will echo in Coventry this evening. I also congratulate my hon. Friend the Member for Coventry, South (Mr. Cunningham). Hearing one colleague espouse an issue often makes it a matter for concern, but when a couple of them make their constituents' case together, that amplifies its importance to local people.

My hon. Friend the Member for Coventry, North-West, said that he knew of no companies that supported the business improvement district programme. I have been talking to my officials about the issue, and they tell me that 54 per cent. of businesses that voted were in favour of the BID, although my hon. Friend made some interesting remarks about the number that voted.

My hon. Friend made an interesting point about turnout. As I am sure he is aware, a vote requires not only an overall majority but an overall majority of the rateable value of companies voting. He mentioned the turnouts for the votes on the BIDs in Coventry—38 36 and 33 per cent. He is right that we need to get better turnouts. Having said that, many wards in local elections in my constituency had lower turnouts than that, with more than two options to choose from. The system that we use for elected representation means that even a lower proportion of people voting can result in people being elected and decisions being made. That is not unusual to us in this country, but my hon. Friend made a pertinent point about the need to have a high turnout in ballots. I agree wholeheartedly that the higher the turnout, the better.

My hon. Friend asked about legal advice, and I undertake to write to him to give more clarity on that. He also mentioned the European Court of Human Rights. From my experience, legislation is ECHR-proofed before it goes through the House. Again, I shall write to him to provide more clarity.

I can understand why my hon. Friend has an interest in this area of policy, as there are two BIDs in Coventry, one in the town centre and one covering the whole of Coventry, as he mentioned. I know that he supports BIDs as a policy, even though he has anxieties about one of the Coventry ones. There are about 71 of them now, and that is the only one that has caused such local difficulties.

Mr. Geoffrey Robinson: I hasten to say that I am raising no doubts about any of the other BIDs that are proceeding. My call for a halt and review at this stage relates only to Coventry.

Mr. Dhanda: Absolutely. I appreciate that, and I thank my hon. Friend for supporting this important change, which has allowed local authorities and BID companies to raise money for good causes in their localities. The purpose of BIDs is to encourage local authorities and businesses to work together for the benefit of their local communities. I can think of examples, although I do not have a BID in my own community. The Peel centre in Gloucester is popular with shoppers, but we have had huge problems with car crime in the area. People have parked their cars, gone to the cinema and been burgled. Perhaps a BID would be the answer for my local council and local companies to raise money for CCTV cameras. Such innovative approaches have borne fruit and been successful across the country.

Improvements to an area via a BID are funded by a levy on non-domestic ratepayers or on a defined class of ratepayers in the area covered. The levy varies by district, as legislation does not prescribe how it should be set or its amount. As my hon. Friend said, in this case it is 1.5 per cent. of the rateable value of a property, plus £200.

There has been widespread interest in and enthusiasm for BIDs and the opportunities that they can offer. As I have said, there are about 71 BIDs, with very successful ones in places such as Kingston, Blackburn and Derby, but there is no template setting out what a BID should or should not include.

The process of implementing a BID, which is the key to the questions that both my hon. Friends asked, is entirely a local initiative. Although the Government have set out the legal framework for the process, we do not take a role in identifying the purpose of initiating a local BID. It is for local businesses and local authorities to work together to determine the requirements of their area and develop a project. However, a number of safeguards are set out in BID legislation to protect ratepayers who are potentially affected and ensure that all ratepayers can have their say.

My hon. Friend the Member for Coventry, North-West, made an interesting point about ballot papers being tucked away on page 3 of a document, and my view is that such things need to be prominent. We need to encourage turnout. We want people to be a part of BIDs and to support them, but that has to happen from a position of knowledge. I take on board my hon. Friend's concerns about the BID in Coventry, but as I have said, 54 per cent. of businesses that returned the paperwork said that they were in favour of it. I will be happy to discuss that with him elsewhere.

The legislation governing BIDs ensures that before any proposal goes ahead, the businesses concerned must have the opportunity to vote. In identifying who will be liable for the additional levy, and therefore who will be entitled to vote, those developing BID proposals are entitled to ask the local authority to provide the names and addresses of non-domestic ratepayers from its local rating list, and the rateable values of the businesses in the area to be covered by the proposed BIDs.

It is up to businesses themselves to be satisfied that they have arrangements in place to ensure that a BID ballot paper reaches the person who will sign it on behalf of their business—

It being Two o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Wednesday 14 May 2008

[MR. MIKE WEIR *in the Chair*]

Commonwealth Development Corporation

Motion made, and Question proposed, That the sitting be now adjourned.—*[Ms. Diana R. Johnson.]*

9.30 am

Mr. Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): I very much welcome this opportunity to open a debate celebrating the 60th anniversary of the Commonwealth Development Corporation. The CDC came into being by way of evolution. Its genesis arose from a determination to assist in challenging poverty in developing countries. To achieve that development and to encourage enterprise, it was essential that those countries should be seen to make progress in sectors ranging from agriculture to health care, as well as energy and the provision of infrastructure.

The CDC was pivotal, and remains so, in giving assistance and encouragement in some of the most deprived areas throughout the world. Why? Because the very purpose of the CDC is to be a pioneering organisation that ventures into areas where other companies would not dare to invest. In doing so, it acts as a beacon, by setting a clear example and sending a confident message to the investment community that those areas positively invite business investment.

The CDC was a product of the Attlee Government and reflected the ethos of those post-war years. At home, we sought to introduce the NHS but, notwithstanding the colossal problems of that period, we also recognised our responsibilities to many others who, even then, were less fortunate than ourselves. It was Nye Bevan, the Secretary of State for Health, who introduced the NHS, and it was Creech Jones, who was Secretary of State for the Colonies, who presented the Colonial Development and Welfare Bill, which confirmed the role of the CDC.

Creech Jones said then:

"The Colonial Development and Welfare Act provides money for the improvement of the social and other services of the Colonies and helps to provide the basic services for further economic development in the form of improved communications, better agricultural services, water supplies and the like. This has been, and is, very useful. But it is not enough. An instrument is also required whereby we can undertake individual productive projects likely to increase the wealth of the colonies themselves and to stimulate the supply of products of which this country and the world at large stand in need."—[*Official Report*, 25 June 1947; Vol. 439, c. 439.]

Today, I pay tribute to an organisation that has rightly moved with the times, addressing the problems of a modern world and working with its shareholder, the Department for International Development. Together, they play a significant role in achieving the millennium development goals. That was recognised by the statement of the Secretary of State for Environment, Food and Rural Affairs, my right hon. Friend the Member for Leeds, Central (Hilary Benn), the former Secretary of State for International Development, when he told the House:

"The purpose of CDC is to maximise the creation and growth of viable businesses in poorer developing countries, through responsible investment and mobilising private finance. The objective of the reorganisation is to enhance CDC's capacity to fulfil its purpose, in particular the mobilisation of private and other third-party capital for investment in the poorer developing countries. This will contribute to the achievement of the millennium development goals".—[*Official Report*, 12 July 2004; Vol. 423, c. 51WS.]

It was that foresight that led the Government to recognise that the CDC's role had to change. In the ever-evolving world of business and investment, such change was necessary to reflect and keep pace with the challenges of globalisation. The CDC inevitably needed to be restructured and brought up to date; indeed, it has been restructured six times since its inception in 1948. Those changes were not simply meddling with the CDC's role; they were about facing the fundamental new reality of changing times—a reality that any successful business needs to face.

The House recognises that the CDC, the private sector, the Government, non-governmental organisations and international institutions cannot themselves solve the problems of the developing world; Africa, in particular, has its own issues to address. The imperative for the CDC is to focus on where poverty and destitution resides across the globe and to offer a positive response.

Hon. Members will no doubt recall the International Development (Reporting and Transparency) Act 2006, which I had the privilege of piloting through the House two years ago, with wonderful support from the Under-Secretary of State for International Development, my hon. Friend the Member for Harrow, West (Mr. Thomas), who is here this morning. The main principles of that Act are reflected in what we expect from the CDC and from DFID itself. Those principles are poverty reduction—indeed, in time, the complete eradication of poverty; good governance; transparency; accountability; fair trade; a functioning civil service free of political control; and adequate infrastructures necessary to build and grow developing economies.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): I would like to put on record my sincere thanks to my right hon. Friend for the work that he did on the International Development (Reporting and Transparency) Act 2006. However, since the Act has been introduced, can he tell us what evaluation has been carried out by parliamentarians on how effectively the Act is working?

Mr. Clarke: I am grateful to my hon. Friend for his intervention. Perhaps the most significant development since the Act was introduced was that, last year, we had the first report to Parliament and, following that report, we had a debate in the House. That is the kind of accountability and response to parliamentarians that I hope to refer to further later on. I am grateful to my hon. Friend for the point that he made.

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): Will my right hon. Friend also acknowledge that one of the broader strategic impacts of the discussions that took place on the introduction of the 2006 Act, which he championed, is a demonstration of the continuing support

[Mr. Gareth Thomas]

of parliamentarians—particularly Labour Members, but hon. Members in other parties, too, and more generally outside the House—for continued progress to meet the 0.7 per cent. UN target on national incomes being spent abroad? Indeed, will he also acknowledge the continuing progress that the Government have been making to that end?

Mr. Clarke: My hon. Friend the Minister is absolutely right, and he is entitled to say what he said, because he gave so much support to the 2006 Act. One of the main objectives of the Act was that the Government—indeed, all future Governments—should report on how they are achieving the 0.7 per cent. gross national income target. The truth of the matter is that, for a very long time and particularly during the last Government—I am not making a political point by saying that—we fell well behind what we were told should be the target, which is 0.7 per cent. of GNI. Therefore, it is perfectly reasonable and right for my hon. Friend to draw that to our attention, given DFID's commitment to increasing international development aid and its endorsement of the other objectives of the Act, such as the millennium development goals and the transparency for which we called.

As a result of weak governance in developing countries, the private sector is often accused of being too avaricious. However, to their credit, diligent NGOs have provided numerous documents exposing such corporate abuses. Regrettably, that in turn has led to an increasingly common perception that those who invest in Africa or other emerging markets have done so at the expense of sustainable economic investment, environmental standards and good labour practices, including those on health and safety, and that, broadly, they have taken much from those countries and given very little in return. Thanks to organisations such as the CDC, that perception is slowly changing, but change needs to happen faster, and the CDC is one of our best instruments for bringing it about. Its status under Government ownership and its focus on profitability with best employment practice give it a unique opportunity to be a beacon.

A trend is emerging, in that how companies behave abroad has an impact on how they are perceived at home. People are asking whether they are responsible, reputable investors, and whether they engage in meaningful corporate social responsibility and sustainable ethical investment. Such questions are inevitably posed about the CDC itself.

We have seen a rise of single-issue campaign and consumer groups over the years. That is a sign that the consumer and, indeed, the investor have become more sophisticated about the choices that they make. Consumers weigh up a range of different aspects, whether choosing what they buy in their local supermarket or what companies to invest in on the stock market. Additionally, the power of institutional shareholders, such as trade unions, can bring much influence to bear on global markets and can effect behavioural change within companies. Doing business in a constructive, responsible manner is now considered a central tenet of increasing a company's bottom line.

Mr. Thomas: I hesitate to interrupt my right hon. Friend again, but as he is making a point about how ethical trading helps a company's bottom line, will he join me in praising the work of the ethical trading initiative? As we approach the 10th anniversary of the initiative, will he join me in encouraging businesses that have not yet signed up to it—businesses that have large stores in our high streets—to take the opportunity in the run-up to the ETI's conference in September to sign up to it?

Mr. Clarke: Again, my hon. Friend the Minister is on the ball. We warmly welcome the ETI and observe that DFID is doing its very best to ensure that it is fully implemented and understood. I wish him and the conference well.

I now want to address the attitude to business. I understand where the Government are coming from with their ethical approach, and I know that my earlier comments about public perceptions are true. In common with other hon. Members, my postbag and inbox are full of mail on the issues that we are discussing, including fair trade. It is clear that a twin-track approach—not a choice between aid and trade but both—is required to encourage developing countries. That is acknowledged by the CDC.

In a recent newspaper interview, the current chief executive saw no contradiction between the demands of profit and social development. He stated:

> "Most companies, if they want to be successful, will want to make sure they are not employing child labour, they are not spoiling the environment or pouring chemicals into drains. Behaving like this is not a conflict with being profitable. If you have employees who are not happy because they are not being paid properly, they are going on strike. If you pollute, the local environmental people will be on to you... There are certain areas in which we won't invest—tobacco, drugs, pornography and armaments—but that's it. If CDC answers to anyone, it is the Government."

That last point is where parliamentarians necessarily become involved, because it is our job to hold the Executive to account. Indeed, that was the inspiration for the 2006 Act, as I know my hon. Friend the Minister will agree. It is all the more important when we recognise that the CDC is DFID's largest asset, with net investments worth around £2.8 billion.

The CDC's annual review entitled, "Generating wealth in emerging markets", shows the diversity of investments across the whole range of geographies. Although Africa rightly remains a priority for DFID in delivering appropriate policy, there must be a recognition that extreme poverty exists in many areas of the globe, as the report states.

There are many examples of best practice in the CDC's activities. When I visited Rwanda, I was introduced to the work of the Banque Commerciale du Rwanda. It was the CDC's first entry into the country, which was still struggling after the genocide of 1994. As the second largest commercial bank in Rwanda, it can act as a catalyst in that resurgent sector. The CDC's expertise helped to increase the bank's market share from 20 to 25 per cent., and the bank has even started a leasing finance business for small companies. Thus we can see how the CDC's investment in that area has far-reaching benefits for the whole of Rwanda's economy.

We have to refer to Tatepa. It produces Chai Bora tea, which is Tanzania's biggest selling brand, with a 55 per cent. domestic market share. The CDC's involvement with Tatepa from its inception has had a significant development impact on the company, particularly on

the working conditions of its staff, especially on the Kibena and Wakulima estates. Tanzania presents a particularly challenging trade environment for business. Despite that, the economy has enjoyed growth rates of close to 7 per cent. in recent years, and Tatepa has grown steadily, winning fair trade status.

In Kenya, Brookside Dairy produces superior quality milk, sourcing it from 80,000 suppliers. Seven per cent. of them are commercial farmers and the remainder are small-scale producers. The company's sales depots now stretch from Mombasa on the east coast to Kisumu on the shores of Lake Victoria on the west coast. As well as selling to the domestic market, Brookside now exports to Tanzania, Uganda, Rwanda, Burundi and Mauritius. That is an example of development co-operation improving the lives of people not just in the country in which the investment is made, but those of people in the surrounding countries. Work is going on in central America, including Nicaragua, where there are many projects, and in Bangladesh and Fiji. I could go on, but time does not allow me to go into too much detail.

As well as celebrating the achievements of the CDC over the past 60 years, one of the main impulses for calling for this important debate is the uncertainty and speculation in the press about the future of the CDC. I feel that it is necessary to refer to that. The current investment policy expires at the end of this year and some sections of the media have reported that the Government are of a mind to sell the CDC. Plainly, I would not welcome that; nor would many hon. Members. In his closing statement, will the Minister reassure hon. Members in this Chamber about what exactly the Secretary of State has in mind for the CDC?

I said earlier that parliamentarians have the right to hold the Executive to account. That point was endorsed by my hon. Friend the Member for Paisley and Renfrewshire, North (Jim Sheridan). This is all the more relevant as the Government are the only shareholder in the CDC, so we parliamentarians have a responsibility and a vested interest on behalf of the taxpayer in respect of how the Government proceed with the development of the CDC.

Jim Sheridan: Surely, the speculation surrounding the CDC must have an impact on investment, particularly in African countries. If parliamentarians are to have a role in overseeing whether the CDC will be sold off, surely that role would be ideally fulfilled by the Select Committee on International Development, which could consider the matter. As a member of that Committee, I would welcome the opportunity to speak to CDC representatives as well as the Government.

Mr. Clarke: I welcome my hon. Friend's intervention. I would encourage a close relationship between the Select Committee and the CDC. However, in respect of the specific point that I am raising, I urge a little caution on his part and invite him to wait for the reply from my hon. Friend the Minister, because we have been round this course before and I have a feeling that we might be reassured before the end of the debate.

I would not be doing a service to the CDC if I did not acknowledge that it has, from time to time, been the subject of criticism, as we have seen in some press comment. The excellent Library paper prepared for the debate gives a flavour of some of those criticisms. Today, it is important that the question of privatisation has been debated and, rightly, rejected. In common with the vast majority of non-governmental organisations, I and members of my party and others in the House, as well as those who have made a considerable input to development policy formulation, hope that the matter has now formally been put to bed.

I hope that my hon. Friend the Minister will join me in congratulating the CDC on its success. A sign of that success is that in recent years it has not received any funding from Government—actually, it has had no funding at all since 1996—yet has significantly expanded its business, which is welcome. That is a sure sign that the CDC has been meeting its commitments in terms of attracting third-party investors in developing countries and expanding the company at large. I hope that officials, Ministers, parliamentarians and the CDC will work together and support the organisation as it progresses and inevitably faces new challenges.

The CDC is not a unique organisation among European countries, although the people of Britain should be very proud of what it has achieved, not least because of its focus on the poor countries of the world. By European financial institution standards, the CDC leads the International Finance Corporation, the World Bank's investment arm in poor countries, in terms of investment. Some 12 per cent. of the IFC's capital investment is focused on Africa, the Caribbean and the Pacific, with the figure at 26 per cent. for all the European development investment institutions. However, 60 per cent. of the CDC's investment is in Africa alone.

The CDC is delivering Government policy now and remains at the forefront of responsible private investment development. However, if we are to achieve the holy grail of complete poverty eradication, much more has to be done. The CDC has a good reputation in emerging markets. None the less, I urge Ministers and officials to work ever closer with the CDC in future. If the Select Committee wants to take a lead, I would encourage that. A focused, working, constructive relationship will ensure that the institution and its shareholder can go forward in tandem, so that the CDC plays a major role in meeting the Government's poverty reduction goals.

I conclude by inviting my hon. Friend the Minister, and all my hon. and right hon. Friends in the Chamber this morning, to join me in congratulating the CDC in its 60th anniversary year. I am sure that my hon. Friend will support the organisation in its objectives. In doing so, he will reflect the enduring legacy of those Labour greats, Clement Attlee, Aneurin Bevan and Creech Jones and be true to their spirit and aspirations.

9.57 am

Mr. Eric Joyce (Falkirk) (Lab): I had not intended to speak, but I saw my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) speaking on the monitor earlier and it struck me that I should congratulate him on making such a good speech on an important subject.

CDC representatives visited me some three or four months ago and took me through their projects and plans across the world, particularly in Africa. I subsequently visited the great lakes region of Africa, as I do from time to time, as my hon. Friend the Minister knows because he responded recently to a debate on that

[Mr. Eric Joyce]

subject. The important thing about the CDC—I was not aware of it beforehand—is that it applies business assumptions to potentially emerging economies.

Rwanda is a great case in point, because when considering central Africa and the great lakes region, one tends to focus on the poverty and the terrible conditions—the violence that still exists in the eastern Congo area, and so forth—and forget that in the small country of Rwanda there is a potentially emerging economy. Among all the investors going into the region, although there are not that many, the CDC is one of the most important. I was fortunate and privileged enough to have breakfast last week with President Paul Kagame during his visit to London. We spoke for five to 10 minutes specifically about the CDC and how important priming investment is. My right hon. Friend mentioned that. When the CDC invests, as it has done in a fund in Rwanda, through Actis, and through that into a bank that is developing new products, it encourages other companies worldwide to come in as well. The CDC has a good reputation and one hopes that private sector organisations follow it.

I understand that most of the investment going into countries such as Rwanda goes into the services industry. However, investments are by no means constrained in that area. It just happens that in Rwanda, which I know a bit about, investment goes to telecoms, banking and to the emerging capital to buy such service products.

I wanted to make not so much a speech as an extended comment to congratulate my right hon. Friend on initiating the debate. It caught my eye, and I had not realised that it was due to take place. I listened to him, but I am not aware of the internal and organisational issues, and the question marks about the CDC's future.

Mr. Tom Clarke: I am grateful to my hon. Friend for his timely speech. He mentioned Rwanda, and I put it to him that the importance of the CDC in an almost unique situation—many of us have been there and have seen the results of the genocide—is that people are now focusing on what can be positively achieved in commerce and jobs. That is bringing people together in a way that many of us in 1994 would have thought was beyond reach.

Mr. Joyce: My right hon. Friend is absolutely correct, of course. The occurrence in Rwanda in 1994 was terrible, but development since then has been remarkable, supported not least by the UK Government, which I think is the largest bilateral donor to Rwanda, despite it being a Francophone country. He is right that when one thinks about these countries we tend to focus on the negative—the terrible things that are continuing to happen in some countries, the social conditions and so on. However, in Rwanda and countries where the CDC can help and for which similar funds are available from abroad, the accent is on the positive and what can be achieved.

People have their own views and comments about the leadership in such countries, and it is not for me to comment on that, but I believe from my contact with the leadership of Rwanda that it greatly appreciates the CDC's investment and that the accent is on the positive. The Government and their investment arm, the CDC, place that accent on the upside, which from the perspective of contemporary developments in central Africa is not always the case—far from it.

I congratulate my right hon. Friend again on initiating the debate, and I hope that the organisational issues—I was not aware of them—in the CDC and the Department for International Development are sorted out to everyone's benefit in the near future.

10.2 am

Mr. Michael Moore (Berwickshire, Roxburgh and Selkirk) (LD): It is a pleasure to follow on from the hon. Member for Falkirk (Mr. Joyce), and I pay tribute to him for the significant work that he and his colleagues do on the all-party groups on Africa. He referred to his close interest in Rwanda, but I know that his interest extends to the whole region. I am delighted that he could contribute to the debate.

The hon. Gentleman is not the first hon. Member to be drawn into the Chamber by the oratory and approach of the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke). I congratulate the right hon. Gentleman on securing the debate, and pay tribute to his sterling work over many years. He was able to draw attention to some of that in his speech. His legacy for all of us in the House is being able to monitor how Britain moves towards achieving its share of the millennium development goals and the like. He gave a comprehensive overview of some of the challenges still facing much of the developing world, and the importance of private capital and other organisations, particularly the CDC, in helping to achieve those aims. We owe him our gratitude for that.

Like the right hon. Gentleman, I congratulate the CDC on its significant achievement of reaching the age of 60. That is a significant milestone in anyone's life—I have not quite reached it—not least for a public body. As he said, the CDC has been reorganised six or seven times over the years, and the question is what might happen next. I shall return to that.

I recognise that the public sector and the Government can play an important role in conjunction with the private sector in an area where capital may be in short supply. The challenge for the CDC and its ilk is surely to demonstrate how they are different—what they add to the overall process—by showing that without them, the investment would not have happened, or perhaps not in that form, without the tough ethical business arrangements that it seeks to put in place, or that the investment acts as a magnet to draw in other investors to help the economies of particular parts of the developing world to grow, as the hon. Gentleman highlighted. One of the challenges for the CDC is to demonstrate that in each of those areas it is a champion and market leader, without which much of the investment would not take place. Perhaps it must also demonstrate thought leadership to challenge the rest of the investment community to invest in particular ways. It should consider its infrastructure investments to ensure that they are sustainable, by investing as much in railways as it does in road systems and transport hubs.

There is a lot potential, and with due respect to the CDC's management team, it is not always obvious in its annual review and broader detail of the annual

accounts that that is what it is doing. None the less, the chairman, Sir Malcolm Williamson, highlights in the latest review that the CDC's

"central purpose remains unchanged: sustainable economic development in the poorer countries of the developing world through responsible investment in the private sector."

We all support that. The report also says:

"CDC has a long history of putting capital to work in some of the world's most challenging economies."

That perhaps encapsulates its unique role.

The figures are impressive and the right hon. Gentleman referred to a few of them. For example, £1.4 billion has been committed to 42 fund managers who are investing in 100 funds, and the asset base has increased two and a half times since 2004 to £2.7 billion. The report properly highlights that at the end of 2008, the investment policy and arrangements that were put in place at demerger will come to an end. That must introduce some uncertainty, and, like the right hon. Gentleman, I hope that at the conclusion of this short debate, the Minister will be in a position to address that uncertainty.

The hon. Member for Paisley and Renfrewshire, North (Jim Sheridan) and others highlighted the issue of whether the CDC is ripe for privatisation. We should bear in mind that the Treasury has just forked out an unscheduled £2.7 billion for the great Crewe tax giveaway—every little helps, perhaps. The CDC's chief executive raised the issue of privatisation and put it in the public domain when he was interviewed on the "Today" programme in April, and he certainly did not rule it out. He indicated that it had been considered, that it had advantages, that it would be good for the public, that it would provide an opportunity for the Government to raise money, and that it would leave the CDC intact to continue investing in the poorest countries. It would be interesting to know what lies behind the choice of some of that vocabulary, and perhaps the Minister will tell us. We must be mindful that privatisation is a serious option, but the House is not at this stage in a position to judge whether it is a good move.

In an attempt to understand more about the companies that the CDC deals with, at the start of the process I tabled a series of parliamentary questions on it. I sought to get copies of the accounts of the many different subsidiaries of the CDC placed in the Library of the House. The Secretary of State responded to my question by stating:

"CDC had 79 subsidiary companies at 31 December 2007...Where they are required to do so by their relevant regulatory authorities, these subsidiary companies file their accounts in those countries and with those authorities. Accounts are therefore not available from CDC, but from the regulatory authorities in the countries in question."—[*Official Report*, 20 March 2008; Vol. 473, c. 1273W.]

I was completely taken aback by that answer because it struck me as strange that the CDC does not itself have any copies of those subsidiary accounts here in London. From time to time, I am forced to disclose that in anther life I was a chartered accountant. I paid my dues and spent more hours than is reasonable auditing companies across the United Kingdom. I cannot remember an occasion when the parent company in a group of companies did not have the formal statutory accounts of each of its subsidiaries, even if they were just filed away and gathering dust in the corner.

I wrote to the Secretary of State and asked whether he would address that point. He has not yet answered—perhaps it will come following this debate. However, I also asked for further information on the details of the subsidiaries and what regulatory authorities they were registered with. He responded by stating:

"CDC has confirmed that there is no requirement for the company to hold the information on the regulatory authorities with which their accounts are filed. However, they do require subsidiary companies themselves to comply with their respective local country requirements on regulatory norms for filing and submission of accounting information."—[*Official Report*, 3 April 2008; Vol. 474, c.1226W.]

A list of the subsidiaries was appended to that response. If one looks patiently at the subsidiaries, about eight or nine of them are registered in the United Kingdom. Even if we accept what has been said about the other companies, I still find it a little strange that the subsidiary accounts for the UK companies are not available for the CDC.

Mr. Tom Clarke: I have followed the questions that the hon. Gentleman tabled and the responses he received. It is perfectly reasonable for him to pursue those lines of inquiry. Does he agree that essentially two points emerge from it? First, there is a case for the CDC to work much more closely with parliamentarians. Secondly, given our endorsement of transparency and accountability, the CDC itself would be moving forward if it took the lead in introducing the kind of transparency that he advocates. That would send a message to the developing countries that the CDC seeks to serve.

Mr. Moore: I agree. I would like to put on the record that I have held a meeting with the CDC and, in due course, I hope to meet the chief executive. The CDC has been unfailingly courteous and helpful in the discussions I have had with it so far. I want to make it clear that I am not casting aspersions on the company, the Secretary of State or anyone else. I am simply saying that when there is some doubt—although that will perhaps soon be extinguished—about the future of the CDC, greater transparency is the way forward, as the right hon. Gentleman has said. Having greater transparency would address any fears or doubts on the matter.

The subsidiaries matter because they are part of understanding the nature of the beast—particularly in terms of its taxation structures. The new business model means that most of the investments are made through fund managers into particular companies and are no longer held directly. The regulatory requirements in many of the countries concerned require a subsidiary of the CDC to hold the investment and the fund, not the CDC itself. However, how those subsidiaries are structured and how they hold that investment matters, not least for taxation purposes. An issue that is surely at the heart of the debate is ensuring that people pay the right amount of tax and that they fulfil the right criteria in doing so. If we wish to set an example, we should do so in our investments through the CDC.

Again, I am not making allegations or suggesting there is anything untoward. However, it is noticeable that on different occasions, investments are being made through what we might call tax havens. That was acknowledged by the chief executive on the radio and elsewhere and is evident in the accounts. Part of the

[Mr. Moore]

justification for that is that the CDC would not otherwise attract other investors. If that is the sole criterion, I would like to know more detail about it. That policy must be better understood so that we can get to the heart of the taxation treatment of this organisation and how it might be being prepared for either a long life in the public sector or for some form of privatisation in the near future.

If one is truly diligent—I do not claim any great diligence—and reads the relevant note in the accounts from the past year, there is, in modern accounting parlance, an interesting footnote that illustrates all the taxation treatments and how they reconcile for what looks like a small tax charge back to the fairly impressive profits that have been made. Much of that is to do with the fact that the CDC is not liable to pay tax in the UK, whereas its subsidiaries overseas are.

Mr. Thomas: Perhaps it would be useful if I brought the hon. Gentleman's attention to a question. Is he aware that the CDC is not required to pay tax to central Government? We have deliberately exempted it from having to pay tax so that it can invest all of its moneys into businesses in poor countries.

Mr. Moore: I am happy that the Minister has emphasised that point. I hope that he did not infer from what I was saying that I was suggesting that there was something wrong with the CDC not paying tax. It is an entirely legitimate policy decision to free up more capital for those investments. Without overstating it, my interest is in the taxation treatment of the subsidiaries, how they are structured and how that is relevant to the future of the company.

I do not want to be rolled up and put in with the other conspiracy theorists whom I am sure the Minister and others have to spend half their lives dealing with when responding to questions—although I am sure that is a delightful job. However, in recent years, following the sell-off of Actis, questions were asked after the event that have not yet been adequately answered. It is entirely fair and proper that Members of the House ask at least some of the relevant questions in advance of what may or may not happen. The CDC has a strong ongoing relationship with Actis, which was sold off in 2004. Actis is one of the most important, but not the only, fund manager that handles the CDC's investments. Questions about that sell-off relate to the valuation method used and the role of former CDC employees in the sell-off, particularly regarding the potential conflicts of interests that might have arisen. Again, we need to have the relevant information to make a judgment on that. I hope that we will be able to do so.

On 21 February, I wrote to the Comptroller and Auditor General and asked for the sell-off of Actis to be investigated. I was pleased that on 27 March, Mr. Burr confirmed that he has asked his staff to

> "examine the reasonableness of the sale price and the profit sharing arrangements agreed in 2004."

It would be a great service to the House if we knew the answers to those questions so that we can either put the issue to bed or raise further issues.

I do not want any of the questions to take away from the point of the debate, which is to congratulate the CDC on 60 years of impressive and important investments in difficult parts of the world. I hope that, as a result of the debate, we will begin to tease out answers about the CDC's future and its role in leading-edge sustainable, responsible investment and in challenging other businesses, as the Minister said, to sign up to the ethical trading initiative. Sixty years of progress and achievement are being marked today. We hope that there will be another 60. At the very least, we are at the start of a lively debate, rather than at the end of one.

10.21 am

Mr. Mark Lancaster (North-East Milton Keynes) (Con): It is a pleasure to serve under your chairmanship for the first time, Mr. Weir. I start, of course, by congratulating the right hon. Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on securing this timely and very important debate. If he will forgive my saying so, it also serves as a celebration of his commitment to the issue, which was demonstrated not least by his private Member's Bill, which is now the International Development (Reporting and Transparency) Act 2006. He made great reference to the transparency and accountability of the CDC to parliamentarians and to the Government—an issue to which I shall return. He also outlined very well the organisation's development over the past 60 years—how it has evolved and successfully changed with the times. Like other hon. Members, I congratulate the CDC on its achievements over the past 60 years. That is worthy of celebration in today's debate, and I look forward to the organisation operating successfully around the world for many more years.

As I said, the right hon. Gentleman made a key point on the CDC's accountability to Parliament. I should like to explore that in a moment. We also had a brief but informed contribution from the hon. Member for Falkirk (Mr. Joyce), who once again demonstrated his first-hand knowledge of various such organisations in the field and the value of their work. The other day, I met a fascinating chap called Seb Bishop, whose efforts can be seen on a Channel 4 programme called "Millionaires' Mission". He went to Rwanda and, by using his own private investment in a village, ended up building a school and a hotel. The hotel has now been set up, connected to the school, and people pay to stay in the hotel and teach at the school. The funds generated by that project have created a self-sustaining educational establishment that is now servicing the areas for many miles around. That was a very good example of the type of work that we should be encouraging and of the areas in which the CDC, on a small scale and on a large scale, can make a major contribution.

We then had a very knowledgeable contribution from the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore). One of the most interesting points that he made to start with, before he went into detail on the CDC's accountability and transparency—I will probably not add anything to that, because he gave all the required detail—was that the CDC needs to establish some comparative advantage. It needs to establish what specific value it can add and how that value complements other organisations around the world. It must also ensure that it continues to act in the interests of the UK Government and DFID.

I shall touch on some of the CDC's aspects that I feel are important for us to understand and to praise, and perhaps even a few that we should question. It is clear that the CDC plays a leading role in international development-based economic investment. The broad remit outlined by the investment policy drawn up by DFID has allowed the CDC to demonstrate to the private sector that returns can be made from emerging markets in less developed countries.

Sir Malcolm Williamson, the CDC's chairman, said:

"Emerging markets are not for the faint-hearted. CDC has a long history of putting capital to work in some of the world's most challenging economies. We are a patient investor and remain committed to these markets. CDC's long term commitment is vital in uncertain times and serves as a reminder of the development impact of our capital."

Like many others, I agree with Sir Malcolm. The CDC's link to DFID allows it to carry out that long-term economic investment and clearly demonstrates the commitment of successive UK Governments to economic growth as possibly the most powerful method of lifting people out of abject poverty.

The right hon. Member for Coatbridge, Chryston and Bellshill gave many examples, and I shall add just one to the list: the investment in the Fairtrade tea company Tatepa in Tanzania, which has led to the creation of 27,000 jobs for small growers. Such successful sustainable projects can be achieved only through long-term investment by organisations such as the CDC and should be commended.

However, the sole focus on economic growth, creating jobs and raising revenue as a means of development has led to criticism in some parts that the investment of the CDC's capital in certain projects has not always acted, albeit perhaps inadvertently, entirely in line with DFID's goals. Critics highlight the actions of Globeleq, previously entirely owned by the CDC until it was floated on the US stock market in 2006-07. Before it was floated, there were reports of companies in which Globeleq, and therefore the CDC, had invested whose policies were proving counter-productive to the aim of ultimately alleviating poverty in the developing world.

Let me give just a couple of examples. Since Globeleq took control of Uganda's national grid in 2005, domestic electricity prices have risen by 70 per cent. Of course, there may be other underlying reasons for that, but the first impressions of the local population, which are all-important, were not good. In 2004, tribes from Papua New Guinea, backed by Friends of the Earth, sent the then Secretary of State for International Development a compensation claim for £25 million that related to the damage caused to their land by CDC-funded Higaturu Oil Palms.

Such work will always be controversial, but it is only fair to say that such occurrences are very rare. It is, however, worth noting the comments in the report by the Select Committee on International Development entitled "Private Sector Development". Paragraph 119 in chapter 5 stated:

"CDC's portfolio of investments must continue to be carefully scrutinised for their overall contribution to poverty reduction. CDC's social and environmental record is patchy and we recommend close monitoring by DFID on where and how CDC invests. Acting as an investment catalyst is a necessary but not sufficient contribution to poverty reduction: CDC must ensure that its 'development footprint' is a wholly positive one."

Mr. Thomas: The hon. Gentleman made a number of comments about Globeleq's role in Uganda and elsewhere, albeit with the important caveat that other factors may have been at play in the problems that relate to electricity generation there. Is he aware that, in Uganda, Globeleq has helped to increase access for an additional 20,000 households a year—some 8,000 above the target that was initially set—and is he aware of the work done by Globeleq in Tanzania, which has led to the price of power to the distributor being reduced by almost 50 per cent.?

Mr. Lancaster: I am grateful to the Minister for intervening, but perhaps he is being slightly over-sensitive. As I hope I made clear, the occurrences referred to are very rare. The reason why I highlight them is that first impressions are the ones that count. I am trying to establish that it is vital that the CDC's work is entirely in line with DFID's stated objectives, because all too often it is easy for those who are quick to criticise to pick up on such examples and then the good work that he rightly highlighted can be lost.

The Select Committee report also highlighted the fact that the CDC's work, however worthy, remained one private-sector development initiative that appeared to be inadequately linked to a broader strategy. The CDC's role to demonstrate to the private sector that returns can be made in emerging markets despite the perceived risks is important if the economies of developing nations are to grow.

I believe that the CDC should look closely at the model being implemented by the African Development Bank, under the leadership of its president Donald Kaberuka. I spent a week at the bank at the end of last year, and it was clear that the bank had decided that it's comparative advantage centred around infrastructure. It actively sought to encourage private sector involvement by helping to remove the political risk that so many private sector companies feared; at the same time, it ensured that projects were de-conflicted with each other and were directly in line with the bank's stated aims. In light of that, will the Minister outline how the CDC's development footprint can be improved, thus taking the Select Committee's comments on board and ensuring that it remains a wholly positive one?

The CDC's investment strategy, in line with the investment policy outlined by DFID, has demonstrated to the private sector what can be achieved in emerging markets. Although the CDC has been leading the way by investing in less developed countries for the past 60 years, it has also had a major impact on improving people's quality of life. Infrastructure has been improved, jobs have been created and standards of living have gone up, although more needs to be done.

The CDC's work may be the tip of the iceberg; but in the main, its efforts have been supported by DFID and many NGOs, as well as by the wider international community. If only the Minister had waited, he would have seen how balanced my comments are. By looking past the risk to the potential, unlike the private sector, the CDC has invested where others have not dared to tread. In turn, that has ensured the success of many projects that would have failed if they had been left entirely in the hands of the private sector.

Although the CDC and its subsidiary companies have invested in emerging economies that have often been described by private sector economists as being

[Mr. Lancaster]

too risky, the CDC has experienced a 79 per cent. increase in total returns after tax—up to £672 million in 2007. At the same time, net assets rose 33 per cent. to £2.7 billion. With the profits being reinvested in emerging markets and less developed countries, the CDC's power to lift people out of poverty through economic empowerment continues to grow. However, there have been limited criticisms of the Government's target of a 5 per cent. market return on investments; the feeling is that returns should be balanced at directing finance where it is most needed to reduce poverty. Will the Minister say whether he considers a 5 per cent. market return to be reasonable given the changing economic circumstances and what the reinvestment priorities should be?

Sticking with capital, rumblings also continue over what the CDC's future direction should be. Should it be doing more, and if so, should there be an injection of capital into the organisation and how best should that be done? As the right hon. Member for Coatbridge, Chryston and Bellshill said, the last injection of capital was made in 1996, under a Conservative Government. It has been argued that an extra £500 million should be injected into the organisation. That, of course, is not a dissimilar amount to that given by the Government in the latest replenishment of funds for the African Development Bank shortly before Christmas. Is that view shared by the Minister? If so, how exactly do the Government intend to raise the money?

I hope that the Minister will outline his vision of the CDC's future, not only for its funding but in establishing or reinforcing its comparative advantage, as other multilateral organisations have been forced to do recently.

Mr. Tom Clarke: I am grateful to the hon. Gentleman for making a carefully considered and well-researched speech. He will be aware that a number of hon. Members have spoken about privatisation, and we look forward to the Minister's reply on those speculations. Will the hon. Gentleman take this opportunity to tell the House the Conservative party's view? I am sure that it will be an important consideration.

Mr. Lancaster: I am grateful to the right hon. Gentleman. Many people seek my party's view on many issues, as they sense a potential change in the wind. I hope that he will forgive me for not taking that opportunity today. He is absolutely right that the subject needs careful consideration, and he does not really expect me to make policy on the hoof, so I shall resist the urge. All will become clear in due course.

Will the Minister outline his view of the future of Actis and Aureos—the companies established in 2004—not least because I believe that Actis's contract to negotiate and manage the investment of the CDC's capital in developing countries is due to expire at the end of this year?

There is much to celebrate on the 60th anniversary of the Commonwealth Development Corporation. I believe that there is broad agreement across the House that, although the CDC still has room to improve its development footprint and the further integration of its goals with DFID and other players in the international community, the important role that it has played and continues to play in promoting and facilitating economic growth in countries where private sector foreign investors sometimes fear to tread is vital if we are serious about building sustainable economies and institutions in developing countries. It is right that we should celebrate those achievements today.

10.36 am

The Parliamentary Under-Secretary of State for International Development (Mr. Gareth Thomas): I join others, Mr. Weir, in welcoming this opportunity to serve under your chairmanship. I congratulate my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr. Clarke) on securing this debate. I join him and others who have spoken today in congratulating the leadership and staff of the Commonwealth Development Corporation on its 60th anniversary.

My right hon. Friend invoked the names of Clement Attlee, Aneurin Bevan and Creech Jones, giants of our party's and the nation's history. As he mentioned those names, I realised that a potential minefield was opening up before me. The fact that he was able to secure the presence of my hon. Friends the Members for Paisley and Renfrewshire, North (Jim Sheridan) and for Falkirk (Mr. Joyce) and of my right hon. Friend the Member for West Dunbartonshire (John McFall), the Chairman of the Treasury Committee, served to underline recognition and awareness of the CDC across our party. I also note the continuing interest in the subject of the hon. Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore); I shall deal later with some of the specific points that he raised.

I hope that the hon. Member for North-East Milton Keynes (Mr. Lancaster) will forgive me, but although his speech was balanced and although he raised one or two perfectly legitimate points, his opening comment about perceptions being important was an obvious truism given the arena in which we all have to work. Surely it is incumbent on us, as Front-Bench spokespeople, to deal with the substance and to correct erroneous impressions. Some erroneous impressions have indeed built up about the work of the CDC, but I shall come to them in a moment.

The hon. Member for Berwickshire, Roxburgh and Selkirk spoke about the need for the CDC to be a thought leader. That point was also made by my hon. Friend the Member for Falkirk and more generally by my right hon. Friend the Member for Coatbridge, Chryston and Bellshill. The Government need to do more to help to develop the private sector in developing countries. We need to consider what more we can do to catalyse more investment and interest in African and other developing countries not only by British businesses but by the international business community.

What interested me about the contribution of my hon. Friend the Member for Falkirk is that President Kagame, whom he met last week, is in London to attend a meeting convened by the Prime Minister. Seventy chief executives and a number of figures from the international donor community, including from the United Nations Development Programme, are in the UK to consider what more can be done—given that this year we are halfway to achieving the millennium development goals—to galvanise investment and interest from the

private sector internationally in our efforts to tackle poverty. The CDC can continue to play an important role as we look at how to develop effective private sectors in the most challenging circumstances in the poorest developing countries.

I give an example that demonstrates the importance of that role. I do not know whether the CDC is considering investments in Afghanistan—that is not my point—but Afghan farmers invest time and effort in continuing to grow opium poppy partly because of the absence of alternative livelihoods that would generate sufficient income for them to be able to send their families to school, receive hospital treatment and so on. On occasion, they continue to grow opium because they lack the ability to access finance in a way that we would recognise. The effort to develop an alternative private sector and financial institutions that we would recognise in Afghanistan, which could loan money to Afghan farmers, help them to save and so on, must be a priority for the international community. Anything we can do to galvanise interest, not only in Afghanistan, which may be in a particular situation, but more generally in the developing world, from financial institutions and the private sector can only help.

An issue for the future of the CDC is how we can work with it and continue to refocus the effort, talent and imagination within the organisation on the most challenging markets in the poorest countries. The corporation has had many successes in the emerging, now middle-income, economies of the world, and in the poorest countries, but if we are to continue to get the best from the talent of its staff, we need to continue to work with it to ensure that it is focusing on the most challenging countries.

Jim Sheridan: In recognising the good work of CDC staff, will the Minister give consideration to recognising formally the work of the CDC and in particular its 60 years of good work on its anniversary, perhaps not today, but later? Perhaps the Department has already done so.

Mr. Thomas: One reason why I welcome the debate is that it has given us the opportunity to acknowledge the considerable contribution that has been made by existing staff at the CDC, to whom I again pay tribute. However, we should also recognise that we need those talented individuals to continue to work in the most challenging circumstances if we are to maximise the opportunities that the corporation provides as our development efforts go forward. I shall reflect more generally on my hon. Friend's point—although we should celebrate the 60th anniversary and 60 years of progress, we also need to look at how we can use the occasion to concentrate on what else the CDC should do.

As my right hon. Friend the Member for Coatbridge, Chryston and Bellshill said, the organisation has a distinguished history. It has taken several forms since it was founded in 1948 as Britain's first development institution through to its present incarnation. Rightly, my right hon. Friend said that throughout its 60 years, it has had the same mission—to reduce poverty by promoting economic growth in poor countries. However, as he acknowledged, ideas on how best to tackle poverty in developing countries have evolved in those 60 years. From a belief that the developing world should produce the commodities and raw materials that industrialised countries need, we are now convinced that the way to defeat poverty is to produce more sustainable, broader-based economic growth in poor countries, and to bring poorer countries into the global economy by increasing trade and investment. Such sustainable growth can be achieved only by building a sound private sector, which provides the type of jobs that we would recognise and generates commerce and trade. Our approach to poverty, and therefore the way in which the CDC mission is implemented, has changed to reflect that. From being an occasional source of credit, often to agricultural enterprises such as tea plantations, the corporation now provides investment capital to help businesses in poorer countries to grow and develop.

The value of the corporation's investments stands at some £2.7 billion.

Mr. Tom Clarke: I am extremely grateful to my hon. Friend for his considered reply and for his truly remarkable commitment to everything that Creech Jones set out to achieve—he is a first-class Minister. Of the first Adjournment debate that I introduced in the House, one profile writer said that it was rather surprising, given my local government background, that I chose to speak about the Philippines. The CDC's message even at that time was that some things were going wrong—in the Mindanao palm oil project, for example—in employee relations and other aspects of the commitment. Nevertheless, it emerged that the CDC accepted its responsibilities to ensure, in so far as it could influence matters, good employment practices, as the Minister will confirm. As was mentioned, the environment is crucial to the CDC's objectives. Does the Minister agree that we regard such objectives as a priority?

Mr. Thomas: We do regard those objectives as a priority. My right hon. Friend underlines the phrase that the hon. Member for Berwickshire, Roxburgh and Selkirk used about the need for the CDC to be a thought leader on that work. My right hon. Friend rightly alluded to the fact that businesses operate within particular climates and legislative requirements in particular countries. We sometimes need to deconstruct the circumstances and environments in which businesses operate from the practices of organisations or their subsidiaries. However, that does not in any way negate the responsibility of businesses, hence our support for the ethical trading initiative, for example. It means that we must work through our aid programmes to help developing countries to put in place the appropriate standards and regulatory framework within which the business community operates.

I was detailing some types of CDC investment. A number of hon. Members referred to the continuing role of the corporation in agriculture, which of course remains hugely important for poor countries. The CDC has investments in fruit, flower production and a range of other commodities, but it also invests in many other perfectly legitimate economic sectors such as the financial sector. More than £100 million is mobilised for investment in microfinance. As the hon. Member for North-East Milton Keynes said, it also has considerable involvement in the power sector. Both those sectors are critical to the economic development of poor countries. A sound

[Mr. Thomas]

financial sector helps economies to have the credit and financing that they need to develop and expand. The CDC's investment in the Banque Commerciale du Rwanda, for example, led to the launch of new savings accounts and personal loans, which had not previously been available to customers.

As we have heard, the CDC has been a major player in developing-world power generation through Globeleq, and it has a series of investments in Asia, Africa and the Americas. I make no apology for the fact that it is investing in energy generation, because access to power will be one of the things that underlines our ability, or otherwise, to make progress on meeting the millennium development goals. We cannot make progress on providing access to schools and health care or on developing the private sector if people do not have reliable access to electricity. Many of the company's electricity investments were sold to private buyers last year, and the cash raised—$1.2 billion—is largely being ploughed back into developing new power facilities for developing countries.

Today's CDC looks very different from the original Colonial Development Corporation that Creech Jones set up. It now invests through 40 investment managers around the world, including Actis, the fund management company that we de-merged from the CDC. Many of those managers are based in the emerging economies themselves, so the CDC is developing the financial services sectors of those countries, too.

By requiring fund managers to apply business principles that demand proper environmental, financial, health and safety and labour standards in their investee companies, the CDC also promotes effective corporate social responsibility. That is a key point, and the CDC has a key role in that respect. By investing in poorer markets that private investors are reluctant to enter and showing that responsibly run companies can be good investments even in those markets, the CDC has been able to attract more private inward investment—£325 million last year alone—to countries that badly need it to drive economic growth.

As all hon. Members have made clear, the CDC needs to demonstrate developmental impact as well as financial success. Some of that impact will come from its responsible business principles and from showing that companies can look after their employees properly and be financially successful at the same time. Many of the companies in which the CDC invests also provide housing and social services for employees and their local communities.

Several hon. Members raised the example of Tanzania Tea Packers, in which the CDC invested $75 million. As my right hon. Friend made clear, the company has gained Fairtrade accreditation. However, it is important to reflect not only on the financial success of that investment, but on the fact that the Fairtrade price premium that Tanzania Tea Packers has been able to secure has allowed schools, health centres and an extensive HIV/AIDS education and training programme to be financed in local communities.

That example is replicated in all sorts of other places. In Bangladesh, for example, the BRAC bank is providing microfinance services such as small loans and savings services to tens of thousand of poor people who had previously been excluded from traditional financial services. In India, CDC investments in a 1,000-strong taxi fleet in Mumbai are helping to demonstrate that first-world vehicle and driver safety standards can be implemented in a developing country. There is a series of examples of the way in which the CDC is having a developmental impact while being a financial success.

Mr. Clarke: My hon. Friend mentioned Mumbai, which I visited about a year ago as part of a group considering the very big problem of tuberculosis in India, where 1,000 people still die each year from that preventable disease. Among many other things, we discovered that some companies were willing to make a contribution and to become involved in research into prevention. Given the ethos that my hon. Friend rightly associates with the CDC, does he not agree that such an approach is right for the organisation? Indeed, it is seeking to inspire other private companies to take the same approach and to accept their responsibilities to people in the communities in which they invest.

Mr. Thomas: My right hon. Friend makes an important point. The work by the CDC that he highlights is an exemplar for the business community more generally. We are working in all sorts of ways with many businesses that want to put something back into local communities and which recognise their responsibilities to their employees and the communities from which they come. At last week's call-to-action meeting with the private sector, which was chaired by the Prime Minister, it was striking that many different businesses were interested in, and committed to, doing more. As a Government, and as parliamentarians, our role is to continue to challenge members of the business community to do yet more and to help them to get the information that they need to invest in developing countries. We look forward to continuing to work alongside them in a series of settings and in a series of ways to challenge them to do more. We also look forward to doing what we can to help to improve the investment climate for the business community in developing countries. As my right hon. Friend rightly says, it is fundamental to making the progress that we need if we are to achieve the millennium development goals.

Mr. Moore: In 20 minutes, the Minister has given us a typically eloquent journey through different aspects of the CDC that we might not have known about, and through the different themes running through Government policy. In the four minutes that he has left, however, will he please turn his mind to the questions that have been raised from both sides about the CDC's future and specifically about privatisation?

Mr. Thomas: I was coming to exactly that point. As the hon. Gentleman and my right hon. Friend have suggested, a series of rumours have been doing the rounds about what the CDC's future might look like. As my right hon. Friend made clear in his opening remarks and in a series of interventions, the question of privatisation has surfaced several times. As I suggested in an early comment, we are looking at how best to maximise the CDC's developmental impact, and one thing that we are working on with the company is how to ensure that it continues to prioritise markets in the very poorest countries, as opposed to those in some of

the emerging economies, where it has made a series of investments to date. I should make it clear that we are not looking at privatising the company, but we are looking at tightening up its investment policy still further. We are not having a battle with the CDC about that, but working collaboratively with it on the issue.

The hon. Member for Berwickshire, Roxburgh and Selkirk raised the issue of the release, or otherwise, of the accounts of the CDC's subsidiaries. I will take his series of very deliberate points away with me and, with the Secretary of State, look at what else we can do to make at least some of those accounts available to the House. Commercial confidentiality is a serious issue, but notwithstanding that, I recognise the need and desire of the House to have as much transparency as possible. I will, therefore, take away from the debate the specific concerns raised by the hon. Gentleman and other Members about the need for the CDC to engage in as much disclosure as possible.

This has been an important debate. I re-emphasise the Government's recognition of the huge amount of work that the CDC has done and of the huge talents of its leadership and staff. I welcome this opportunity to celebrate the CDC's 60 very successful years, and we look forward to working with it for many more years as we help to fight poverty around the world.

Immigration Rules (Spouses)

11 am

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): I am most grateful for the opportunity to debate this subject and to do so under your chairmanship, Mr. Weir. The issue that I want to raise is a specific one, rather than the wider issue of rules relating to spouses who seek to come to this country. Furthermore, it really applies only to female spouses, for reasons that I shall make clear. The group that I wish to discuss consists of those female spouses cleared to enter this country from the main Muslim countries on the Indian subcontinent, where the tradition of marrying cousins is still strong. I refer to Pakistan and, to a lesser extent, Bangladesh, but particularly to Azad Kashmir. My constituency has a large population from the Mirpur, Chakswari and Dadyal communities in Azad Kashmir.

When a female spouse seeks entry clearance to come to this country after having married her husband, who travelled from the United Kingdom for the ceremony, she must meet the requirements of the immigration rules. The sponsor, her husband, must be able to demonstrate clearly that he can support and sustain his wife in the United Kingdom without recourse to public funds, and that he has sufficient financial resources and accommodation to sustain them both. That is a perfectly reasonable requirement, and I take no issue with it.

After a female spouse arrives in the United Kingdom, the terms of her visa include an initial two-year probationary period, for want of a better description, during which she must demonstrate that she and her husband live together and that the marriage is happy and successful. She can then apply before the two-year period expires for indefinite leave to remain in the United Kingdom. Under the change in immigration rules—again, I take no issue with this—spouses must show that they have made genuine efforts to assimilate into the life of the United Kingdom and to learn the English language, and an additional period of limited leave to remain is allowed. However, that is not what I am discussing today.

The specific issue that I am raising relates solely to female spouses who come from the parts of the Indian subcontinent that I mentioned. It does not really apply to male spouses because, when they come to the United Kingdom, they invariably become the breadwinner of the family. As a result of custom and tradition, they become the head of the family and take responsibility for the household.

Sadly, there are instances of male spouses using marriages arranged in their extended family by both sets of parents as a means to enter the United Kingdom without any definite intention of staying with their wives. I am sure that the Minister for Borders and Immigration, if he were here today, would know of instances of extremely distressed wives whose husbands have left the family household within a short time, and I am sure that he has dealt with the repercussions, including wives who feel that they have been used and want their estranged husbands thrown out of the country before the two-year probationary period expires. Such instances are extremely sad, but again, that is not the issue that I am discussing.

[Mr. Roger Godsiff]

I have sought this debate to bring a specific issue into the public domain. When a female spouse is granted entry clearance to come to this country and moves into the family home—whether it is a property owned or rented by her husband or her father-in-law's house—the first thing that invariably happens is that her husband takes her passport and puts it with other valuable documents. Then they get on with their lives. If the wife becomes pregnant during the course of their first 18 months or so of living together, some of the problems that I am about to mention, although not necessarily all, are easier to resolve.

Unfortunately, the husband and wife often overlook the fact that they must regularise their stay in the United Kingdom before the two-year probationary period expires, and they only realise that that has not been done when it is drawn to their attention by another family member or they take it in mind to travel abroad. The female spouse then applies for indefinite leave to remain in the United Kingdom, but as her application is made after her visa has expired, she is technically classified as an overstayer. In my many years' experience, for what it is worth, if the application is made before the two-year period ends, the UK Border Agency seems to take a more relaxed attitude, but the same criteria must nevertheless be fulfilled. That is where the problem arises.

If a spouse applies for indefinite leave to remain after having stayed beyond the two-year probationary period, she must provide evidence that she and her husband have been living together for the past 24 months and, according to the guidance notes, attach the SET(M) application form. She is asked for a range of documents in joint names showing the address of where she is living with her husband. The guidance notes specifically say that the items of evidence should come from at least five different official sources and that a total of 20 items of evidence would be a good indicator, but that she must provide 10.

Sadly, many female spouses—including two in my constituency, to whose cases I shall refer—cannot provide the documents required, which include telephone bills or statements, gas bills or statements, electricity bills or statements, water rates bills or statements, council tax bills or statements and mortgage statements or agreements. As I have explained, a female spouse who lives with her husband or in a house owned by her father-in-law will invariably not be named on any of those items, as they will be in the sole name of either the husband or the father-in-law.

Many spouses who come to this country from Mirpur, Chakswari and Dadyal have not only a limited command of the English language but no experience whatever of owning property in their own right or jointly. Although some people in our emancipated society may frown on such traditions, it is a fact of life that they exist. The overwhelming majority of female spouses from Azad Kashmir who live in my constituency—and, indeed, in that of the Minister for Borders and Immigration next door—will not be named on any of the listed items.

The guidance also says that other acceptable documents include bank or building society statements or pass books, but a spouse cannot open a bank or building society account unless they can prove their entitlement to live permanently in this country, so they cannot produce such documents even if they want to. The next item said to be acceptable is a tenancy agreement, but as I have said, the vast majority of female spouses go to live with their husband either in houses owned by husbands or in their father-in-law's house. As it is an extended family matter, there is no formal tenancy agreement.

The guidance notes then refer to insurance policies, certificates or other correspondence, or loan agreements. However, for the reasons that I explained in relation to utility bills, the female spouse's name will invariably not be on any of those items, because it is traditional for husbands to deal with insurance and loan agreements.

It might be, of course, that the wife has a copy of an English for speakers of others languages certificate saying that she studied to learn the English language, but the certificate does not give the address to which it was sent.

The guidance note then refers to membership of the Automobile Association, the Royal Automobile Club or "similar membership", but if the female spouse does not drive, how can she produce such documents? There is then reference to

"correspondence from Government Departments or Agencies, e.g. HM Revenue & Customs, Inland Revenue, Department for Work and Pensions, including evidence that you have declared your relationship to the appropriate Government Bodies".

It might be that the female spouse has taken a job and can produce a P60 Inland Revenue certificate, but in many cases female spouses from abroad do not take full-time employment and concentrate on running the family household and, in the fullness of time, bringing up a family. She is not going to have documents from the Department for Work and Pensions saying that she is in receipt of unemployment benefits—nor, for what it is worth, a pension. It is more than likely, therefore, that she will not be able to produce any of these documents to satisfy the criteria.

The last correspondence that the guidance notes say would be acceptable is from a general practitioner or local authority, such as an NHS card, or regarding antenatal and post-natal treatment, including a letter confirming dates of visits to the home address by a midwife. Again, the guidance specifically says that the documents must

"show your home address and the date first registered".

Most female spouses will obtain an NHS card from a GP, which is accepted by the UK Border Agency as an acceptable document, but if she has not become pregnant during the two-year period, she will not have had any involvement with antenatal or post-natal services or with a midwife.

The final acceptable documents are proofs of

"membership of a sports or social club and membership of a religious organisation".

The overwhelming majority of female spouses coming to this country are very protective of their femininity and are not likely to trot off to a David Lloyd fitness centre, and nor do they enrol as a member of the local mosque. Such evidence, therefore, is not applicable to female spouses who come from the areas that I have mentioned.

In a nutshell, therefore, the only documents that they might be able to produce, out of the list in the guidance notes, would be something from the Inland Revenue, if

they have a job, and an NHS card from their local GP. However, that constitutes only two items out of a total of 20 asked for, with a requirement that

"at least 10 should be provided".

When only two items are sent in with an application by a female spouse for indefinite leave to remain, the application will be turned down. She will be told by the UK Border Agency that she has no entitlement to be in the country and should go back to the country whence she came. With all due respect, that is absolute nonsense.

I am fully supportive of good border and immigration controls, but the world does not fit into neat boxes that can be ticked by everybody. Female spouses who have their applications for indefinite leave to remain in the UK turned down will not return to Pakistan or Azad Kashmir. They stay in this country—including in my constituency and that of the Minister for Borders and Immigration—and become non-persons. They have no legal status to be in UK, but the enforcement sections, based in Solihull and elsewhere, have much more important things to do—dealing with organised people trafficking and men who have deliberately involved themselves in marriages in order to obtain residence in this country, but who then desert their wives—than pursuing housewives whose only crimes are that their husbands forgot to send in the passports before the expiry of the two-year probationary period, and whose names do not appear on any of the documents to meet the criteria, owing to the customs and traditions within their community.

I shall not go into the details of the two particular cases in my constituency, to which I referred, because time does not permit. However, I have raised the issues with the UK Border Agency, which responded in detail. Basically, it said, "Well, it is the fault of the spouse. If she had sent it in before the expiry of the two-year period, there would not have been a problem." It does not seem to understand the way life actually happens in this country. I know that the spouse should send it in before the expiry of the two years, but it does not happen. The women cannot comply with the requirement to produce 10 documents or bills containing joint names, so their applications will be turned down and they will be told to return to the country whence they came. They do not go back, so they become non-persons and just add to the number of technically illegal people in this country.

To be helpful, I told the UK Border Agency that it might care to change its system. I know that the issue of effective border control is a difficult one, particularly in dealing with cultural groups from around the world and from countries where rules and regulations are flexible, to put it mildly. However, the specific client group to which I am referring needs to be reconsidered, otherwise the number of non-persons is going to continue to grow. I pointed out to the agency that, at the very least, when a visa is issued it should be accompanied by a one-sided A4 leaflet, issued in English and other local languages, clearly stating that for spouses to regularise their stay in the UK after their two-year probationary period, they will need to present a range of documents with their name and that of their husband, and their address.

I also said that a copy of that should be signed for by the recipient of the visa and held by the high commission or embassy, so that it can at least be said by the authorities—the Home Office and the UK Border Agency—that they knew quite clearly what the rules were when they came to the country. However, the agency does not seem to get it. I mentioned earlier that it said that suggested evidence of cohabitation is set out in the SET(M) application form, which is used to apply for indefinite leave to remain as a spouse, and which can be found on the website—this is for people with a limited grasp of the English language! However, by the time that somebody applies for indefinite leave to remain by getting the SET(M) application form—namely, before the expiry of the two-year period—it is too late for them to get the documents registered in joint names.

This problem must be looked at. If it is not, we will have more and more people, who have done nothing wrong, except forgotten to send in their applications, becoming non-persons and technically illegal immigrants. That is a nonsense. I hope very much that the Minister will take back to her Department and the Minister for Borders and Immigration the message that this issue must be resolved, and that it can be with a degree of common sense on all sides.

11.18 am

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is a pleasure to serve for the first time under your chairmanship, Mr. Weir. I congratulate my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) on securing this debate on an important topic that I and the Minister for Borders and Immigration, my hon. Friend the Member for Birmingham, Hodge Hill (Mr. Byrne) are looking into, and in a moment I shall expand on some of the areas under consideration.

It is worth highlighting the importance of immigration generally. I welcome the comments of my hon. Friend the Member for Birmingham, Sparkbrook and Small Heath about the need for a robust immigration system, to attract the right people, to help the economy, to take tough action against those in the United Kingdom illegally and to set out a clear contract of rights and responsibilities for all. However, as we all know—this is one of the difficulties of the job of immigration Ministers and others in the Home Office—the system is abused.

It is important that we tackle abuse when we have evidence that it is taking place, and that we introduce rules and legislation to stop it occurring. That protects the public's confidence in the system. However, as my hon. Friend rightly highlights, we need to ensure that genuine migrants—those who wish to live and work and raise their families in the United Kingdom—have a fair deal from the system.

Clearly, the issue of spouses is an emotive one. It is important that we have provisions in the immigration rules to ensure that we distinguish between genuine marriages and failed or sham relationships. I am discussing the issue of sham marriages with hon. Members from all parties because we need to ensure that we strike the right balance. That is the judgment we have to make when we consider any of my hon. Friend's proposals.

The Government have introduced a number of legislative and policy changes to tackle rules relating to marriage and to combat sham marriages taking place in the UK. Under the Immigration and Asylum Act 1999, we required registrars to report their suspicions about any sham

[Meg Hillier]

marriages. In April 2003, the probationary period for those seeking settlement on marriage was increased from one to two years with a view to limiting further the possibilities of people pretending that they were married when they were not. In addition, we introduced a no-switching rule for marriage applications, which meant that anyone in the UK on a visitor visa would not be able automatically to switch in country to a marriage visa, but would have to return to their country to apply for an entry visa. The Government believe that the two-year probationary period helps to protect the system against abuse. At the end of that period, if the UK Border Agency is satisfied that the marriage is subsisting and that the parties involved wish to live permanently together, we will grant leave of status. We have introduced the certificate of approval scheme, which is a key policy that has reduced the number of sham marriages dramatically.

We have taken important steps to tackle some of the abuses in the system. However, my hon. Friend raises some important points about cultural attitudes to marriage and issues around documentation. Some of the people to whom he refers are often vulnerable, young, unable to speak English and inexperienced in the ways of the UK, including in respect of property ownership and other issues that my hon. Friend mentioned.

At the moment, applicants for leave to enter or remain in the UK as spouses have to be 18 or over. We have to be satisfied that they have recourse to public funds. We are consulting on whether we should raise the age to 21 and insist on a level of English for any spouse to enter the UK.

Under the immigration rules, a person wishing to remain in the country as a spouse is normally granted leave to enter or remain for two years in the first instance. I may take a slightly different view from my hon. Friend on the issue of late submission of a passport. Although I appreciate what he says about passports often being put away in a safe place, it should be made clear—perhaps we should make it clear when a visa is given—that the application needs to be submitted a month before the two-year deadline arises. I think that the rule is reasonable and clear and that exceptions to it can lead to confusion and potential abuse. It is a basic rule that will not change, because it is important not just for marriages but for other applications. We need a cut-off and a deadline to apply the rules fairly.

My hon. Friend raised the important issue of documentary evidence. As the MP for a multicultural constituency, I, too, see that providing documentary evidence of cohabitation can pose a challenge to couples. As my hon. Friend rightly says, the lists of documents are in the form SET(M). He makes a fair point about the point at which someone gets hold of that form. It is unlikely that when someone applies for a visa they will also apply for their SET(M) form. It would be a good two years before they would need to use it. Perhaps we should consider providing better information when a visa is granted. My hon. Friend's suggestion that we provide a leaflet in other languages is something we could consider.

I assure my hon. Friend that we want a robust system. It is important that we have some documentation to prove that marriages exist, but we must also ensure that people are well able to meet those requirements and that they know they need to meet those requirements at the point at which they enter as a spouse. The guidance about the required evidence is clear on the application form. Someone with the right advice is able to provide the right evidence, as many couples do.

I am aware that my hon. Friend has raised a couple of cases with the UK Border Agency. I will not go into them because of lack of time and because I do not normally talk about individual cases in such a debate. However, if someone has genuine difficulty in providing the documentation, it is open to them to provide a detailed explanatory letter. We probably need to consider more closely how the rules around that will work.

We are considering the issues in respect of marriage. We are planning a review of the marriage route and we are awaiting a judgment on the Baiai case; the hearing is scheduled for 23 and 24 June. After that we will consider certificates of approval for marriage.

Mr. Godsiff: In instances such as the ones that I have referred to, in which the spouse forgets to send in the application until the two-year period has passed, and when documents cannot be provided retrospectively with the joint names on, does the Minister accept that there is a case for allowing an interview to take place with a representative from the Border Agency? Those couples cannot go to appeal because they are outside the two-year period, but an interview would enable the representative to satisfy themselves officially that the application is genuine and that the couple have lived together for two years. I accept that there is a public cost, but the cost of such an interview should be borne by the applicant on the basis that they did not send in the application before the end of the two-year period. Does my hon. Friend accept that it is wholly unreasonable to say, "Sorry, you cannot provide the document, go back to Pakistan or Kashmir and apply again."

Meg Hillier: I want to unpack that a bit. I think that it is reasonable for people to have to apply a month before their temporary visa runs out and for the Government to have a deadline and a clear rule on that point. On the issue of documentary evidence, clearly interviews are part of the process. If we are to consider charging people extra for a detailed interview, the issue that my hon. Friend raised about the cost of returning to the country of origin could be balanced out. It could be that the cost is about the same. We would thus not be reducing the cost to the individual, and we would be in danger of introducing a loophole in British immigration rules. We have to be very careful about that. That is always the balance that we make.

We are considering the issues relating to marriage. I have listened to my hon. Friend. He has raised such issues with me and my hon. Friend the Minister for Borders and Immigration in the past. We are working on a number of elements and we will include in that programme of work a review of the issues around the evidence required. My hon. Friend the Member for Birmingham, Sparkbrook and Small Heath has raised a couple of pertinent cases. However, we need to ensure

that we have some documentation. It is reasonable in the modern world for people to have certain documentation. My hon. Friend referred to the national health card, which is something that everyone would have. There are other bits of evidence that people would have. Perhaps we need to look at the total volume.

Mr. Godsiff: I have been through all the documents listed in the guidance notes. The Minister says that there are others that would be acceptable. Will she tell me what they are?

Meg Hillier: I was only referring to the ones mentioned in the guidance notes. I am aware that time is running out, but I welcome my hon. Friend's comments. I should also welcome his contribution to our review of marriage rules, particularly in respect of the evidence required. I look forward to having a meeting with colleagues who have a shared interest in the subject so that we can discuss the matter as we go through the review period. I know that my hon. Friend the Minister for Borders and Immigration is equally committed to ensuring that we get this right—that we tackle sham and false marriages, that there are no loopholes in the rules and that people in a genuine marriage get a fair deal.

11.30 am

Sitting suspended.

Royal Mail and the Post Office

2.30 pm

Mr. Alan Reid (Argyll and Bute) (LD): It is a pleasure to serve under your chairmanship this afternoon, Mr. Weir, to discuss a subject that I know is dear to your heart. I applied for the debate after the panel that was set up to review the UK postal services sector published its initial report in response to the evidence submitted to it. I am grateful to Mr. Speaker for granting the debate.

I shall first talk about Royal Mail and later address the future of the Post Office. Royal Mail and its universal service obligation are part of the glue that holds the United Kingdom together. The delivery and collection of mail throughout the country at the same affordable price is very important. My constituency is sparsely populated and includes 26 inhabited islands, so it is definitely a beneficiary of the universal service. Small businesses in my constituency could not compete without it.

However, the interim report paints a picture of a bleak future for Royal Mail and the universal postal service if changes are not made. Paragraph 79 of the report, which is rightly highlighted in bold, states:

> "We believe that there is a broad, emerging consensus among postal companies, business users, consumer organisations and the regulator that the status quo is not tenable: it will not achieve the vision we set out at the beginning of this paper. There is, therefore, a compelling case for action."

That is a wake-up call to all of us. The report also concludes that householders and small companies have seen no benefit from the opening up of Royal Mail to competition, but that big companies have seen clear benefits. It warns that Royal Mail's financial stability and thus the future of the universal service, with delivery to every home in the country at the same price, is under threat.

The report confirms what I and many other hon. Members have been warning for years: continuation of the present policies will inevitably mean the end of the universal service. In recent years, the service has worsened. The first delivery, by which mail used to be delivered by about half-past 9 in the morning, has ended. Delivery times for mail are now much later in the day—in some cases, as late as 7 o'clock in the evening. The price of posting mail has risen steadily. A second-class stamp went up in price by 12.5 per cent. last month, which is well above the rate of inflation.

An example from my constituency of a significant worsening of the service relates to deliveries to the island of Mull. For many years, the mail was delivered to the island on the first ferry of the day, at 8 am. Now it is delivered on the second ferry, at 10 am, which has a knock-on effect for the delivery time to people's businesses and homes. Royal Mail's excuse is a European transport directive that restricts its vans to 56 mph. However, that is only 4 mph below the speed limit on Argyll roads, and people familiar with the roads will know that their winding nature and the need to avoid all the potholes means that driving at 60 mph is impossible on most stretches anyway. I am not sure why that 4 mph difference means that mail cannot be on the first ferry.

As a result, the mail is not delivered to the shop in Fionnphort, at the end of the Ross of Mull, at the far south-west of the island, until almost 6 o'clock in the

[Mr. Alan Reid]

evening. Some houses outside the village do not get their mail until about 7 o'clock. Clearly, that is far too late for businesses to deal with the mail that they receive that day, but under Royal Mail's performance statistics, it counts as mail delivered on that day. There is no incentive for the company to deliver the mail earlier in the day—if it is delivered before midnight, it counts as delivery on that day.

The Mull and Iona chamber of commerce discussed the problem with Royal Mail, which revealed that three quarters of the mail could reach the first ferry of the day. The chamber of commerce's view was that it would rather receive three quarters of the mail during the working day than all of it after businesses had closed for the night. However, Royal Mail said that it could not entertain that suggestion, apparently because of performance targets. As I explained earlier, the targets set by Postcomm measure the day on which the mail is delivered, in theory even if it is only delivered at one minute to midnight.

That raises questions about the performance targets. Royal Mail seems to be driven by those targets rather than by the wishes of the customer. We need to make the organisation a bit more sensible, for example by having a target delivery time of perhaps 3 pm, rather than midnight as at present. We could even have a points system, with full marks for delivery before 3 pm and half marks for delivery between 3 pm and midnight.

I always stress to managers delivering any service that the islands need a degree of flexibility. Hard and fast rules that work okay on the mainland do not necessarily apply to islands. It is possible that some people on the island may have a different view from that of the chamber of commerce, so I want Postcomm to consider the proposal that Royal Mail should be allowed to deviate from the normal rules in any part of the country, following a public consultation and with the agreement of the local council. It should be allowed that flexibility as long as there is agreement, rather than slavishly having to follow national performance targets.

Lembit Öpik (Montgomeryshire) (LD): I am interested in my hon. Friend's idea about greater flexibility. He is aware of the colossal post office closure programme that is affecting my constituency and others. Does he agree that it would be better to apply the same guidelines-based, rather than rules-based, approach in that case? People like me who are trying to save post offices such as Abermule, Berriew, Castle Caereinion and Garth Owen from closure could then appeal on the basis of a common-sense local decision, taking local criteria into consideration. It sounds to me as though that is what my hon. Friend wants to do in the case of the delivery service, but it makes sense to do it in the case of the closure programme as well.

Mr. Reid: I definitely agree with my hon. Friend, who makes an important point. As far as the closure programme is concerned, Royal Mail is constrained by the Government's saying that it has to close 2,500 post offices.

Mull is just one example of a worsening service, and there are many others throughout the country. Royal Mail's current strategy of constantly raising prices, combined with a worsening service, will inevitably lead to reductions in the volume of mail posted. That will get us into a vicious circle, triggering higher prices, leading to reduced volumes and so on, eventually making the entire business untenable and threatening the maintenance of the USO.

Mr. Russell Brown (Dumfries and Galloway) (Lab): The hon. Gentleman has mentioned the increase in the cost of postage on two occasions—I arrived somewhat late, so it may have been on three occasions. Does he recognise that in comparison with other European countries, the cost is still one of the cheapest? For the service that it gives us, it is still good value for money.

Mr. Reid: I will take the hon. Gentleman's word on the comparison with prices in other countries, because I have not made such a comparison. However, I am concerned that if there are such price rises every year, the vicious circle that I described will be triggered.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate the hon. Gentleman on securing the debate. Does he think that the problems he has identified—cost and lack of responsiveness to local needs—would be better or worse if Royal Mail were privatised? I understand that his party's policy is to privatise Royal Mail and separate it from the post office network. Does he agree with that policy? If so, why does he think it would make things better?

Mr. Reid: Well, it would be inaccurate to describe my party's policy as privatisation. I support the policy of the party, which is to bring more private sector investment into our mail services, and I will come to that later in my speech.

In the early stages of its existence, Postcomm argued that the universal service obligation was a help to Royal Mail and gave it a competitive advantage. I am pleased to read in the report that Postcomm has now woken up to reality and in its evidence to the review, it accepts that

"without extensive change, the Royal Mail's business model will become unsustainable".

It goes on to predict that, without policy changes, Royal Mail's cash flow on its letters business could be in deficit by as much as £400 million a year in just four years' time.

Mr. John Grogan (Selby) (Lab): Given the threat to the universal service obligation, does the hon. Gentleman think that there is a case for the other mail operators that are emerging to make a contribution—as Royal Mail does—to the universal service obligation?

Mr. Reid: I am grateful to the hon. Gentleman for that intervention and I completely agree with him; I intended to mention that point later.

The hon. Gentleman's intervention leads nicely on to the next part of my speech, which is to point out that Royal Mail is at a serious disadvantage compared with its competitors. It has to deliver mail to every home in the country. That obligation is often called "the last mile", although in the case of my constituency "the last hundred miles" would be more accurate.

The private sector clearly picks the profitable side of the business. There will never be competition to deliver mail to rural areas, which is the expensive side of the business. Going back to the Fionnphort example that I gave earlier, we will never see two mail delivery vans rushing nose to tail down the single track road to Fionnphort. That scenario conjures up an image of the driver of the leading van ignoring all the signs urging him to be a courteous driver and to use the passing places to allow overtaking. However, that scenario will never arise; deliveries to Fionnphort will always be left to Royal Mail.

It is evident that Royal Mail requires more investment if it is to continue to deliver the USO without constant and large increases in the price of a stamp, so there are some issues that I would like the Government, the regulator and the review panel to consider. First, there is what is known as the "access headroom" rule. Royal Mail is required by its licence to maintain a minimum gap, known as the headroom, between the prices that it charges retail customers and the amount that it can charge its wholesale customers to use its network. The access headroom regime has paved the way for the fast growth of upstream competition—a rate of growth that is far ahead of all predictions.

I understand that no other postal market in the world has an access headroom regime that imposes such competitive constraints on the universal service provider; nor is there a market that makes new entry to the upstream market so easy by enabling competitors to rely on the existing infrastructure of the universal service provider to deliver "the last mile". The UK's access headroom regime is something that must be looked at. It certainly appears to be very unfair to Royal Mail.

Another way of paying Royal Mail for delivering the USO relates to a point I made earlier; we should take advantage of the clause in the European directive that allows a charge to be levied on mail companies that do not deliver a universal service, and use the proceeds to pay Royal Mail for doing so. If those private companies are cherry-picking the profitable parts of the business, they should compensate Royal Mail adequately for carrying out the unprofitable parts of the business. At the moment, it appears that Royal Mail is cross-subsidising the universal service obligation from other parts of its business, which makes it harder for it to compete. Royal Mail desperately needs more investment and the Government must either provide that investment themselves or ensure that private sector investment is secured for the company.

I turn to post offices. My constituency has already suffered from the latest post office closure programme; several post offices in my constituency have already been closed, so there is no point in my revisiting that ground. Instead, I want to look to the future.

The post office closure programme in Argyll and Bute reported in January. As well as closing several post offices, the report contained one piece of good news. Post Office Ltd said that it wanted to reopen one post office, in the village of Otter Ferry, which had closed several years ago. That seemed to be good news. However, yesterday—four months further on—the Post Office told me that it was still working to try to restore the service to that community, but it was not yet in a position to confirm anything. That certainly worries me; four months have passed and no one has been found to take over the post office in Otter Ferry.

To add to those worries, the post office in the village of St. Catherines closed suddenly in the middle of February. Again, the Post Office told me that the closure was only temporary and that it was planning to find somebody to take over the post office. However, three months later, the Post Office has again not managed to find anybody. I know that throughout the highlands and islands, there are post offices that are supposed to be temporarily closed, but they have been in that position for several years. It certainly worries me that, when a postmaster gives up a small village post office, it seems to be extremely difficult to find anybody to take over the business. That suggests that people looking at those businesses do not regard them as profitable, so I am worried that even after the closure programme we might continue to see a gradual decline of the post office network.

The key to keeping post offices open and profitable is clear—to ensure that the contract to pay pensions and benefits stays with the Post Office after 2010. We must not see a repeat of the TV licence fiasco, when the contract to renew TV licences was given to PayPoint, an organisation that lacks a rural network.

Mr. Russell Brown: As the hon. Gentleman recognises, footfall is important. However, does he also recognise that the Post Office is having extreme difficulty in competing with the likes of PayPoint to win contracts? Let us take, for example, the fictitious "A Bank Ltd", or a fictitious utility company, which might allow people to pay their accounts at a post office. However, the price has to be cut to such a level that the postmaster or postmistress receives a greatly reduced payment for providing that service, which in effect means that the business is no longer viable for them. I suspect that is why we end up with temporary closures that become almost permanent; no one is interested.

Mr. Reid: That is an important observation. However, the key thing is that, where there are Government contracts, they must be given to the Post Office. The reason is that the Post Office is the only organisation that has a rural network. PayPoint has an extensive network, but only in towns. Let us compare PayPoint with the Post Office in my constituency. PayPoint has no outlet in the whole of rural north Argyll, nor does it have an outlet on several of the inhabited islands in the constituency. By contrast, rural north Argyll has several post offices and the inhabited islands to which I referred also have post offices, so when the BBC gave the TV licence renewal contract to PayPoint, it meant that people on several of the islands in my constituency and in rural north Argyll were not able to renew their TV licence over the counter. I do not want that situation repeated with the Post Office card account.

The way for the Post Office to compete with PayPoint is through the rural post office network; the Government must recognise that in specifying the contract.

Lembit Öpik: On the point about costs and internal costings, has my hon. Friend heard, as I have, from people in the Post Office that one or two of the privatised processors outside the Post Office now cost more, not less? In addition, there is the huge social cost in places such as Llanbrynmair, Carno and Trefeglwys, which are remote villages in my constituency. On top of everything

[Lembit Öpik]

else, people in those villages have to pay a lot of money in fuel bills to drive elsewhere for their postal service. Those additional hidden costs must be taken into account as well, because in many cases we are adding many pounds to the cost of simple transactions. That money could be saved if the Government made the political decision to protect things such as the Post Office card account. However, apparently for dogmatic reasons, they refuse to do so.

Mr. Reid: Yes, my hon. Friend is perfectly correct. There are social costs and extra costs that rural dwellers have to pay to travel to a post office in a town if their post office is closed.

Willie Rennie (Dunfermline and West Fife) (LD): I thank my hon. Friend for his excellent speech. I am meeting representatives of Royal Mail in about 10 minutes' time so that they can tell me which post offices in my constituency they wish to close. On my hon. Friend's point about more trade for post offices, Fife council recently decided to put more business the Post Office's way by allowing customers to use post offices to pay council bills, but Royal Mail does not seem to have taken that into account. Does my hon. Friend not think that it would be wise for Royal Mail to wait until the full effects of that extra trade, which is significant, are felt so that it can make a full assessment before deciding which post offices it does or does not wish to close?

Mr. Reid: My hon. Friend makes an important point. I was certainly pleased with the initiative proposed by Essex county council for the council and post offices to share services. Unfortunately, in my area, the proposal was made far too late to allow the council or community groups to put together a proper business plan. In the case of my hon. Friend's constituency, I hope that the Post Office will give Fife council time to put together a proper business plan. One way to secure the future of rural post offices is by sharing services with councils, community groups and other public bodies.

The key to securing the future of post offices is the card account. The Government must specify that whoever wins the tender must have a rural network, but we also need to develop the Post Office card account. Clearly, it has limited functionality at present, but it ought to be developed into a bank account with a full range of banking products. That is the road that France, Germany, Italy and other European countries have followed. It would allow small rural post offices to become profitable and to survive, and it would be of great benefit to people on low incomes who are often financially excluded. I urge the Government to develop the Post Office card account into a proper bank account with full banking facilities, and to ensure that the contract for paying benefits and pensions specifies a rural network.

I shall speak briefly about parcels. One of the complaints that I receive regularly from people in my constituency is that when they give their postcode when placing an order for something that has to be delivered as a parcel, they are directed to small print saying that an extra amount is charged for deliveries to the highlands and islands. That causes great consternation.

Clearly, the private parcel delivery companies are not keen on delivering to remote areas. Part of the problem is that they do not have depots in remote areas where parcels can be left if the people to whom they are being delivered are out. The Government and the review panel should consider allowing small sub-post offices to retain parcels that parcel delivery companies cannot deliver because someone is out.

At present, under the contract that small sub-post offices have with the Post Office, a parcel delivered by a private delivery company cannot be held anywhere in the shop. Even if the post office is in a corner of a shop, it is still against the contract to leave the parcel anywhere in the shop. Often, the post office-cum-shop is the only shop in the village, which means that if a parcel is being delivered to somebody in the village, there is often nowhere for it to be left if the person is out. I would like the Government, the regulator and the review panel to consider whether we could allow post offices to store parcels on behalf of private companies as well as Royal Mail.

Royal Mail and the Post Office are clearly in a critical condition, as the report demonstrates, but I still believe that with the right action they could be rescued. I conclude with three questions for the Minister. First, will he assure us that the universal service obligation will continue and will not be watered down in any way? Secondly, will he assure us that the present round of post office closures is the last, and that the remaining network has a secure future? Thirdly, the interim report says that the present set-up is unsustainable, so what action do the Government intend to take to ensure that Royal Mail services are sustainable in the long term?

2.55 pm

Mr. David Drew (Stroud) (Lab/Co-op): I am delighted to take part in this important debate, particularly as it comes on the back of the issuing last week of the report, "The challenges and opportunities facing UK postal services", by Richard Hooper, Dame Deirdre Hutton and Ian Smith. I shall refer to it, because it is an important report that shows the seriousness of the problems that we face.

Clearly, we know the background. It is good to see the Minister in his regular seat. He must have spent more time in this Chamber over the past few months than any other Minister, and I am sure that we will eventually give him the seat if he sits in it much longer.

We have been through the political pain and community anger caused by the closures, some of which are still to come in parts of the country. Now—dare I say it?—there is an increasing likelihood of legal challenges, as individual post offices and communities look at how the consultations were held and see them as having been unfair. However, we are looking at the big picture today, and that is what I mainly want to do.

I have some responsibility and interest: as I have said previously in this Chamber and in the House, I served on the Committee that considered the Bill that became the Postal Services Act 2000. It was largely a consensual operation all those years ago and was about trying to save the Post Office and Royal Mail. It is fair to say, as I will say again later, that the legislation has not been an unalloyed success. We are in a mess at the moment, even if the report that has just been published is taken as the benchmark.

The purpose of the legislation that we introduced five or so years ago was twofold. First, there was an idea that liberalisation would make the British Post Office more efficient and competitive. It would be able to see off its main competitors in the British market but also become strong enough to work in France, Germany, Italy and everywhere else in Europe. Its reputation and prowess would be such that it would succeed. Clearly, on those measures, we have a complete disaster. We have no imprint on Europe, and our competitors—the Dutch, Germans and French—in one guise or another, are rampant in our homeland.

Mr. Russell Brown: Before my hon. Friend moves off that point, all that opening-up of the market has not come without a significant amount of pain and a significant number of job losses, as I am sure he well recognises. The problems cannot be rectified quickly, especially in rural areas such as Argyll and Bute and my own area. Some 30,000 jobs have been lost—and, I hate to add, there may be more losses to come.

Mr. Drew: I thank my hon. Friend for that intervention, with which I agree. To use a horrible analogy, it has been all pain and no gain. It is about time we considered whether something could be turned on its head, so that we could see some gain and a bit less pain.

The second purpose of the legislation was to try to restore—dare I say to refine?—the definition of the universal service obligation. We spent a lot of time trying to make it clear in the legislation that there was such a thing as a USO and that the Post Office was largely responsible for delivering it but would be protected in so doing. I contend that the USO is more under attack now than ever before—zonal pricing is an obvious example of that—and, more particularly, that we have not been able to protect the Post Office and Royal Mail. Foreign competitors and other major carriers came in below the radar and took away business that, fairly, should be with the Post Office. It is the lack of fairness and the lack of a level playing field that I wish mainly to mention.

On the USO, the Minister's predecessor stated clearly that the Government were looking again to try to identify whether other major national carriers—international, because they come from abroad, but national in the sense that they have a significant share of the market in this country—should now contribute to the USO. That clear statement, which said that we as a Government were considering whether those other carriers could contribute to the USO, has been restated in answers to parliamentary questions. It would be good to hear the Minister say that progress is being made on that issue and that some announcement is, to use Government language, imminent. It is about time that we expected those who are, by every definition, a national carrier to have an obligation under the USO and that we stopped exploiting the British Post Office by making it deliver the last mile in return for negligible commitment and contribution. Ergo, why should they not pay towards the USO? I hope that we will hear something interesting from the Minister.

Just to show the depth of the problem that we face, I shall read from the introductory remarks in the report by Hooper, Hutton and Smith. Hon. Members should remember that this interim report is posing the challenge and is not coming up with any answers at the moment: it is long on analysis but contains few answers. On the next steps, page 7 says:

> "There is now a substantial threat to Royal Mail's financial stability and, therefore, the universal service. We have come to the conclusion, based on evidence submitted so far, that the status quo is not tenable. It will not deliver our shared vision for the postal sector.
>
> There is a strong case for action. The policies needed to establish a sustainable future will be the focus of our report later this year."

Three wise people are looking into this matter. I welcome Parliament's being part of that process, because at the moment nothing matters more to our constituents than postal services, whether in respect of shutting post offices, the lateness of the mail, the deterioration in mail delivery or this most loved institution's now being regarded more under attack than ever before.

It would be good to get some idea from the Minister about the time scale that the three wise people are working to and what authority they have to come up with solutions, which we welcome. All hon. Members could come up with the headings used in the review—profitability, pricing, efficiency, access to capital, pensions, labour relations, regulation, competition and financial outlook—but it is good that we have that analysis. I like the report, because it is short and readable, and we can dwell on what it is trying to say, even though it is just a framework.

More than anything, the three wise people are demanding a new vision. If someone were to ask me what is the vision for the Post Office and Royal Mail, I would not know, apart from its being one of closure and despair. That cannot be right. We have taken the most loved, most trusted and, until recently, the most used institution and turned it into a big question mark. I could blame my own Government for that, but the problem is deeper and has gone on through the generations. The British public have to accept their responsibility: every e-mail they send to a Member of Parliament is a letter not sent through the postal service. We are all responsible for all the changes.

Mrs. Sharon Hodgson (Gateshead, East and Washington, West) (Lab): Does my hon. Friend agree that the solution is not to follow the Liberal Democrat policy, which I understand is to privatise and break up Royal Mail? Surely, that would be the worst-case scenario and would ultimately lead to job losses, which we want to avoid.

Mr. Drew: From my political perspective, I want to do everything that I possibly can to reduce competition, because it is unfair competition, and I certainly have no truck with further privatisation. Liberalisation was a nice term, and we used to bandy it around as though it were the answer to everything. In essence, in this respect, it has been an unmitigated disaster.

I shall make five simple points, forming the kernel of the debate, to which the Minister may wish to respond, although he may not wish to respond to all of them now. First, we must revisit the Postal Services Act 2000. That Act, which we were all proud of, is not working. I cannot put my finger on exactly what part of the Act is wrong, but we have created an unfair situation, whereby competition is one-sided. Those who compete with the

[Mr. Drew]

Post Office and Royal Mail are doing okay, but the Post Office and Royal Mail are doing badly. Those of us who believe that there is a need for a state communications service think that that must be looked into. I do not see why something that is so beloved should be completely undermined. The current situation should not be used as an excuse for further privatisation. The service should be owned by the state, given that much of the communications service is already in private hands.

Secondly, the universal service obligation, which I have already mentioned, is not working because it is entirely vested in the Post Office and Royal Mail, which cannot be fair, given that other national carriers should also be contributing.

Thirdly, as the hon. Member for Argyll and Bute (Mr. Reid), whom I congratulate on securing this important debate—I am sorry that I did not say that at the beginning—and other hon. Members have said, competition has arisen in the form of losing PayPoint, possibly losing the Post Office card account and losing the passport business, which is not often mentioned. Whatever one's views on the identity card, it was a potential money-spinner, yet the Post Office effectively gave up the ghost, because the criteria were rigged to make it so difficult for it to win the business. That is a tragedy, because it could have worked.

Mr. Andrew Smith: While ancillary services are being explored, would it not make sense also to consider the future relationship of post offices presently scheduled for closure, but where the postmaster or the local community would like to have an ongoing relationship with the Post Office for as many postal services as possible through the outreach programme—I welcome the Post Office's announcing its expansion—or some other means? Both Iffley village and Grandpont post offices in my constituency face closure and an ongoing relationship of that nature, which could retain postal services, would be welcome.

Mr. Drew: I agree entirely. My last point is about investment and innovation, so I shall come to my right hon. Friend's question after making my penultimate point.

Although it is controversial to say so, there is a serious problem with the leadership of Royal Mail and the Post Office. The double act of Leighton and Crozier, which was regarded as a marriage made in heaven, has been an unmitigated disaster. They have taken Manchester United and turned it into Derby, to use a football analogy. I am afraid that, if the Government have not yet given them a vote of no confidence, it is about time that they did, because we have had both a dispute that was lamentably handled and the closures, in respect of which no one seems to know the strategy, other than that there must be 2,500 of them. They will blame the Government, but perhaps the Government ought to say, "It would help if you knew what you were doing in terms of the closures." We have rehearsed that argument, and I will not go through it again.

I am apportioning the blame. At the end of the day, people are being paid millions of pounds to sort out this matter, and when that is not being done, we must look at the people at the top, and it is about time that we did so. Having said that, I will be for ever held up in the Communication Workers Union's hall of fame. Nevertheless, having attended various demonstrations, it is difficult to be told, as a Government Member of Parliament, what the top people are earning to shut down all the facilities that we want to keep open.

Sarah Teather (Brent, East) (LD): I feel a certain amount of frustration because the closure programme will only save £45 million and some £4.5 million in bonuses was paid last year to the gentlemen that the hon. Gentleman mentioned and the board of Royal Mail.

Mr. Drew: I assume that the players at Derby are getting a bonus, but I am not sure whether it is totally deserved. I will pass on quickly.

My last point, to return to the issue raised by my right hon. Friend the Member for Oxford, East (Mr. Smith), relates to investment and innovation. We cannot pretend—this is why we cannot turn back the clock—that everything will come from the top down and that the £1.7 billion will be turned into £3.4 billion as a result of ever-increasing investment. It is good that the Government have invested in the Post Office—previous Governments did not and instead took money out of it—but we must understand that there are other sources of funding that we can make available.

Pleasingly, the Government announced today that they will introduce a community empowerment Bill, although some of us thought that we already had one in the Sustainable Communities Act 2007, but never mind—we will reinvent it. However, if there is great support for post offices out there in communities and if those communities want to keep their post offices open, why do we not challenge them? Why do we not tell them, "Find some financial means, find the volunteers and take on the responsibility."? Let us see this as a partnership. It can work. Community shops in my area work in that way, so why can we not see such an approach as an absolute winner? At the moment, all we seem to do is shut down facilities and tell communities, "Sorry. We don't want a presence in your part of the world." We need to rethink the ideology and to turn what is happening into a community opportunity, not something that is about closures.

There are plenty of challenges. The Minister probably has the most difficult job in the Government; it used to be the Immigration Minister who had the most difficult job, but now it is probably whoever deals with the Post Office. The Minister therefore has plenty to do, but we are all here to support him. I hope that he will make some nice comments about what my little programme would do.

3.11 pm

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I will be brief because I know that others wish to participate in the debate. I will not rehearse what has been said, but I congratulate the hon. Member for Argyll and Bute (Mr. Reid) on securing the debate. At least 5,000 sub-post offices have disappeared since 1997. In the Welsh context, we have lost 30 in Cardiff and the south Wales valleys, 19 in Gwent and 13 in mid-Wales, and others will go under the current programme.

The Post Office card account concerns everyone in the Chamber. One hopes that its successor will be given to the Post Office. It is estimated that 10 per cent. of the income of sub-postmasters comes from the card account,

and the figure rises to 12 per cent. in urban deprived areas. The card account not only gives sub-postmasters and mistresses a transaction fee, but draws people into post offices, thereby encouraging the sales of other products. Although the future of the card account is not clear from 2010, we urge the Government to give some positive signals. The National Federation of SubPostmasters tells us that if the successor to the card account is not given to the Post Office, a further 3,000 post offices will close, and nobody wants that.

As we all know, the post office provides an essential service in both urban and rural areas, and I will not repeat what has been said in the two excellent speeches so far. The post office is a focal point for communities. In many areas, 75 per cent. of post offices have a shop or other business attached to them, and they are often the only local place to take out cash. In my home village of Llanuwchllyn, we have one shop, which is also a post office. Without the post office, the shop will disappear. I have a car, as does my wife, and we might well be able to drive 5 miles to the next town, but that might be difficult for others. I am concerned about the future of that post office, which is well used.

If we look at the criteria being applied, the first thing that we see is that 99 per cent. of the UK population is to be within 3 miles of a post office. However, there is a sneaky reference at the end to 95 per cent. of the population being within 6 miles of the nearest post office branch. I am not sure which of those criteria will kick in in my home village. We are 5 miles from the nearest town, so if the sneaky criterion at the end applies, we are in trouble; if the one at the top, which everyone thought was the main criterion, applies, we will be fairly comfortable. I would like to know which it will be. I have written to the Post Office to ask, but it has refused so far to reply. What its representatives do not know, however, is that when they come to interview people and do their appraisal, I will be there telling them plainly what I think of them. I hope that the Minister will tell me when the sneaky criterion will apply and when we will apply the 3-mile zone.

Briefly, on the Royal Mail, yes, the word "liberalisation" was used, but it has been an absolute disaster. That is not because Royal Mail was not efficient; we have had a very good service under the universal service obligation, and we must maintain it at all costs. There have been several changes to working practices, such as the ending of Sunday services, the reduction to one daily delivery and changes to later deliveries. We can live with those things, however, provided that we do not go much further along that route.

Postwatch is concerned about the current situation with regard to the universal service obligation. I will not dwell on the issue, because it has been well highlighted by others, but it is the nub of the matter. The universal service obligation must stand; if it does not, there is no question but that it will be disastrous for rural areas.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): I am sorry that I was not here at the beginning of the debate. Does the hon. Gentleman not agree that there is a degree of culpability on the part of Postwatch as far the unravelling of the universal service obligation is concerned? It was well warned six years ago that its attitude—that liberalisation could not come fast enough—would eventually be injurious. Now it is seeing the chickens come home to roost.

Mr. Llwyd: I will come in a minute to a court action that was launched yesterday, which the hon. Gentleman may know about. What he says may be true, but I do not know. Many of us felt that the word "liberalisation" did not mean what it said and that it would mean destruction or at least dismantling. It is vital that we have the universal service obligation. Even if other competitors come into the market, as has been said, they must contribute to the overall picture under the universal service obligation.

I hear what the hon. Gentleman says, and he might be interested to know that Postcomm has put its foot down at long last and said that we must protect the universal service obligation. Royal Mail has applied to the High Court to have the decision judicially reviewed and reversed. In that respect, I draw everyone's attention to early-day motion 116, which was tabled by the hon. Member for Angus (Mr. Weir)—whoever he might be! I urge all hon. Members to consider signing it, because it encapsulates the whole matter.

I also congratulate Miss Judy Brown of Hastings, East Sussex, who yesterday secured permission to seek a judicial review of the decisions made by the Government and the Post Office to axe thousands of post offices. She secured permission based on the fact that she is disabled and that such decisions would be discriminatory. I therefore congratulate her and wish her well in her endeavours in the High Court.

Finally, the following quotation recently appeared on a website:

> "Where there are large numbers of people who rely on the Post Office, or where transport to other offices is difficult, the Post Office need to think carefully about the impact of their plans."

That was said by the Secretary of State for Wales.

3.18 pm

Mr. Russell Brown (Dumfries and Galloway) (Lab): I did not intend to make a contribution, so I shall keep what I am about to say as brief as possible.

I thank the hon. Member for Argyll and Bute (Mr. Reid) for securing the debate. As the Minister knows, this issue is just not going to go away, whether we are talking about the mail delivery service or our network of post offices. The current situation gives no one any pleasure. In that respect, I am looking to my hon. Friend the Member for Stroud (Mr. Drew), who sat in a room with me on more than one occasion as we tried to tell the first regulator that the liberalisation of the market would be a disaster. Everyone hates to say, "Well, we told you so." What has happened in the past couple of years is what the regulator anticipated might happen over five or seven years, but sometimes people will not take a telling.

I must have a slight go at our Liberal Democrat colleagues—

Mr. Carmichael: Bring it on!

Mr. Brown: No; perhaps I used the wrong terminology.

The Liberal Democrat policy of privatising certain sections to keep other parts alive would never work. At the weekend, we saw some of the figures on service delivery in terms of mail delivery, and the losses are beginning to pile up. The cost of postage still comes cheap in this country compared with elsewhere, but we have taken our eye off the ball.

Mr. Carmichael: It is perfectly fair for the hon. Gentleman to criticise our policy, and I would have agreed with him completely six or seven years ago, but the point at which the pass was sold was when we went down the liberalisation of the market route, which we did so ineptly, handing all responsibility to Postcomm. What would he do to preserve the universal service?

Mr. Brown: I was just about to come to the value of the universal service obligation, as someone who represents a rural area. Last Monday evening, I spoke to a local community group that wanted to talk about post office closures. By the end of the meeting, the group agreed with me that, in a rural area, the universal service obligation is every bit as important as their local post office, because no one else is coming forward to go 2 miles up a farm track, six days a week, to deliver a letter. That will not happen unless it is done by Royal Mail, which is why I fully agree that if there is anything we can do to get other carriers to make a significant contribution to that last mile, we should make every attempt to do it.

On the Post Office network change programme, I have still to go through what I suspect will be the pain of the closure programme in my constituency. I currently have 57 post offices, three of which are on outreach, and I am not taking any bets on how many might be lost. One of them is classed as being temporarily closed, and one is working in a partnership. We have to look more widely than what we have witnessed in communities over many years. The network change programme comes to my constituency in mid-August. Mrs. Brown, who is expecting to go on holiday in mid-August, will be disappointed, but she will know nothing about it because she does not read *Hansard* on a daily basis. There is no way that I will leave my constituency in mid-August when that news breaks.

The Post Office is unable to compete. PayPoint, which has been mentioned, has 17,000 outlets and 300 staff, so it is a mammoth task to compete for business. We always throw to the floor the change regarding TV licences, but that has saved the BBC £100 million.

Mr. Alan Reid: PayPoint was able to undercut Royal Mail because it does not support the rural network that the Post Office has to support. If the contract specified that the rural network was involved, PayPoint would not be able to compete with the Post Office.

Mr. Brown: I agree, and I hope that that will be the saving grace in relation to the POCA.

We have not only lost TV licences; I was horrified to discover from the Post Office that 1 million people licensed their vehicles on the internet in November. I thought that figure horrendous. Not only did 1 million people do that in November, but 1 million people did it in December, in January and in February. Are we to say, "No, you cannot do that. You must go to your post office."? I do not think that the general public will like us if we do that, as we all regularly conduct our business in that way.

The POCA is vital, because of the footfall it brings—4 million customers. I do not know what other colleagues who are present have done, but I tell hon. Members on both sides of the House that I took a small delegation of my hon. Friends to meet my hon. Friend the Under-Secretary of State for Work and Pensions, the hon. Member for Warwick and Leamington (Mr. Plaskitt), who will consider and ultimately sign off the decision. So, he has already received a delegation making the case that this is about more than just providing a service—it is about the ability to provide a good-quality service on a daily basis.

We are all saying that the POCA might be a saving grace, but that will be in the short term, because the Post Office is not looking to sustain it much beyond the middle of the next decade. However, it would undoubtedly help if we secured that business. The Minister was asked whether he can guarantee that there will be no more closures, but I suspect that if we do not secure the POCA for the next round, there will be something much worse than the 2,500 post office closures that we are currently going through.

On the bright side, there are a few positive aspects. The Government continue to put significant sums of money into supporting the network. The Post Office is at the top of the premier league, as my hon. Friend the Member for Stroud put it, for bureaux de change and new drivers who are seeking car insurance for the first time. It is expanding financial services, but, regrettably, as it is rolling them out, the pressure on financial services and the credit crunch are impinging on its business in a different way.

Last week, I, too, attended the report-back by Richard Hooper and his team. There is much for us all to do, and it is not just up to that team to come forward with ideas. There is a duty on us all to come forward with our own thoughts. The delivery of a Post Office network in our communities needs to be done through innovative methods such as outreach and partnership working. We cannot continue to deliver a post office network in 2008 and beyond in the same way that we delivered it 30 or 40 years ago. It has to change if it is to survive.

3.27 pm

Mr. Andrew Turner (Isle of Wight) (Con): At the height of the furore surrounding post office closures on the Isle of Wight, many of my constituents wrote to me voicing their concerns. For them, their local post office served not only as a place to collect pensions and to send letters, but as a vital source of social interaction. In many areas, the local post office is the nucleus of the community. Since the closures, I have received many complaints about people's difficulties in getting to their nearest post office and about the increased cost of doing so.

Initially, when the closures were proposed, I wrote to the Post Office to ask why some, seemingly profitable, branches were destined for closure, but I failed to get any sort of sensible reply. When branches were eventually closed, I wrote again, asking it to provide me with documentary evidence to show that my concerns and my constituents' concerns had been taken into account when decisions to close branches were made, but no such evidence was available. I had made joint representations with the island's chamber of commerce and rural community council, but our concerns appear to have been completely ignored.

When Lowtherville post office closed, my constituents were forced to go to the branch in Ventnor town centre. The road into the town has one of the steepest inclines in the country, so it is virtually impossible for elderly and disabled people to walk down the hill, let alone up it again, and they are unable to use the kneeling bus because the kerbs prevent it from working properly. The Post Office, however, knew nothing about the buses, and said that it was not responsible for public transport.

In Meadow road, East Cowes, the Post Office could not prove that it had taken into account the fact that 500 houses were being built next to a closing branch. In Newport, Hunnyhill was a handy alternative to the central, very busy branch, so the central branch grew even busier when Hunnyhill closed. Surely it would have been better to resolve the difficulties faced by the Newport branch before closing Hunnyhill, but, again, there was no attempt to explain that.

The proposed alternative to Calbourne post office was Brighstone. That is complete nonsense. To use a bus, as proposed by the Post Office, means a round journey of 20 miles. If it had investigated the matter, it would have found that a nearer post office is at Carisbrooke or Newport. Hence, with no direct bus route, my constituents find it difficult, time-consuming and costly to travel.

In conclusion, the Post Office's scheme was ill-planned and insensitive to the needs of my constituents. The post office service is in an unusual position because it faces no competition and receives a great deal of public money as subsidy. My constituents deserve better.

3.30 pm

Sarah Teather (Brent, East) (LD): I congratulate my hon. Friend the Member for Argyll and Bute (Mr. Reid) on securing the debate, which is timely. He spoke clearly about the impact of the universal service obligation on his constituency and the importance of post offices as a social hub. I represent a very different constituency—an inner-London constituency. It was interesting for me to hear just how important is it for a rural area to have a universal service obligation and the impact losing it would have on people's lives.

Although I represent an inner-London constituency, where picking up mail might appear to be easier, my constituents also feel strongly about this matter. They certainly share the same anger that has been spoken about today by many hon. Members, including the hon. Members for Isle of Wight (Mr. Turner) and for Meirionnydd Nant Conwy (Mr. Llwyd), whose constituency I hope I have pronounced properly—I have been practising it under my breath for five minutes. Both spoke about the impact of closures on their constituencies. There is a similar level of anger in Brent, where we have had a further six post office closures in the latest round, which is a 40 per cent. reduction since 1997. As my hon. Friend mentioned, the death of a post office often represents the death of a shop too. In an urban area, it can also represent the death of the local parade of shops because the post office ensures footfall and keeps local businesses alive.

A number of people have studied the impact that post office closures have on the local economy. In a study looking at Manchester, which is obviously an urban area, the New Economics Foundation suggested that closing a post office would result in the local economy losing about £270,000. In a rural area, it suggested that for every £1 of subsidy, between £2 and £4 is generated for the rural economy. It seems to be a false saving to make the closures. As I mentioned in an intervention on the hon. Member for Stroud (Mr. Drew), the closure programme generates just £45 million of savings.

My anxiety and that of a number of other hon. Members who have spoken, particularly in interventions, is that there does not appear to be a sustainable plan to keep the remaining post offices alive. I worry when I hear that just 7,500 post offices are required to meet the access criteria. If the post office network is losing money, what good reason do the Government have for keeping those post offices alive? I hope that the Government will commit to a sustainable plan and recognise the social value of the post office network. We cannot afford to lose another 3,000 post offices because we will undermine the whole of the network. There is no evidence to suggest that the 2,500 closures that are currently being forced through will generate the increase in footfall that the Government say is needed to maintain the financial viability of the network in the remaining post offices.

A number of hon. Members mentioned the consultation process, including the hon. Member for Isle of Wight. The hon. Member for Stroud talked about whether communities could be involved in bringing forward finances to safeguard post offices that are threatened with closure. However, it is difficult to do that when we are given only six weeks' notification. We need a sustainable plan and a rapid injection of funds—both into the post office network and Royal Mail—not just to allow it to survive, which frankly it has just about been doing for the past few years, but to modernise, innovate and compete. That point was made well by my hon. Friend.

Royal Mail has been starved of investment by successive Governments and unfortunately it was inevitable that it would struggle with the liberalisation process if there was no immediate injection of funds. It will be difficult for Royal Mail to modernise to allow it to compete. It continues to have a large pension deficit, as the hon. Member for Stroud pointed out, which goes up or down according to the state of the market. The deficit appears to be £3 billion or £4 billion and was caused by a decision made by the previous Government to take a holiday from payments when the equities market appeared to be performing well. There is a desperate need to invest in the infrastructure of the Royal Mail. At a time when the public purse is tight, particularly after a pre-by-election bailout, what are the chances that the Government will invest the dramatic amount of money required to ensure that Royal Mail can cope?

Furthermore, successive Governments have been unwilling to give Royal Mail permission to go to the markets and borrow for investment. Part privatisation would give Royal Mail that permission because it would allow for a change in the nature of the business. Our policy is that there should be a separation of Royal Mail from the post office network, as other hon. Members have mentioned. I will say why that is necessary in a moment. Part privatisation of Royal Mail would enable the sale of 49 per cent. of the shares and the proceeds of

[Sarah Teather]

that sale could be invested into the post office network to give it the kick-start that is needed. That will not solve all the problems of the post office network, but it will at least allow a kick-start in investment and enable the network to be modernised as required. The remaining 51 per cent. of shares could be divided between Government and a John Lewis-style trust for the benefit of employees. The shares could be held in a trust for the current employees of the business to ensure that they have a stake in the future of the organisation and can share in its success and profits. Employees would have a share in improving the performance of the business.

I appreciate that some hon. Members disagree with that policy, but the truth is that the Government do not have another solution. I suspect that the postal services review was probably paving the way for recommending something similar, but so far the Government have refused to come forward with a policy that will lead to the sustainability of Royal Mail or the post office network. Separating the Royal Mail from the post office network is key to the survival of the network. My hon. Friend mentioned post offices acting as a depot for parcels, which would be particularly important in rural areas. Actually, that is important everywhere. How often have we had the frustration of having something delivered by a private company and finding that we have to go a long way to pick it up or have the persistent hassle of renegotiating times when it can be delivered? It would be so much easier and more convenient if a parcel could be delivered to a local post office and wait there for us to pick it up. That would provide a source of revenue for the post office and would be better for those of us who are trying to pick up things sent to us.

The lump sum created by the sale would also allow investment in modernising the network, as I said. There is currently a particular problem with Crown post offices. They are not hospitable places to be and considerable investment needs to be made in training, in the appearance of the branch and in the infrastructure. That would allow the post office to function more efficiently and would be welcome.

A number of hon. Members spoke about the need for new sources of income. The hon. Member for Dumfries and Galloway (Mr. Brown) spoke about the Post Office card account. The Post Office should be central to a new universal service obligation: that of providing basic bank accounts. I am relatively open minded about whether the Post Office itself should be the provider of that bank account or whether it should work in partnership with others. I would be interested to hear the Minister's views on that. There is a serious problem with financial inclusion and access to basic bank accounts. The policies the Government have so far pursued in trying to encourage other banks to provide such accounts does not seem to have been particularly successful. My proposal would marry together two different issues, provide a source of income for the Post Office, and recognise the value of the post office network as a public service.

My hon. Friend the Member for Argyll and Bute made a number of good points about Government services being given to PayPoint and the need to think about criteria for awarding contracts. That is key. When we think about the use of the post office, we need to understand it as a public service and ensure that things such as the rural economy are written in.

Several hon. Members spoke about the idea of a levy to pay for the universal service obligation for postal services. We deliberately left that open in our policy because of what we foresaw might happen if there was a failure to invest in Royal Mail. Judging by the interim report from the Postal Services Commission, it seems that such a measure will be necessary. I hope that the Government will think seriously about it because the universal service obligation must be protected. A levy may be a sensible way forward.

3.40 pm

Charles Hendry (Wealden) (Con): It is a pleasure to serve under your chairmanship, Mr. Weir, although you must have found this a deeply frustrating afternoon, as at times you would probably have preferred to be participating in our discussions rather than being in charge of them.

Mr. Mike Weir (in the Chair): I am entirely neutral oday.

Charles Hendry: I congratulate the hon. Member for Argyll and Bute (Mr. Reid) on securing this timely and important debate, and on the thorough and thoughtful way in which he introduced it. He took us through some of the areas where we have seen a general decline in the post office service. He talked about the ending of the second delivery and the increasing cost of postage, although the hon. Member for Dumfries and Galloway (Mr. Brown) was right to point out that in most other European countries, the postal rate is two to three times what it is in the UK. The hon. Member for Argyll and Bute talked about the confusing approach that is used to show that the post has been delivered on the next day. We need to take more account of that. He could have added the end of the daily collections, the often confusing pricing system, which means that people do not understand the correct postage for their letters, and the decimation of the postbus service, which has been withdrawn in many parts of the country. The hon. Gentleman was treading on dangerous ground when he criticised the BBC for seeking to save £100 million of licence payers' money. If people had to go through post offices, another £3 or £4 would be added to everyone's licence fee to pay the extra £100 million that would be required. It is right that there should be open competition.

The Post Office is in a serious situation, but it is a mess of the Government's making. After all, the Government set the framework for the closure of post offices. The financial rules and level of subsidy were set by the Government. The access criteria, which were about geographical location rather than economic viability, were set by the Government. The fact that the consultation period is only half the time recommended by the Cabinet Office was determined by the Government. It is intriguing that post office closures had to be suspended in the run-up to the local elections because of Cabinet Office rules, yet the same rules do not prevent the Government from announcing £2.7 billion of public funding for tax cuts this week, just before a by-election.

Furthermore, the rules on the closure of post offices must have been cleared by the Government. Post offices that are closing have been told that they may not offer a

lottery service and they may not offer a PayPoint service, because the Post Office wants to encourage migration. It is one thing for the Post Office to determine where people may buy their stamps, but it should not be determining where people can buy bread and milk as well. As was said by other hon. Members, particularly the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), when we lose a post office, we often lose a shop and services beyond that as well, which does tremendous damage to local communities.

The sadness is that the Government ignored a formula that could have saved post offices. In addition to the subsidy, which is so important and which we support, they should have been finding ways to bring new business into the post office network before they tried to find out how many post offices they could get away with closing. There has been discussion this afternoon about how we could bring in business by allowing the Post Office to work with other carriers. It is environmentally crazy to have vans driving forwards and backwards past the local post office every day unable to deliver packages to local houses because people happen to be out. It would make much more sense to use the post office as a hub where people can access a range of local carrier services.

Other financial services could be considered. Sub-postmasters themselves are calling for that. We never meet a sub-postmaster who says, "I want more subsidy; I want to depend on subsidy." They always tell us that they want to depend on business. We should be opening up opportunities for them to depend on business, and ensuring that post offices become a hub where people can access local and central Government services. Much more business could be done through the post office network, which would enable more post offices to survive on business, rather than having to rely on subsidy and seeing their numbers cut as they have been.

Investment should have been made to enable post offices to compete on a level playing field. The hon. Member for Dumfries and Galloway talked about the number of people who renew their car tax online, but if we go online, we just type in our registration and it is immediately known whether our car is insured and has an MOT certificate if it requires one. If we renew through the post office, it does not have access to that information through its computer, so we have to take with us the insurance certificate, the MOT certificate and all the bits and pieces that make the process less convenient. Even when we want to do things to support the local post office, we find that the system is skewed against us.

More generally, it is clear that the challenge facing Royal Mail is formidable. Some of the most lucrative parts of the business have been gradually chipped away. The issue is not whether it was right to liberalise, but that liberalisation works only if everyone liberalises at once. The problem we face is that we have done it ahead of most other countries in Europe. If it had happened in other countries at the same time, Royal Mail would have been able to explore opportunities elsewhere.

The Hooper report has been cited. It states:

"There is now a substantial threat to Royal Mail's financial stability and, therefore, the universal service. We have come to the conclusion, based on evidence submitted so far, that the status quo is not tenable. It will not deliver our shared vision for the postal sector."

From what Mr. Leighton and Mr. Crozier say, it is clear, too, that more money will be needed. It is wrong to blame them for what has gone wrong. They are trying to run a business with their arms tied behind their backs by the Government. Adam Crozier said:

"Clearly, the business needs more cash to invest."

Allan Leighton said:

"We have got to know what cash we will have coming in."

We need to know from the Minister what discussions he is having with them, how much money he proposes to put into the Post Office and Royal Mail and how he plans to do that. What will they offer in return? Just a year ago, a £3.7 billion rescue package was put together for the Post Office, but now we know that it was not adequate to secure the survival of Royal Mail and the all-important universal service obligation.

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): The hon. Gentleman just said that the money that the Government had put in was inadequate. Can he please tell us how much he proposes to put in, in addition to what we have pledged?

Charles Hendry: I am saying that the money has not been able to produce the restructuring that the Government said it would achieve, so we need to consider different formulas. We certainly need to consider whether we should divide the role of the Post Office from that of Royal Mail to put much greater clarity into their financial arrangements than is currently the case. We know that the Post Office and Royal Mail are coming back for more funding so we need to know how the Minister plans to respond.

Will the Minister also clarify the confusion that is emerging about the future of the Saturday delivery? That issue has been covered in the press in the past few days. Last week, *The Daily Telegraph* reported that the Saturday delivery was under threat. Postcomm immediately responded that the story had "no substance whatsoever". However, Postcomm's chief executive, Sarah Chambers, said:

"There are other ways to deliver a service to customers in far-flung areas than insisting on a six-day-a-week service."

What precisely was she referring to? What is being considered? It appears to us that there is a real attempt to chip away at the universal service obligation. The Government must have an understanding of what Postcomm is considering and what Royal Mail wants in that regard.

In the course of a television interview, the Minister said, "We are absolutely committed to the universal service obligation." However, he would not talk further about the threat to the Saturday service. We need to know what is happening. We all know that Royal Mail faces what may be the biggest threat in its history. The delivery service—the service our constituents rightly expect—is under threat, but at the heart of the situation is the Government. They cannot just say, "These are other organisations and we do not know what's going on." We expect some answers and we expect them from the Minister this afternoon.

3.49 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): It is a pleasure, Mr. Weir, to serve under your chairmanship. It is also a pleasure to be here in Westminster Hall, in my usual place, discussing the Post Office. Members who are really keen can see me in action again in half an hour, in a debate on post office services in Stafford. However, it is always a pleasure to debate the wider issues, which is just as well, as we do so with some frequency.

Today's debate is not quite like the usual post office debates, which are normally about the closures taking place in various parts of the country. Although some hon. Members took the opportunity this afternoon to mention the various local communities in their constituencies to be affected by closures, our debate has ranged more widely. It focused particularly on the Hooper review, which was set in train by the Government just before Christmas.

The Hooper review arose from a manifesto commitment to undertake a review of the liberalised market during this Parliament. The timing is right, because something significant is happening in the mail market, but I do not think that it was referred to during the debate. Many Members spoke about the inequities of competition—about creaming off the more profitable parts of the mails market and about the evil nature of various companies that have come into the market. I have to tell them that those companies will be employing people in their constituencies, so I urge caution. However, that was the tone of the debate.

No one mentioned the wider changes in the mails market. It would be complacent to say that the problems and challenges facing Royal Mail are due only to competition from other mail providers. There is competition, but it is hugely and significantly additional competition. It comes not from TNT or UK Mail, or the other operators at the access pricing end of the market, but from Google. That is not only my verdict; it is the verdict also of the chief executive of Royal Mail. The competition is the internet. As my hon. Friend the Member for Dumfries and Galloway (Mr. Brown) said, it is about the capacity to put services online. It is popular and is used by 1 million people a month.

Mr. Carmichael *rose—*

Mr. McFadden: I shall give way in a moment. The debate is not only about transactional services online but about how we communicate with one another. When I said that something significant is happening in the mails market, I meant that the volume of mail once tracked economic growth—they were like two peas in a pod; they would go up together and come down together. Over the last couple of years, however, the total volume of mail has declined by about 3 million items a day. It would be complacent of us to place that at the door of the liberalised mails market.

Mr. Carmichael: The Minister is right about the changes in the mails market as a whole. The changes were taking place six or seven years ago, when the Government first spoke of liberalising the postal market. From our experience of parcel post, we know what unregulated competition in such a market can achieve. With hindsight, does the Minister not think that pushing liberalisation of the market as far and as fast as the Government chose to do, and allowing Postcomm to set the access price as low as it did, was a mistake?

Mr. McFadden: There are two points. First, Postcomm did not set the access price; it was negotiated by Royal Mail. Secondly, whether we were correct to liberalise at a particular time—a point mentioned also by the hon. Member for Wealden (Charles Hendry)—is becoming a moot point. The European directive has been agreed. The rest of Europe is committed to liberalisation over the next few years, with the largest countries doing so by the end of 2010. Liberalisation is coming in other countries.

Many hon. Members quoted the Hooper review, saying that it stated that

"the status quo is not tenable...There is, therefore, a compelling case for action."

No one quoted Hooper's statement:

"Returning to the days of statutory postal monopolies is not a policy option in the European Union".

It is important to remember both statements when considering the challenges facing the mails market.

What has been the effect of competition? The report is clear about the benefits to large users of mail services. It is also critical of benefits to small business and domestic users. Of course we care about domestic users, because they are our constituents. Even though only 13 per cent. of mail is what we would describe as social mail—the stamped mail with which we are all familiar—it is important that our communities receive a top-quality service from Royal Mail. The large bulk mailers—they account for 87 per cent. of mail—have done well from competition.

In the few minutes that remain to me—it is always a feature of these debates that I am asked to respond to more points than is possible in the time—I turn to some of the specific points raised in the debate.

Although postal prices for the UK were increased recently, they are comparatively low internationally. Our service to the user is not expensive compared to services in Europe.

Many hon. Members asked about the future of the card account and stressed its importance to the future of the post office network. I spoke to the National Federation of SubPostmasters earlier this week, and it is keen for the Post Office to win the contract for the new card account. Hon. Members will know from their attendance at previous debates that the process is out to tender. The hon. Member for Argyll and Bute said that the Post Office must get the work. That may be a statement of intent on his part, but it is not one that the Government can legally make. Tendering rules have to be pursued, and the decision will be taken in the proper way by my colleagues at the Department for Work and Pensions.

Mr. Alan Reid: If the Government were to specify the contract so that the provider had to have a rural network, including branches on the small islands in my constituency, the only company that could win the contract would be the Post Office.

Mr. McFadden: The contract specifies that whoever wins it has to have 10,000 outlets throughout the country. Some of the Post Office's competitor networks

may take issue with the hon. Gentleman's description, but the contract stipulates 10,000 outlets. That decision will be taken later this year.

My hon. Friend the Member for Stroud (Mr. Drew) spoke of his guilt at serving on the Committee that considered the Postal Services Act 2000, which initiated the present regime. I was interested to hear him say that, because the Act enshrines the universal service obligation in legislation. The Government are committed to the continuation of the USO and to a one-price-anywhere service throughout the UK. I know that is important to our constituents.

I have not gone into all the ins and outs of post office closures today; I have concentrated on the mails market. I end by saying that the third stage of the Hooper review will be to report later this year on how to maintain the USO in the changed mails market.

Unitary Authority (Shropshire)

4 pm

Daniel Kawczynski (Shrewsbury and Atcham) (Con): This is an important debate on funding for the proposed unitary authority in Shropshire. My hon. Friend the Member for Ludlow (Mr. Dunne) and I had a terrible battle on our hands to try to prevent a unitary authority from going ahead. The best comment on the matter, which I read in today's *Evening Standard,* was from the late Gwyneth Dunwoody, who said it is one of the most cynical policies of the Labour Government, ignoring the wishes of local people. Regardless of that, we will now have a unitary authority.

The Minister will be pleased to hear that I shall make very few criticisms of him and the Labour Government; rather, I will stick to the key issues that I would like him to consider surrounding future funding for the county. However, I should like to press him on one issue. The reason why I was against a unitary authority is that I feel passionately about local accountability to my constituents in Shrewsbury. It was important that only councillors who lived in Shrewsbury and who were accountable to my constituents through the ballot box could make decisions on key issues that affect Shrewsbury.

We have many controversial matters before us in Shrewsbury, including co-location of the two colleges and plans for a huge incinerator. I would argue that Shrewsbury has the best and most experienced councillors in the county, so I hope that many of them will have senior positions on the new unitary authority. However, my first question to the Minister is: what mechanism is in place to protect a county town such as Shrewsbury in a unitary authority? We find ourselves with only a third of the councillors in the new authority, so we could be outvoted by the rest of the county on the incinerator issue, for example. It is easy for councillors who live 30, 35 or 40 miles away to vote for an incinerator to be built in Shrewsbury; obviously, it will not be built in their backyard and they will not be held to account through the ballot box, because their constituents might live 30 miles away from the town. I hope that some form of mechanism, certainly when it comes to planning law, will protect a county town such as Shrewsbury from the overwhelming votes of other parts of a county.

We are going to have a unitary authority, and I am determined to make the most of it. The only downside is that there were no elections this month. We were due to have elections in May—we had elections every year in Shrewsbury—but, regrettably, because we will have a unitary authority, the Government decided that we would not have those elections. They will instead take place next May, when the unitary authority comes into place. With the drubbing that the Labour party got in the May elections, in which they lost hundreds of councillors, I believe that the Conservatives could have made a few gains in Shrewsbury. We already have a big majority on the council, but it worries me—the Minister may scoff—that some Labour councillors in Shrewsbury will continue in office when they might not have been councillors if the elections had gone ahead. I say that not to have a go at the Labour party, but to urge the Minister to think again in future when such organisations are introduced. Are such things legitimate, no matter

[Daniel Kawczynski]

what the difficulties of holding an election only 12 months in advance of the unitary authority? I am a democrat—I went into politics because I feel passionately about democracy and accountability. Is it right and correct to get rid of such an election and for people to sit as representatives illegitimately?

I must praise the work of the leader of Shrewsbury and Atcham borough council, Mr. Peter Nutting. He is doing a brilliant job in making the accession to a unitary authority work as well as possible, and I applaud him for it. Like me, he fought against the unitary authority, but he is now determined to do everything possible to move to the unitary authority. I should like publicly to acknowledge his work.

I should also like to praise—sincerely—the chief executive of Shropshire county council, Mrs. Carolyn Downs. She obviously had to implement and undertake the policies of the Conservative-controlled county council when it pursued its wish for a unitary authority. Regrettably, we disagreed on many occasions on the matter, but I must put on record that I admire her stamina and determination to ensure that what she felt was right for Shropshire was implemented. I acknowledge her hard work on the matter and the achievements of Shropshire county council—it has achieved so much with so little money. The Minister will be aware that there are good, average and poor chief executives. Mrs. Carolyn Downs is an excellent chief executive. The Department for Communities and Local Government could gain a great deal by learning how Mrs. Downs manages to achieve such extraordinary results with so little funding.

The Labour Government are determined to focus on the redistribution of wealth—to me, that is a cornerstone of socialism. Of course, Shropshire is a net contributor to the Exchequer—I have tabled many questions on how much tax Salopians pay and how much we receive, and there is no doubt that Shropshire is a huge net contributor to the Exchequer. We have a similar population to the London borough of Ealing, yet we receive a fraction of its funding. The Minister would be alarmed by a comparison of what the Government spend on Ealing and Shropshire. I am in the process of producing a pamphlet on the differences in funding between Shropshire and neighbouring Telford and Wrekin. I shall send a copy to the Minister, so that he can see how two communities, cheek by jowl, receive huge differences in funding for essential public services.

When preparing for the debate, I spoke with Mrs. Laura Rowley, the director of resources at Shropshire county council, who helped me to articulate some points to put to the Minister. In Shropshire, there are tremendous pressures on services for older people. The number of over-85s in Shropshire is twice the national average. That is important because a tremendous amount of social service support is needed for people in the last two years of their lives. Having such a huge number of elderly senior citizens will obviously have an impact on the social services that the unitary authority will provide when it comes into being.

Shrewsbury was voted one of the best places in England to retire in a major national finding. I am pleased about that because the older a person gets, the more inclined they are to vote Conservative—wisdom comes with age. However, I should like the Minister to address the serious social services problem. The senior citizens forum in Shrewsbury is partly funded by the county council. I should like to tell the Minister what a tremendous job the forum does for senior citizens. Its leading representative, Mr. Bill Harris, has written to me. I shall give the letter to the Minister; I have a little dossier for him here with all the facts. Mr. Harris says:

> "We believe that enabling the involvement of increasing numbers of older people in community affairs through frequent public meetings and coffee mornings, etc. is the way forward. This is part of our effort to increase membership numbers from the present 6,000."

The forum has 6,000 members. I have never come across a body more adept and able at lobbying than the Shrewsbury senior citizens forum. I hope to hear from the Minister what sort of extra help his Government will give to the unitary authority, bearing in mind the demographics of Shropshire and how many senior citizens we have.

To move on to education—the most contentious point for me—Shropshire is ranked 145th of 149 local education authorities for funding. There is huge pressure on small rural village schools. According to the Minister for Schools and Learners, the Government have a specific policy of safeguarding rural schools, whereby they should be closed only in extremity, yet many rural village schools in my constituency have come under threat of closure, simply because we do not receive anything like as much money as other parts of the country. We get £200 less per child than Telford next door, never mind Ealing. That is simply unacceptable.

I recently visited St. Andrew's school in Nesscliffe, where I saw for myself the extraordinary benefit to rural village life provided by such schools. It is important to keep rural schools going. I appeal to the Minister, who knows from his own county of Gloucestershire how important rural village schools are and how vital it is to save them. I do not know whether it was broadcast in Gloucestershire, but on Central news last week, the Government announced an extra £28 million for schools in the black country. My goodness me, I should like to see something like that in Shropshire. Interestingly, the black country is full of Labour marginals, so it is perhaps not surprising that the £28 million will go there, rather than to solidly Conservative Shropshire. Never mind; I hope that the Minister will take my views on board.

An independent report on sparsity was sent to the Department for Communities and Local Government. It was funded partly by Shropshire county council and was submitted to the Department in 2006. It is important, because it highlights the cost of providing services across Shropshire—a huge rural county—due to the sparsely populated rural areas within the county. Scotland takes sparsity into consideration, using measures of dispersion when distributing finances throughout the country. My understanding is that Shropshire is treated similarly to Cumbria. More work must be done to differentiate the rural counties. The population in Cumbria is far more fixed in certain areas that are close to one another and large parts of the county are empty. In Shropshire, rural communities are spread out far more. That is why it costs even more to provide services in Shropshire than in Cumbria. I hope that the Minister will take on board my concerns about funding for sparsity. He knows as well as I do the huge increase in

transportation costs and all the other costs involved in providing services in rural communities, and I hope that he will be able to say something on that point.

The Government trumpeted their actions on concessionary fares. I have spoken to many people in Shropshire who are disabled and who say, "It's all well and good having a national scheme, but in parts of Shropshire at the moment, that scheme only operates after 9.30 am." Many senior citizens want to make use of that service to go to work, and most people start work before 9.30. It is a marvellous policy to ensure funding for free bus services for people who are disabled and senior citizens, more and more of whom now have to go to work to make ends meet. If the Government are serious about the scheme, it is important that it should operate before 9.30. I look forward to hearing when sufficient money will be given to ensure that people who are disabled and senior citizens have free bus transport before 9.30.

A constituent, a lovely young lady called Ellie Johnson, came to see me. She is the designated nurse for looked-after children in Shropshire. She is responsible for 400 children in care homes around Shropshire. There is only one such nurse, and 29 hours a week is all that the council seems to have money for. Interestingly, 50 per cent. of those children are not from Shropshire, but from other parts of the country. Because Shropshire is such a beautiful county, many care homes set up business there, bringing in such children. It is important that the Government should acknowledge that Shropshire is dealing with far more vulnerable children than the average for a county its size. We are a magnet for disadvantaged children who need care. The dedicated nurse provides various vaccinations—she spoke to me about the importance of ensuring that vaccinations are given for cervical cancer—and advice on smoking, drugs and sexual health. All those issues are being raised with the children.

4.17 pm

Sitting suspended for a Division in the House.

4.32 pm

On resuming—

Daniel Kawczynski: I shall end by saying that I hope that the Minister has realised the extent of my passion for proper and fair funding for Shropshire unitary authority when it comes into existence. His Government have a policy to roll out unitary authorities throughout the rest of the country, and if he wants them to work well, I urge him to help us to help the excellent chief executive, Carolyn Downs, and the Conservative-controlled unitary authority—it will undoubtedly be Conservative controlled after the elections next year. I hope that he will help us to make it a success by giving us adequate and fair funding.

4.33 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Parmjit Dhanda): It is a pleasure to serve under your chairmanship, Mr. Weir. I congratulate the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) on sticking up for his patch and on his contribution. I always find his contributions in the House to be passionate and sometimes amusing. He has provided a bit of both today.

The hon. Gentleman mentioned the leader of his local council and his local chief executive, to whom he is obviously close and with whom he has a good rapport and has worked closely over the years. Another good and effective local councillor is Malcolm Pate, who is a Conservative councillor and leader of the county council. The hon. Gentleman opened by saying that the Labour Government have been cynical—that was cruel, to say the least—in imposing these measures on the people of Shropshire, but closer analysis bears out the fact it was Councillor Pate who pushed forward those ideas as a local Conservative councillor. It is well worth remembering that.

The hon. Gentleman talked about incineration and the dangers for his constituency from having an incinerator. He will be aware, as I am, that under the old structure, incineration would have been the responsibility not of his district authority, but of the county council. The position is similar on my patch where my district council, Gloucester city council, is against incineration, but the county council is trying to impose it in or around my constituency. If we had a unitary authority, at least Gloucester city councillors would be able to have their voice heard in trying to block that incinerator. Perhaps the hon. Gentleman's local councillors will, as part of his new unitary authority, have their voices heard in that debate. Such matters are well worth recalling.

The hon. Gentleman talked about having an election this year. I assume that that will be to the existing structure, because the new council will come into being in April or May next year. I fully understand why there would not be elections this year for an authority that will not begin to exist until the subsequent year. There is no political cynicism in that, and the reality is that practical changes must be made with the change to a unitary structure.

I appreciate the hon. Gentleman's comments about accepting the change, and his debate was really about other matters concerning funding. One of the merits of unitary authorities that people often mention in my area is not least the savings. In Gloucestershire, unitaries will probably bring about £16 million of annual savings. I understand that Shropshire is looking to save around £9 million a year, every year, which will have a direct consequence on the case that he was making for local funding and what Shropshire could do with that funding when it does not have one authority with responsibility for roads and another with responsibility for road humps on those roads, or one authority with responsibility for pavements and another with responsibility for shrubberies by those pavements. It is small wonder that many of our constituents find that farcical and sometimes bureaucratic, and it is probably fair to say that sometimes even elected members of a local authority are not sure what one local authority does and what another does.

The hon. Gentleman talked passionately about other areas and how they seemed to do better than his locality. I am sure that he is aware that formulae are at work and that they often reflect deprivation issues. I clearly recall hearing him on the radio during the 2001 general election campaign when he was a younger man—he is still a young man—making a passionate case for why Ealing, of all places, although he was a parliamentary candidate there, should receive more funding rather than less funding, which could then be spread elsewhere. That is

[Mr. Parmjit Dhanda]

also worth recalling, because I do not think he was opposing the formula at that time when he was doing those interviews.

The hon. Gentleman talked about the importance of rural issues such as transport and schools, and made a fair point. Issues concerning rurality and sparsity are taken into consideration, particularly when considering the older population. He also talked about social care. When considering the formulae for social services, sparsity is taken into account, whether in his area of Shropshire or mine of Gloucestershire.

I have heard the hon. Gentleman during Prime Minister's questions ask why all the money in his locality goes to Telford. I can think of an example in my constituency of inner-city schools receiving via the county council—the top-tier authority—funding of less than £3,000 a child. I also know of a school in the county that has just 12 pupils and receives an average of £8,700 a child. I suggest that that is not fair either.

The hon. Gentleman passionately made the case for pensioners and their right to free travel on buses. If he were on his party's Front Bench, I would ask him whether it is a policy commitment to introduce free travel for pensioners before 9.30 in the morning. He is well-read and intelligent, and I know that he is aware that the Government are pouring nearly £220 million a year into the new scheme, which is making a real difference to pensioners throughout the country.

The hon. Gentleman also talked about a report by SPARSE—a grouping of the most rural local authorities in England—to which his own local authority contributed. It was given to us in July 2006. The Department was not convinced by it, and I will explain why. We do not accept the contention that it costs, on average, 85 per cent. more to deliver services in rural areas. The research did not look at all local government services. Instead, it focused on a small number of local government and NHS services, the costs of which are most affected by population dispersal. The work to establish the costs was entirely theoretical and took no account of the fact that, by their nature, rural areas tend to have lower levels of provision for some services. It contained no comparison with the costs of service delivery—I am thinking of wages and housing issues—in urban areas such as London or Birmingham. However, we acknowledge that it costs more to deliver some council services in rural areas, such as those that involve travel or transport. For example, household rubbish collection, help for the elderly and responding to a crime costs more in some rural areas. For that reason, the funding formula for older people social services, education, police and the environmental, protective and cultural services contain adjustments that direct extra resources to sparsely populated areas.

We are also aware of the approach taken in Scotland to the funding of rural areas, which the hon. Gentleman also mentioned. I note that he suggested that Shropshire's pattern of settlement is very like that in Scotland. However, I would say that in general, the patterns of settlement in the two countries are very dissimilar.

We have had a very constructive debate. It was not just about unitary authorities—I think we have moved on from that debate, as some of the hon. Gentleman's local councillors, such as Councillor Pate, would welcome. We must now consider how we can best make the unitary authority work. I hope that the hon. Gentleman will find in the coming weeks, months and years that the local case for a unitary authority—the reduction in bureaucracy, the better working between local agencies and the projected savings of £9 million a year—is something that the local taxpayer will particularly value. I hope that he will feel that Shrewsbury and Atcham can, in many ways, have an enhanced voice at the table rather than, at times, a weaker one. I understand where he is coming from. Speaking as someone who has a district and a county authority, I can say that sometimes the district authority cannot be heard, not least on issues such as incineration, as he mentioned. However, we have moved on from that debate.

I hope that there will continue to be constructive meetings with local politicians, my Department and the local authority that is trying to fulfil such measures. I know that my Department and the local authority are meeting on a monthly basis.

Daniel Kawczynski: During the break, I handed the Minister a dossier of Shropshire county council's achievements. Will he join me in congratulating the council on those achievements and take on board the statement that I made about the excellent chief executive and how other parts of the country could learn from our experience?

Mr. Dhanda: We are always very keen to learn from best practice wherever it is around the country, including Shropshire. I am very happy to congratulate Shropshire county council on all the good things that it has managed to achieve over the years.

Stafford Post Office

4.45 pm

Mr. David Kidney (Stafford) (Lab): It is a great pleasure to see you in the chair, Mr. Weir, as you watch over our debate on an issue of great importance to many people in the county town of Stafford. It will not have escaped your attention that my hon. Friend the Minister has often appeared in this Chamber to respond to debates about the closure of post offices under the Post Office network change programme. When I learned last week that I had secured this debate, I made a point of seeking him out to tell him that this is not one of those debates. I say in passing that he will know that the network change programme is under way in Staffordshire at the moment, and we are in the middle of the consultation period.

Perhaps it is an opportune moment for me to place on record my thanks and gratitude to the Minister for agreeing to see me in his Westminster room on 1 April to talk about the proposals for my constituency in which four post offices are to be closed. He might recall that I said that he and Post Office Ltd should do as much as possible to stop the closures of post offices if they are the last retail outlet in a village. The greatest focus of protest in my constituency is in the village of Great Bridgeford, which will lose its last retail outlet post office if the proposals go ahead.

Today, we are debating Stafford's Crown post office. It is one of those included in the commercial arrangements that Post Office Ltd and WH Smith came to a year or so ago. It might be worth beginning by saying to my hon. Friend the Minister that for most of the 20th century, Stafford's main post office—its Crown post office, its only post office in the town centre—occupied a very beautiful building called Chetwynd House. The building was built in 1746 by William Chetwynd whose family seat was Brockton Hall, which is now a well-known golf club in Stafford. The house was sold in the 1780s to William Horton, then a famous shoe manufacturer. A plaque on the wall of the post office testifies that Richard Brinsley Sheridan, the very famous playwright and the less famous MP for Stafford in the late 18th and early 19th century, often stayed there with his friend William Horton. It is a very imposing building that is listed because of its character and design. It stands on an important corner in Stafford's main thoroughfare, Greengate Street, by what would have been in the middle ages the southern gate of the walled town of Stafford.

We have now moved our post office to WH Smith, which is also on Greengate street, so it has not moved far. Personaliy, having read all the information about the commercial tie-up between Post Office Ltd and WH Smith, I can see why both partners made such an arrangement. I understand the commercial pressures that both were under and I can see that both businesses are reasonably compatible. Therefore, I was not going to go to the stake saying that, if selected, Stafford post office should not move into WH Smith. I waited for the proposals and found that we were in the list of 70 post offices to move into a WH Smith store following what was claimed to be the success of the six pilots. I was willing to consider whether we could make a success of the plan in Stafford until I learned that the post office was to be located on the first floor of the shop in a building that has questionable arrangements for disabled access. It was at that point that I took the view that I did not think that such a move would work. I was one of 45 consultees who objected to the transfer of the post office. I know that in 20 of the representations, access issues were specifically raised before the transfer went ahead. The decision was made that the move would take place despite the objections, and it happened last October. I pointed out in a debate about post offices in this Chamber on 29 November that I had objected to the move taking place, and that it had gone ahead against objections.

Having seen that we could not save our post office from being moved, I resolved that I would do everything possible to make a success of the move. I had accepted the commercial pressures that drove the partners to work together. I wanted my post office to be successful, and it was fine that a famous trading business such as WH Smith should be successful in the town of Stafford. I wanted it to continue that success. I therefore arranged a meeting on site at the post office with managers of Post Office Ltd and WH Smith, representatives of Postwatch and Stafford borough council and, crucially, senior officers of the Stafford and district disabled access group, a man named Derek Boult and a woman named Joyce Middle, who are both strong and passionate campaigners for disabled access and disabled people's rights. Joyce Middle is confined to a motorised scooter because of her disability.

We all met at the site before the move took place to talk about the changes that would be needed to make the building accessible to disabled people. In fairness to the management of WH Smith, they listened carefully and promised to make changes. They made the minor changes that we recommended, which were not costly, and I am grateful to them for that. It was a bit of a success. However, we saw that day that the post office was to be on the first floor and approached using an old-fashioned, wide staircase that is not particularly suitable for many disabled people or groups such as mothers with pushchairs. The store has what looks like a little goods lift in the corner of the building, and it was proposed that it would provide access to the first floor for disabled people. We expressed our view that it was not a big enough lift and asked whether a bigger one could be provided. We were told that that was out of the question because of the cost, the location or both—I am not sure which. WH Smith drew the line and would not agree to a larger lift.

As soon as the post office opened, mothers with pushchairs and disabled people in bigger than average wheelchairs or in motorised scooters started to complain that they could not fit in the lift. A subsidiary problem, which we had predicted, was that the ground floor was full of WH Smith customers and the check-outs were immediately between the doors to the store and the little lift in the corner. We had predicted that there would be queues of people blocking access to the lift, and so it has proved. We have had almost as many complaints about people not being able to get to the lift as about people not being able to fit in it when they do get there.

In response to the complaints, we asked whether more changes could be made. To give credit again to Post Office Ltd and WH Smith personnel, they agreed

[Mr. David Kidney]

to meet us in the store again to talk about the changes. I was there, along with the council, Postwatch and Derek Boult and Joyce Middle. We again pointed out the big problems of getting to the lift and fitting in it, as well as one or two smaller problems that had arisen since the post office had been in operation. Again, people listened carefully and attentively and promised to make changes. The few modest changes that we suggested were made, but, crucially, the two big ones—allowing room for people to get to the lift and fit in it—could not be, or were not, addressed. The problems remained, and people could not reach the lift because of customers obstructing their route and could not fit in the lift when they got there.

Despite that second meeting and the attempts to reconcile our objections, we still received complaints from members of the public. Last month, I spoke again to Derek Boult of the access group and asked him, "What do we now think is the situation?". We both concluded that if there is never going to be a bigger lift for customers, a first-floor location is not suitable for Stafford's main post office. We agreed that we should ask WH Smith and Post Office Ltd to consider bringing the post office down from the first floor, which is unsuitable for access by some groups of the community, to the ground floor. I did so in writing to both partners, and then I requested this debate.

Stafford is the county town, and its population is 60,000. The borough's population is more than 120,000 and the county's population is nearly 1 million. The town attracts a considerable number of visitors, and to lose a beautiful, historic, ground-floor post office in a listed building, Chetwynd House, replaced by a first-floor post office with access routes that are insultingly inaccessible to some groups in our community, is just not good enough. I hope that my hon. Friend the Minister agrees with that. What can he do to lend his weight to our campaign to ask for the post office to be brought down to the ground floor?

I checked with the Disability Rights Commission, as it was then called, about the store and what the owner's obligation was. It advised me that it was the owner's obligation to make reasonable adjustments to make the building and its services accessible to all groups in the community and that, if the owner failed to do so, it was the responsibility of a disabled individual to take a case to a county court. I shall pursue that course if I must, but it seems a shame, especially considering that Post Office Ltd is in the public sector and might feel that it has a social responsibility to care about groups such as disabled customers.

I say to both WH Smith and Post Office Ltd that it makes good social sense to ensure that all members of the public have access to the services in their stores, but it also makes good commercial sense. The demographics of this country show that our population is expected to get older and that more people will have access difficulties. The Post Office is peculiarly reliant on older people as customers, and if the business is not accessible to such groups, it will be deprived of a considerable chunk of its potential customers. I am fortified in my view that post offices should be accessible to people with access difficulties because my argument is sustained by Age Concern south Staffordshire, Mencap mid-Staffordshire and the Communication Workers Union for the midlands region. We all take the view that the present arrangements are not suitable.

To make the matter personal and real for everyone in the room, I shall give an account that I received from a disabled visitor of their visit to the store this March. The person was in a motorised scooter and found that a filing cabinet obstructed the reversing space needed to get into the lift, that shopping baskets were piled next to the cabinet so that there was no room to manoeuvre and that the lift would not take the motorised scooter because of its size. They were asked to move from their scooter into a store-provided wheelchair, but there was no room and they needed help to move. There was nobody around to assist, and there was no electric bell to summon assistance. Their calls for help could not be heard by members of staff, because they were busy some distance away dealing with customers. There was therefore a delay. When they were eventually helped into the store wheelchair, they had to have their crutches and shopping on their lap as they made the short journey to the first floor.

As a result of that experience, that person wrote to me that:

"The postal services are essential and should not provide an obstacle course for the disabled".

That is a perfectly sensible point for anybody to make to their elected representative. Derek Boult told me:

"Although WH Smith have been willing to listen and have carried out certain alterations, it is quite evident that the only way the post office is going to succeed is to place it on the ground floor".

He has also said:

"Complaints are being received on a daily basis and the time for talking has to stop".

It seems to me that complaints on a daily basis put pressure on people such as me and the Minister to listen and try to take action to help. There is a strong commercial imperative for something to be done, as I said earlier, and there is certainly a strong social imperative.

When I was preparing for this debate yesterday, I noticed a news report about a Hastings woman who has been given leave in the High Court to challenge the current post office closure programme. One of the grounds on which she has put her case is that the closures are contrary to disability anti-discrimination laws.

In the case of Stafford's main post office, we are not debating a closure and the taking away of the physical post office, but talking about moving a ground floor post office to a first floor location without providing adequate means for disabled customers and other groups with special access needs to get to their post office services. Therefore, I wonder whether the situation in Stafford is in fact a breach of those disability anti-discrimination laws. We should not have to wait for someone to take out a case themselves in the county court before we act.

There is one last, minor point I would like to make to the Minister. I say "minor" in the sense that it is not germane to today's debate, but it is certainly a vital subject of debate in Stafford. It is the question of what is going to happen to Chetwynd House, which I walk past every day when I am in Stafford. The building is now boarded up and closed and there are very visible 'For Sale' signs on the outside.

I have written to the building's owners, Post Office Ltd, several times to ask how things are going with the sale and they tell me, "It's none of your business, it's a commercial transaction." I said to Post Office Ltd, "If you get lots of people who make satisfactory offers for this building, there is a lot of concern in Stafford about what the use of the building will be, so would you consider consulting me, an elected representative, and other representatives of the local community, about which offer would be the best to accept?" Post Office Ltd said, "No. Go away." That is disappointing, coming from a body whose only share is owned by my hon. Friend the Minister, so maybe he could persuade Post Office Ltd that it ought to give a little more attention to a Member of Parliament who would like what I consider to be some sensible information and dialogue about a key building in his constituency.

I want to leave the Minister time to respond. In conclusion, I am objecting to the lack of an adequate post office service for a significant proportion of the community living in and visiting Staffordshire's county town, I am objecting as someone who has worked positively and constructively for half a year to try to make unsatisfactory arrangements work, and I am objecting in the knowledge that many organisations with a special interest and expertise in access issues agree with me . I certainly know that many members of the public also agree with me, including the people who are disadvantaged by the present arrangements.

In asking the Minister to help us, I leave the last word to Derek Boult, who said in his most recent contact with me this week:

"The relocation of the post office to the ground floor is the only solution that will provide the type and standard of service that the public expects. Nothing less will do."

I hope that my hon. Friend the Minister can understand the strength of feeling in Stafford about this matter, which I hope I have been able to convey to him in this short debate, and I hope that there is something that he can do to help us.

5.3 pm

The Minister for Employment Relations and Postal Affairs (Mr. Pat McFadden): I congratulate my hon. Friend the Member for Stafford (Mr. Kidney) on his success in securing this afternoon's debate and thank him for initiating it. He has very clearly and eloquently outlined the importance of postal services to his constituents and, in particular, their concern about the move of the former Crown office in Stafford to WH Smith last October.

My hon. Friend said at the outset, and he is right to have said it, that postal services are very frequently debated in the House; in fact, it is less than an hour since the last debate on the subject ended. One of the features of these debates is, of course, that people talk in great detail about their constituencies. I was very touched by the obvious care and concern with which he spoke about his constituency; he spoke not just about his constituency as it exists today but about the history of the building that housed the former Crown office.

With regard to the arrangements of the post office branch in WH Smith in Stafford, my hon. Friend has, of course, visited it a number of times and is very familiar with the layout. I hope that he will understand that I have only received some briefing about the branch and have not visited it personally.

Let me say a word or two generally about franchising branches to WH Smith. I am grateful to my hon. Friend for saying that he understands the logic behind such an arrangement. The franchising process is being undertaken because the Crown offices, which numbered about 450, lost £70 million in the year 2006-07 and clearly that position—where 450 post offices are losing nearly £1.5 million a week—is not sustainable.

The Post Office was quite right to look at arrangements to see how services could continue to be provided in other ways. That is how the franchising arrangement with WH Smith developed. As my hon. Friend said, on the face of it there would appear to be quite a good fit between the type of products sold in WH Smith and the type of reasons that one would have to go to a post office.

The franchising process with WH Smith has involved 70 branches in total. Although some hon. Members have not taken the open-minded and positive attitude that my hon. Friend has towards such franchising arrangements, very often the choice is between that type of arrangement and not having a post office at all, in circumstances where the Crown offices alone were losing £1.5 million a week.

I should also say that franchising is nothing new; the arrangement with WH Smith is not the only one of its type that the Post Office has entered into. There are other franchises—for example, in the Co-op, TM Retail, RS McColl, Asda and Tesco, all of which operate successful post offices within their retail networks. So, on the face of it, this arrangement with WH Smith is a perfectly sensible, commercial arrangement for Post Office Ltd to enter into.

When such franchising happens, there are, of course, important contractual arrangements. Franchises are bound by those arrangements to ensure that service standards remain high, and that is, of course, also true of the 97 per cent. of the network that is run by sub-postmasters. Therefore, although entering into such an arrangement is an operational decision for the Post Office to take, my hon. Friend and his constituents are right to expect a certain standard of service from anything that carries the Post Office branding and provides Post Office services, whether that is in a WH Smith branch or in a Crown office.

As I have said, I have not visited the post office in the WH Smith branch in Stafford, but I have visited one of these franchise branches in WH Smith. It worked well, and the customer surveys of the first half dozen of these franchise branches in WH Smith were quite positive in their feedback. However, on one or two occasions, the issue of disabled access has been raised, and that is because among the 70 post offices in WH Smith branches, about 20 are either on the first floor or perhaps downstairs from the main retail enterprise, possibly alongside other retail products.

Before I go on to my hon. Friend's specific points about disability access, one of the advantages that franchising in WH Smith has often brought is extended opening hours, and that is important. The branch that I visited was open for several hours on a Sunday. At a time when people are juggling family and work commitments, that type of flexible opening is a great help to customers.

[Mr. Pat McFadden]

Having said that, of course it is important that these services are easily accessible to people with mobility problems and to people with disabilities. Post Office Ltd has given an assurance that all branches will be compliant with the Disability Discrimination Act 1995 and accessible to consumers. My hon. Friend will be aware that WH Smith, as a prominent and highly regarded retailer, is also fully aware of its responsibilities under the Act.

I do not think that access issues are always to do with franchising or who is running a particular branch. Dare I say it, perhaps even in some of the existing Crown offices disability access may not always be as we would hope it to be, but it is something that Post Office Ltd takes seriously. My hon. Friend's explanation of the responsibilities under the Act to take reasonable steps to ensure access is exactly the same as my understanding of them, so WH Smith and the Post Office both have responsibilities under the Act.

On the specifics, my understanding is that if a customer for some reason is unable to use the lift or if there are stairs in the branch, alternative arrangements should be available to ensure that they can be served on the ground floor. I will say more about that in a moment. My hon. Friend has followed this matter through in some detail with the WH Smith branch in Stafford. He has visited it, and he met representatives of local interest groups and the store manager and senior staff of both WH Smith and the Post Office.

I understand that some action has been taken. A well-defined route to the lift area has been created, the facility has been somewhat improved by installing a handrail and a mirror, and the branch is keen to investigate how it can further improve access to the lift control panel itself. Post Office Ltd and WH Smith are aware of the problem, and they are more aware of it because I contacted them yesterday to say that my hon. Friend had secured this debate and to flag the issue up with them and discuss my understanding of the generality of what he would raise.

In respect of service on the ground floor, my understanding is that there is a mobile unit on the ground floor and that it can be operated by a post office staff member if customers are unable to access the first floor for any reason. It comprises a Horizon terminal, which is the IT system that the Post Office uses, and customers can access the full range of Post Office products from it. It may be that more needs to be done to make people aware that that option is available in the store.

Mr. Kidney: I am intrigued by that. Perhaps we would not be having this debate if there were such a facility on the ground floor. In preparation for the debate, I sent my hon. Friend a copy of my letter to Post Office Ltd about my campaign to bring the post office down to the ground floor, and I attached an e-mail from Derek Boult from last month in which he said that he and I remembered that we had been told about trolleys on the ground floor in other stores, and that we could have one in Stafford. I have been there twice and never seen one, and Derek says in his e-mail that we were promised a trolley but that the Post Office has reneged on the promise. He has been to the store much more often than I have, and nobody has seen a trolley.

Mr. McFadden: I thank my hon. Friend for that intervention. As I said, he will of course be closer to the detail of what is on the ground floor in a particular store in his constituency. I have been told that a trolley is available in this store, so I can only say that in good faith.

To cut to the chase, some improvements have been made. My hon. Friend and local campaigners have raised more fundamental questions about whether the lift is large enough to accommodate wheelchairs. Again, I have been told that it is. It appears from what he said that the accommodation is not always satisfactory.

I agree with my hon. Friend that accessing services should not involve getting through an obstacle course. That is important. He is absolutely right to say that it is in no one's interest if customers are discouraged or put off from conducting their business at a post office, whether it is in WH Smith or anywhere else. The issue is what can I do for him. The detail must be handled by Post Office Ltd. I contacted it yesterday about the generality of what I expected in this debate. Having heard what my hon. Friend said today, I am happy to contact Post Office Ltd again on his behalf to ask it to review disability access arrangements at the branch. He may be fed up with meeting representatives of Post Office Ltd and WH Smith, but I am happy to ask for another meeting to see what we can do to ease the problem.

It being Fifteen minutes past Five o'clock, the motion for the Adjournment of the sitting lapsed, without Question put.

Westminster Hall

Thursday 15 May 2008

[MR. ROGER GALE *in the Chair*]

Science and Discovery Centres (Funding)

[Relevant documents: Eleventh Report from the Science and Technology Committee, Session 2006-07, HC 903-I, and the Government response, HC 214.]

Motion made, and Question proposed, That the sitting be new adjourned.—*[Alison Seabeck.]*

Mr. Roger Gale (in the Chair): I gently remind those present that this is a debate about science and discovery centres, as in the terms of the report before us, and not the funding of science, although a certain amount of leeway might be allowed.

2.30 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Thank you very much for your wise counsel, Mr. Gale. It is lovely to be introducing this debate in your presence. I am sure that none of my colleagues wishes to stretch your patience, or that of our vast audience, in discussing these matters. I am extremely pleased to open this debate on the subject of the eleventh report of the former Science and Technology Committee, published in October 2007, to which I shall certainly confine my remarks. I pay tribute to the hon. Member for Bolton, South-East (Dr. Iddon) who not only encouraged the Committee to conduct this inquiry, but, as a director of the Bolton technology innovation centre, has been a committed advocate of science and discovery centres and their vital role in the science agenda.

There are more than 100 science centres in the UK, attracting some 19.5 million visitors a year. They range in size from huge centres, such as the Science Museum in London and the Eden project in Cornwall, to very small ones, such as the Armagh Planetarium in Northern Ireland and the Scottish Seabird Centre in the firth of Forth, both of which are ideal. I mentioned the one in Scotland for the benefit of my colleague, the hon. Member for Norwich, North (Dr. Gibson).

Dr. Ian Gibson (Norwich, North) (Lab): Good. You're safe now.

Mr. Willis: Indeed. I always have to mention Scotland—usually Dundee—to get me off the hook for the following 15 minutes.

As a network, the science and discovery centres represent a unique opportunity to foster scientific curiosity and a genuine, long-lasting sense of excitement and interest in science. Every branch of science, technology and engineering is catered for by an army of professional science communicators and enthusiastic volunteers, who have two key objectives: to switch young people on to science and related career opportunities; and to engage the wider public in cutting-edge and often controversial science issues. It was interesting that on Monday, before the Second Reading of the Human Fertilisation and Embryology Bill, representatives of the Centre for Life, in Newcastle, visited the House and gave a presentation to Members of Parliament of some very interesting, simple and explanatory information about research into embryonic stem cells. That demonstrated the sorts of activities in which many science centres are involved.

The Committee decided to conduct the inquiry for three reasons: first, because the hon. Member for Bolton, South-East constantly said that we should. The second reason was the widespread concern over the financial security and future of science centres. Of the 18 science centres given capital grants by the Millennium Commission, two have already closed—the Earth Centre, in Doncaster, and the Big Idea, in Ayrshire. Furthermore, the Explore-At-Bristol centre has partially closed after it shut down its "wildwalk" facility and IMAX attraction. Since our inquiry, yet another has closed—the Inspire in Norwich—about which no doubt the hon. Member for Norwich, North will want to say more later. In addition, the future of Jodrell Bank—everyone in this Chamber will be familiar with it—which set up one of the first science centres in the world, back in 1965, hangs in the balance. Catalyst, at Widnes, which during this academic year delivered 575 science lessons to more than 17,000 children, struggles to survive and has been within a few days of closure on several occasions in the past five years, despite tremendous involvement from the chemical industry, local authorities and Members of this House.

Perhaps we should not be surprised by the financial plight of the science centres. After all, Lord Sainsbury—a great devotee and promoter of science and the then Science Minister—told the Committee in October 2006 that the projected revenues for the millennium centres, in particular, were

"extremely optimistic, bordering on fantasy".

The third reason why we looked at this subject was to examine what role science centres had within the Government's agenda for science, technology, engineering and mathematics—STEM—to which, to their credit, they remain highly committed. They have acknowledged the important role that science centres play in promoting to young people STEM subjects and careers in science. Yet the bulk of our recommendations on science centres were rejected out of hand by the Government, and science centres continue to struggle.

My task this afternoon is to provide an overview of the key themes covered in the report, to give a brief update on relevant developments and to highlight some of the outstanding issues to be addressed by the Government. I am delighted that three members of the former Committee are with us this afternoon—*[Interruption.]* I am sorry, four members—I apologise to the hon. Member for Windsor (Adam Afriyie), who has just arrived. I am also delighted to be joined by the hon. Member for Daventry (Mr. Boswell), who is a member of the new Committee.

We need to consider the funding stream. We recognised that the majority of science centres lacked stable funding, and that if centres were to remain vibrant and to attract new exhibits and new audiences, stable funding was essential. We noted that funding regimes in England contrasted starkly with those in the devolved Administrations. Indeed, we were impressed with the Scottish model of policy exchange and co-ordinated funding, backed by a £2.5 million per year grant to four designated co-ordinated centres.

[Mr. Willis]

We did propose a Scottish model for the rest of the UK. Centres are hugely varied, geographically widespread and have differing missions and structures, so different solutions need to be explored, rather than simply importing a model from elsewhere. Instead, we sought to find a potential funding stream for science centres and identified that if the distinction between science centres and museums could be successfully challenged, there might be a satisfactory solution. Museums come in many different flavours, but the thing that they all have in common is that they house collections. The gold standard for museums is the Museums and Libraries Archive Council's accreditation scheme, which sets nationally agreed standards for UK museums in user services, governance, visitor facilities and collections management.

Some science centres house collections, and a few science centres, such as Thinktank in Birmingham, are accredited under the MLA scheme. However, most do not house collections and are precluded, therefore, from receiving accreditation. However, the accreditation scheme itself recognises that learning

"is a core purpose of museums."

In other words, support for museums is based on the fact that the collections that they keep are beneficial to society through education and public engagement. We suggested, therefore, that the accreditation scheme be divided into two parts: first, to focus on collections; and secondly, to focus on public engagement and education.

Given that only accredited museums can receive central Government funding, such a move would essentially divide the £320 million funding stream for museums from the Department for Culture, Media and Sport into two streams: one directed to collections and collection management, and the other to public engagement activities. That simple yet workable solution would mean that institutions that carry out the "core purpose of museums" without actually being museums—because they do not hold collections—could access funding that would enable them to carry out their valuable role in society. It is a simple solution that would solve many of the centres' problems. However, the Government dismissed the suggestion on three grounds, each of which is flawed.

First, the Government attempted to downgrade the importance of learning in the role of museums. They said:

"Education activity is the focus of only one limited element within a section on wider user services."

That was uncharacteristically disingenuous of the Minister—or of the official who wrote the report. Of the four key elements of the accreditation system, three are relevant to science centres—user services, governance and visitor facilities—and only one is usually not, which is collections management. The MLA makes it clear that educational activity is key to the role of museums. The fact that learning is, within the Government's tight definition of "museum", related to collections, does not diminish the reality that it is the very educational benefits that museums offer that makes them attractive to fund in the first place.

The second reason why the Government dismissed our suggestion was that they felt that it was impractical because accreditation does not automatically ensure funding. That was a diversion. Only accredited museums can receive DCMS funding. We did not presume that, if science centres were to be accredited, they would automatically receive funding because not all accredited museums receive funding. We simply suggested that accreditation would open up to science centres a funding stream currently not available to them. Again, that seems a perfectly reasonable point of view.

The third reason why the Government dismissed our suggestion was that the MLA is a non-departmental public body and that

"DCMS operates in accordance with the arms-length principle and believes that MLA is best placed to determine priorities for the sector."

That is mere obfuscation. The MLA was set up by the Government to set standards for institutions that house collections. Our report suggests that the MLA's remit should be altered, which is something that only the Government can do. Therefore, the Government's intervention is absolutely crucial if that scheme is going to happen; the MLA cannot do it on its own.

It is a shame that the Government have dismissed our suggestion to realign the accreditation scheme and split the funding stream. Such a move would increase transparency, and enable the Government to meet the objectives more effectively. In the light of the Department's misunderstanding of our recommendation—because that is what I think it is—we would like the Minister to reconsider and perhaps to suggest a better way to rework the accreditation scheme.

We also proposed other ways in which the Government could help science centres. First, to prevent existing science centres from closing and to help those struggling financially, we suggested making available competitively awarded short-term funding. Secondly, we asked the Government to consider reducing the VAT rate on admissions fees to science and other educational centres. Thirdly, we urged our local authorities to offer 100 per cent. business rate relief to science centres. The Government wickedly rejected out of hand the first suggestion on the ground that a science centre that is

"failing in financial terms could not be an effective delivery agent or Government partner."

That depends on what we mean by "failing". I suspect that the hon. Members for Bolton, South-East and for Norwich, North would beg to differ. The Government, through DCMS, already fund science centres that are part of science museums. Science centres earn on average 63 per cent. of their core costs through commercial activities, while science museums fund only 16.5 per cent. of their costs through commercial activities. Is the Minister saying that all the science museums are failing? Of course he is not; he is far too intelligent a man to make such a ridiculous claim. Science museums are not set up to make money. They exist to provide educational services and to inspire the next generation of scientists and engineers. Science centres should be thought of in exactly the same light as museums.

Our fear about impending closures of science centres was well founded. Inspire, in Norwich, announced last week that due to a lack of sustainable funding it will be forced to close in September. Is the Government letting this resource disappear because Inspire does not add value to Norwich and the surrounding districts? Perhaps the Minister feels that because we have a distinguished scientist representing Norwich, North and a distinguished mathematician representing Norwich, South—the right

hon. Member for Norwich, South (Mr. Clarke)—some people in Norwich are already sufficiently inspired to take up science, technology, engineering and mathematics.

Dr. Gibson: Where did you get that?

Mr. Willis: I said that perhaps that was the case. It may even be that we do not need more scientists or engineers coming from the region. I thought that the hon. Gentleman, from a sedentary position, was querying the fact that he was a distinguished scientist, not that the right hon. Member for Norwich, South was a distinguished mathematician.

The Committee's second suggestion to help financial viability was that the Government should consider reducing VAT on admission fees. That was rejected on the ground that

"reduced rates of VAT are used sparingly, and only when they provide the best-targeted and most cost-effective support for Government objectives and priorities."

That is an eminently sensible policy. We did not ask the Government to reduce the VAT burden for science centres, but to consider whether reducing the VAT burden on educational centres may be a cost-effective way of encouraging public engagement in STEM issues. To simply dismiss the suggestion without even engaging with it smacked of an unwillingness to engage with the seriousness of the situation in which science centres find themselves. Will the Minister say whether he has had any conversations with the Treasury over the VAT issue? If he has not, will he give this proposal full consideration and a more reasoned response?

Our third suggestion—that local authorities offer 100 per cent. business rate relief to science centres, as they are entitled to do—has, to the best of my knowledge, also fallen on deaf ears. That is a sad reflection on so-called joined-up thinking.

The Government's refusal to accept any of our recommendations on funding options seems to indicate a fundamental misinterpretation of our report; that is the most generous comment that I can make. We were careful not to make simple calls for increased funds, because they would rightly have been rejected. Except in the case of our call for emergency funds to prevent precipitous closures of struggling science centres, we placed an important caveat on each of our funding suggestions:

"Long-term support for science centres should not be made unless independent evidence of effectiveness is obtained."

That was a very fair comment by the Committee.

Here, we found a real problem. During our inquiry, we were surprised to find that, although science centres claim to play an important role in society, they have not convincingly demonstrated that they have achieved their goals. Academics from Cardiff university outlined the current body of evidence and commented:

"There are very few studies of the effect that science centres have on students' career choice."

They went on to say:

"Although science centres have put many programmes in place that benefit society, on the whole, they have not developed the methodology to measure the impact they have at a societal level."

In our report, we recommended that Ecsite-uk, which enthusiastically represents some 70 centres, work to produce a benchmarking toolkit for science centres, so that data for science centres across the UK are collected in a more rigorous manner.

It is good news that that process is already well under way. Ecsite immediately took up the challenge; however, in view of its proximity to the sector, we recommended that the Government commission independent research on the effectiveness of science centres and other STEM initiatives. To its credit, the Department for Innovation, Universities and Skills agreed to do so and said that it would start the work at the beginning of 2008. It is now the middle of May and I understand that the research has not even been commissioned. Perhaps the Minister can explain the delay—I am sure that he has been busy doing other things—and share with us the terms of reference for the research, how much it will cost and how long it will take to complete, because it is important to all the science centres that that information be available.

We also found evidence that the level of co-ordination among science centres, and between science centres and other organisations, was variable. Many science centres co-ordinate policy particularly well with the education sector. The Eden Project in Cornwall, for example, runs professional development courses for teachers. Magna, in Rotherham, designs competitions and science projects in schools and colleges to retain interest sparked during visits. Others work well with individual scientists and universities.

Some centres work well together, for example, to produce touring exhibitions. However, we discovered that there was huge room for improvement and identified the Scottish science centre network as an example of best practice in co-ordination and co-operation. We therefore recommended that Ecsite-uk, on behalf of the science centre community, should examine the co-ordination and collaboration mechanisms in Scotland and internationally, with a view to producing best practice guidance to promote co-ordination between science centres across the whole UK.

Ecsite-uk, again to its credit, has been busy with the benchmarking exercise for data collection and has also asked for examples of best practice from the chief executive officers of the science centres. Those examples were published in Ecsite's recent report, which I understand will form the basis for taking forward the Committee's recommendation.

Our final recommendation was that the Minister should take up responsibility for science centres. His ready and enthusiastic acceptance of the recommendation that DIUS should act as

"first point of contact and, in effect, policy lead in relation to issues on science centres"

was welcome. However, I remain concerned about how proactive DIUS is being on the issue. One science centre has already announced its closure since the publication of our report, and another, in which the hon. Member for Bolton, South-East is heavily involved—the Bolton technical innovation centre—has recently been transferred to local education authority hands.

Pending research on the effectiveness of science centres compared with other initiatives, they may emerge as an extremely valuable resource for the UK in inspiring the next generation of scientists and engineers. It will be an enormous shame if, when that research is completed and the Minister has done his work, there is nothing left to co-ordinate because all the centres have closed.

2.52 pm

Dr. Brian Iddon (Bolton, South-East) (Lab): I am a great believer in children and adults alike experiencing the excitement of science and the discoveries that it can bring, to the benefit of our society. That is brought about in a number of ways. For 29 years, I trod the boards and toured the country, as well as places as far away as Naples and Copenhagen, trying to communicate science to people who were not necessarily scientists. I know a great deal about this subject and welcome the inquiry.

Television is a powerful means of communication, and there have been some excellent science programmes such as the splendid "Horizon" series. Such programmes are often available to view on the internet, either at home or in the classroom. Unfortunately, they are expensive to put together, and they are decreasing in number, especially on mainstream television channels.

Children and families like to get out and about at the weekends and in the school holidays, and science and discovery centres provide them with excellent venues for educational visits. The centres encourage young people to take an interest in science subjects at school and inspire them to follow a science or engineering career. Part of their role is to communicate science to the general public and explain to them the benefits of investment in science, engineering and technology. According to the recent report by Ecsite-uk, which has been mentioned, a very large number of people—19.5 million—visited our science and discovery centres, in which I include museums, in 2005-06. The Government are trying to encourage more women into science, and interestingly, 56 per cent. of those 19.5 million visitors were female. Of course, teachers also use many of the science and discovery centres to enhance their teaching.

The centres are enormously varied in their provisions. Aquariums, zoos, bird sanctuaries and museums such as the Science and Natural History museums here in London and planetariums such as that at Jodrell Bank are probably the most popular venues, followed by heritage centres. Science festivals such as the one held annually in Edinburgh are also a big attraction. Because of the popularity of those attractions, they can raise funding through entrance charges, but many of them need subsidising even so.

Our Committee listed 101 attractions that can loosely be called science and discovery centres, and gave the website addresses of all of them. They include, in alphabetical order: BUGS—biodiversity underpinning global survival—at London zoo; Brocks Hill environment centre and country park; Catalyst; the Centre for Alternative Technology; the Centre for Life; Ceramica; CONKERS; the Deep; the Discovery museum; the Ecos Centre; the Eden project; Eureka!—The Museum For Children; Explore-At-Bristol; the Glasgow Science Centre; INTECH; the Living Rainforest; the Magna Science Adventure Centre; Making It! discovery centre; the millennium seed bank; the National Botanic Garden of Wales; the National Marine Aquarium; the National Space Centre; Nature's World; Our Dynamic Earth; the Museum of Science and Industry in Manchester; the Scottish Seabird Centre; Sensation Dundee; the Slimbridge Wildfowl and Wetlands Centre; Thinktank at Millennium point; the Water of Leith visitor centre; and whowhatwherewhenwhy, known as W5, at Belfast. I should add: no more Christmas cards, please, I get enough.

I list those centres merely to indicate the wide variety of centres in every corner of the United Kingdom. There is something for everybody within reach of their own home, and entry to many of the centres is free. Every interest is covered, and many of them include interactive displays. They are not just static exhibitions. Some of them, such as the Railway museum in York and the National Museum of Photography, Film and Television in Bradford, house important national themed collections.

There are as many reasons for centres starting up as there are names or places for them. Benjamin Franklin house, which includes a hands-on science centre, is based on the life of one of our most famous scientists. Bletchley Park was the home of our famous world war two code breakers. Catalyst was bred out of the chemical industry in the Runcorn-Widnes area. Ceramica, in Stoke-on-Trent, is a celebration of its world-famous pottery industry, and the Magna Science Adventure centre is set in the Templeborough steelworks in Rotherham.

As the Chairman of the Committee, the hon. Member for Harrogate and Knaresborough (Mr. Willis), indicated, for the past four years I have been chairman of the board of the Bolton technical innovation centre—Bolton TIC, as we prefer to call it. It was founded as a partnership between the Northwest Regional Development Agency, Bolton council and Mount St. Joseph's school. Paul Abbott, a Bolton teacher who was engaged in enthusing young people about the excitement of science, engineering and technology throughout his teaching career at the school, had a brilliant idea a few years ago and discussed it initially with David Puttnam, who was the chairman of the National Endowment for Science, Technology and the Arts at the time.

Paul wanted to create the equivalent of a music centre for pupils interested in STEM subjects—a big science club, if you like. The regional development agency was convinced by the idea and invested £2.5 million in a futuristic-looking and attractive new building in my constituency. It is Britain's first junior incubator, as far as we know, and we have fitted it out with £500,000 of state-of-the-art equipment.

Initially, we debated whether to fit open IT systems, with open-access software, across the building. Eventually, we decided in favour of that. It contains a plethora of IT equipment, and the computer-aided design packages are extremely advanced. A pupil can design a three-dimensional object and then print it out as a prototype on a rapid prototyping machine, which is essentially a three-dimensional printer. Bolton TIC received one of the first high-definition, colour 3D printers to be seen anywhere in Europe. Children aged from nine to 19 have access to that equipment. They do not just stand there while somebody else shows them how it works.

Bolton TIC also has a suite of haptic arms, which can convert three-dimensional objects into computer images and do much more besides. There is a flight simulator and a lecture theatre that can show three-dimensional films. There is a virtual planetarium. There are also laser and water cutters and a sinter station, everything required to build cars, rockets, remote-controlled surface or underwater vehicles, aircraft and so on. The NWRDA has recently provided the TIC with a £10,000 grant to

build the largest rocket that we have ever built there. One of the members of staff, Robin Hague, previously worked on the Starchaser rocket project.

We do not just build those rockets; we fire them. Of course, we must know about logistics. We do not want to knock any aircraft from Manchester, Blackpool or John Lennon airport in Liverpool out of the sky. We must liaise with the local airports and also with the meteorology experts, because we need to know what the cloud base is on such and such a day. Of course, we also have to find the right firing point. Incidentally, these rockets are recovered by parachute.

Dr. Gibson: My hon. Friend mentioned the fact that the TIC has received £10,000 from the local regional development agency. Has he estimated how much the regional development agency gives to science in general in his part of the country? Is that £10,000 all of its contribution, or is there more?

Dr. Iddon: I do not carry the figure around in my head, of course, but I can tell my hon. Friend that the NWRDA, through the Northwest Science Council, is very generous towards science. In fact, dare I say that it is looking after the interests of Daresbury at the moment? However, I will not stray into that area, Mr. Gale; I have taken the warning.

At Bolton TIC, a pupil can invent, design and manufacture. An artist in residence, Iain Cant, has helped to bridge that difficult gap between science and the arts. He is partly responsible for the world's largest single stone sculpture, which can now be seen at the Eden project in Cornwall. That sculpture was designed and prototyped using equipment at the Bolton TIC. The Bolton Wireless Club, the Bolton Aero-modelling Club and the Bolton Astronomical Society have all been given access to the building, provided that they encourage children to join their clubs.

As I have said, Bolton TIC is for all children aged between nine and 19, and not just those from Bolton but from across the region. The plan was to open it beyond school hours: in the evenings, at the weekends, and throughout the school holidays. Bolton TIC is situated in one of the most deprived wards in the country, so we were able to win neighbourhood renewal funding worth £300,000 to purchase a bus that conveys children from all the schools in the area to and from the TIC.

Paul Abbott has built up a network of science communicators across the north-west. He knows who is willing to bring into the TIC equipment that the TIC does not already own: robots, lasers and so on. Many meetings, conferences and competitions for children are held in the building by a variety of learned societies, such as the Royal Society of Chemistry and other organisations promoting science and engineering. Professor Colin Pillinger, of Beagle fame, recently helped me to launch a series of lectures for children and the general public. Those lectures were very popular indeed.

Ideally Bolton TIC, which we have always seen as a regional asset, requires £500,000-worth of revenue funding per annum, but in the past four years we have managed to run it on just £300,000 per annum. Conference business has provided £80,000 per annum and the rest has had to be raised through grants and sponsorship. The Department for Education and Skills funded the TIC for the past two years through its Excellence in Cities programme, but efforts to maintain funding at that very high level finally ran out at the end of March this year. On 1 April 2008, the board of the TIC and the NWRDA decided on a seamless transfer of the asset to Bolton council and the project will be known in future as Bolton science and technology centre. Bolton council has dedicated £300,000 to the centre for each of the next two years, when the future of the project will have to be evaluated again.

The NWRDA and the former board of Bolton TIC have been assured that the original ethos of this exciting project, which is the first junior incubator in Britain, will not be lost and that the building will continue to be used to add value to the education of schoolchildren from Bolton and the entire region. I wish the project well in the future. I also want to take this opportunity to thank all the staff at the TIC and my fellow board directors who have struggled during the past four years to keep the project open for the benefit of local children.

If a TIC works in the north-west, why cannot we have one in every region? There has been a lot of interest already in this concept; rather than having individual science clubs in each individual school in a town, it is a big science club for a town. I ask the Minister, "Isn't that better?" Young people play better music when they congregate together in music centres and I maintain that the same is true with science in Bolton TIC. So I encourage my hon. Friend the Minister to look carefully at this innovative project.

Just as there are 101 reasons for the start-up of science centres, the funding of them is equally complex, as I have just tried to indicate. Right now, some of the centres are in danger of closing, as the hon. Member for Harrogate and Knaresborough pointed out. That is because of the complexity of the funding mechanisms. The people who run the centres spend inordinate amounts of time bidding for grants here, there and everywhere, and they are lucky if even 10 per cent. of the applications are successful. Furthermore, the funding is often short term rather than long term. My hon. Friend the Member for Norwich, North (Dr. Gibson) will say more about the Inspire Discovery Centre in his town.

Recently I have been in correspondence with Adam Hart-Davis, one of our best communicators of science in the media, who has related the plight of Explore-at-Bristol to me. It has had to close two of its main attractions, one of them being the IMAX cinema and to make 45 staff redundant as a result of a shortage of funding. The Wellcome Trust recently awarded Explore-at-Bristol a £1.5 million grant to build a touring exhibition entitled "Inside DNA: A Genomic Revolution", which will tour the UK when it has been built. The Wellcome Trust has obviously shown that it appreciates the work done by Explore-at-Bristol.

Of the 18 centres that received £450 million from the Millennium Commission at the turn of the century, several are currently finding it difficult to survive. As the hon. Gentleman indicated, two of those have already closed: the Earth Centre at Doncaster and the Big Idea in Ayrshire. Further injections of capital have been awarded by ReDiscover. Some £33 million was provided by the Millennium Commission, the Wellcome Trust and the Wolfson Foundation in 2003. The stabilisation fund—£2 million awarded by the Government to stabilise millennium centres in financial difficulties—provided

[Dr. Iddon]

money in 2004. A further £1 million was awarded by the science centre enrichment activities grant scheme in 2006. All those sources of extra funding have kept many of these centres open. However, if those sources of funding are not replaced in the near future, many of the remaining centres will begin to close.

Until recently, there was no overall umbrella organisation that looked after the interests of all those organisations. It is true that museums do have an umbrella organisation already, the Museums, Libraries and Archives Council, which is a non-departmental Government body sponsored by the Department for Culture, Media and Sport, which museums can apply to for accreditation, as has been mentioned. However, the rest of the science and discovery centres remained unco-ordinated until the foundation of Ecsite-uk.

Ecsite-uk has now been formed and it has a growing membership, particularly among organisations that do not fit conveniently into any silo. I mention again the Bolton TIC as an example; it falls in the cracks between Departments. The Department for Innovation, Universities and Skills and the DCMS have recently awarded Ecsite-uk £750,000, specifically to enhance the financial viability of science and discovery centres in the 2006-08 period. I will be interested to learn from the Minister whether any results have come out of that study yet by Ecsite-uk.

As has been mentioned, the DIUS has commissioned research this year to establish how effective these centres are compared with other "delivery mechanisms"— that is the Department's jargon, not mine—at helping the Government to meet both their science, technology, engineering and mathematics, or STEM, goals and their public engagement goals.

However, a recent review by Ecsite-uk of worldwide studies in this policy area has shown that science and discovery centres are extremely valuable. Cardiff university's submission to our Committee has already been referred to, and the results from Cardiff appear to be positive. The Wellcome Trust published a review in 2006 on the effectiveness of the five millennium science centres that it funded, and it concluded that they:

"provide considerable resources for their local regions, contributing to local regeneration, supporting formal education and acting as regional 'hubs' for science-based activities."

Museums differ from science and discovery centres in that they house important local and national collections. Some museums, such as the amazingly successful Manchester museum of science and industry, house science and discovery centres. The Catalyst museum at Runcorn once housed a static display of items collected from the chemical industry in the surrounding area and was funded entirely by that industry. In recent times, it has built in a school science laboratory and an interactive public science theatre. It also offers visitors daily demonstration lectures on a rolling basis and it houses three interactive galleries.

In that respect, I declare an interest because I am proud to be one of Catalyst's patrons. However, its future is by no means certain. It has twice been saved from closure by Halton borough council and the Northwest Regional Development Agency. Ineos Chlor, a large local chemical company, has recently also provided a large one-off grant to keep the museum open. However, that is all short-term funding, and the future of Catalyst is by no means sustainable without more help.

The formation of science and discovery centres began about 20 years ago. The Exploratory in Bristol opened in 1983, Green's Mill and Science Centre in Nottingham opened in 1985 and Techniquest in Cardiff and the Launchpad in London's Science museum both opened in 1986. Those were pioneering establishments in this policy area.

Some centres receive far more visitors than others. For example, the National Space Centre near Leicester alone reaches 40,000 children every year through workshops and schools. Thousands of visitors come every year to look at its public displays and engage in its activities.

The DCMS provides revenue funding of £320 million, most of which is for museums. Funding also comes from the DIUS and DCSF, which was previously the Department for Education and Skills. Funding also comes from a variety of charities, and I have mentioned the Wellcome Trust and NESTA. There is also funding from the regional development agencies, such as that in the north-west, from local authorities, such as Halton borough council, and from industry and commerce.

Let me repeat, however, that much of that funding is extremely short term. There is a dire shortage of core funding outside the museum sector. Hardly any of the science and discovery centres can exist on the basis of their commercial activities alone. In most cases, their future business plans are not sustainable. It appears that they can generate a maximum of 78 to 80 per cent. of their income through commercial activities such as shops, cafes, restaurants, conference business, ticket sales and even car parks.

There is a need for a Department other than the DCMS to take ownership of the co-ordination and funding of centres. Our current Science Minister, who is with us today, showed some interest in that role when he came before the Committee, but the Government as a whole seem to have rejected our recommendation that they give serious consideration to taking it on.

We were disappointed that the previous Science Minister, Lord Sainsbury, felt that science and discovery centres should be self-financing through their own activities, despite the Government's strong commitment to STEM subjects. The Committee was disappointed by his response to a request for Government intervention in this policy area. He has seen for himself the excellent work that many centres do; indeed, I was with him when he visited Catalyst, for example.

In their response to the Committee's report, the Government said that

"it would not be appropriate for any part of Government to take responsibility for them"—

science and discovery centres—

"in the sense that Ministers take overall responsibility for the actions of Government Departments and Agencies."

The Government have also said that they regard centres as "independent organisations". Those remarks are disappointing, particularly given that so much public money—revenue and capital alike—is ploughed into keeping centres open year in, year out. Why can the Government not take a bigger interest?

Our report recommended that the Government waive VAT for science and discovery centres, including museums, because they provide education for their visitors in a way comparable to schools. As the Committee's Chairman said, however, the Government dismissed our proposal.

Every year for five years, Bolton TIC has paid about £15,000 per annum in business rates to Bolton council. Imagine if it could invest that money, which it worked to hard to raise and which comes to more than £50,000, in the town's children, instead of paying it back to the council. I therefore implore the Minister to look more seriously at waiving business rates for all these centres.

The Wellcome Trust, which has given science and discovery centres £43 million for their public engagement activities in the past decade, is

"concerned that the Government's response does not provide the strategic vision we argue the sector needs."

That is what we need—strategic vision. The devolved Governments in Wales, Northern Ireland and—the best example—the Parliament in Scotland are better at supporting these centres.

Core funding, which is difficult to raise, is required to help centres to renew their equipment and their interactive exhibits. Anyone who has visited a hands-on centre will know how enthusiastic children can put exhibits out of action almost by the hour. In any case, exhibits and hands-on experiments need to be kept at the cutting edge—that is what science and discovery are all about.

I am pleased that the Select Committee carried out this inquiry, because it has allowed a light to be shone in this dark corner of science policy. It has brought all the facts together, so that there can be no misunderstanding about the difficulties that science and discovery centres are in.

I hope that the Government's review will allow them to conclude that these centres are worth supporting—perhaps through the newly created co-ordinating body Ecsite-uk—and that they will provide core funding to keep them all open. If the Government do not do that, there is no doubt that many centres will go out of business. That will happen at a time when countries such as Canada and Japan see centres as playing a key role in maintaining confidence in scientists and their discoveries. Science and discovery centres play a role in nurturing our future science and engineering talent. All that it takes to keep them open is political will.

3.17 pm

Dr. Ian Gibson (Norwich, North) (Lab): I apologise for having to leave at four o'clock, but I have to be in another part of Westminster to take part in debate on whether we should privatise universities or keep them public. I and others will be taking on the vice-chancellor of Buckingham university, which is always a bit of fun.

I was not a member of the Committee, but I am proud to be associated with the report. I have read it, thought about it and talked about it to other people, and I congratulate the Committee on the way in which its Chairman, the hon. Member for Harrogate and Knaresborough (Mr. Willis), and my hon. Friend the Member for Bolton, South-East (Dr. Iddon) have presented it.

I was extremely happy when the new Department was set up. I thought that that was a real initiative that we should be proud of. It was a bold step—and, gosh, do we need bold steps these days. It was bold and rather important step in the field of science, because it brought higher education and science together in the new Department for Innovation, Universities and Skills.

Joined-up science policy is very important for this country and, linked with skills, it has allowed us to produce graduates with a sound practical knowledge base who can go into employment, provided that we know what industries are developing. We need graduates to go into industry with skills, innovatory ability and a knowledge of the subjects, but we need to go a bit further than that: we need to explain issues to people at a much younger age, long before they are graduates. Science and discovery centres bridge a large part of that gap and can reach our young people.

The Minister and I were at a rather high-octane meeting with some very young people last night. Among other things, we discussed scientific understanding and policy determination in government. I know enthusiasm when I see it, and it is clear that large numbers of young people want to enter this arena to develop their science and make sure that science plays a central part in policy determination. The evidence base should be evidence-based, and what better than science to achieve that? This is the 21st century. Nothing is better than catching people young, and I stand with Alex Ferguson when I say that. We must get them when they are young—they may not last long, but, by gosh, they can give a lot in the time they are in the profession.

There are specialist science and engineering schools now. It has been interesting to hear from the engineering greats with whom we on the Select Committee on Innovation, Universities and Skills have spoken. They do not know how many schools there are in this country where it is possible to specialise in engineering, and that is probably true of science too. However, there are schools that specialise in those areas, and we must ensure that the people who enter them have some understanding of what science is about.

Colleagues from the Committee may remember some young engineers to whom we spoke during our recent engineering inquiry who had lots of friends who wanted to do science, but were tempted away from it by better money and conditions in industry. We must take that issue on, quite seriously. I do not think that everything is a matter of money; it is also a matter of conditions and recognition, of saying, "Well done," and of making sure that there are jobs available for a large part of people's lives in which they can develop their ideas. If we could get civil servants who knew a bit of science, we would not have some of the problems that we have in government now. The evidence base would be much better understood. I have said before that one can tell that many civil servants on Capitol hill have a scientific background.

Science captures the imagination. It is not just about David Attenborough and the wonderful things in his programmes. I am amazed by some of the features of life he shows us, as are others, I am sure—they capture the imagination. However, earlier this week we discussed stem cell research and Britain being ahead of the curve, and in that context it is no use if, in schools such as one I visited recently, the subject of stem cells is taught in religion, not science, classes. It is interesting that that is how that subject is seen in some schools. Of course that can and will be argued about in schools.

As the hon. Member for Harrogate and Knaresborough and my hon. Friend the Member for Bolton, South-East said, discovery centres are places where young people can have fun on a rainy day—or a sunny day—and

[Dr. Ian Gibson]

learn about and experience science in an exciting way. I get quite turned on when I go in and try some of the things, although I do not understand much, because science is highly specialised. It is very good for adults to question how things happen, and there is nothing better than to spend an hour or so in those centres. They set young minds going for the future, and that is what we should be doing. Young people need to go into science, and they need to be excited to get those careers. There are competitive markets globally, and we must be engaged in them. If we capture them young and get their imagination involved, we shall hold our own.

This debate is not just about science funding; it is also about how Government and society relate to science and about the whole process, from early excitement about science to arriving in whatever scientific career or training people want, whether they go into the civil service, or research science or something else. The issue is national and local at the same time. We have been debating the merits of funding and how the Government might help to fund the centres. The young man who started the Inspire discovery centre in Norwich, who is now in Wales, I think, was here for the demonstration on Monday, when we were lobbied by scientists about stem cell research. It was nice to meet again someone who spent eight or 10 years of his career trying to set up that science centre; he struggled, but it got there, and as he moves on there are difficulties in replacing someone of his ability. That should not happen. Those present for the debate know why it should not happen; the question is how to get out of that position and ensure that the excellence of what he set up is maintained.

I am keen on making Norwich a science city. People are cynical about them, but there are science cities in this country, such as Nottingham, Newcastle and York. There is no money attached to the status, but it pulls people together at all levels of society and gives them something to fight for and be determined about, not just at the business end but in the context of getting young people interested in the first place in becoming entrepreneurs and the business men and women of the future. It is a great idea. I asked the chief scientific adviser about them, and he did not know what a science city was; he asked whether one would just put up a sign at the entrance to the city saying, "Science city here". The idea has not percolated outwards yet. I hope the Minister is listening when I say that we need another 12 or 15 science cities, to inspire the people at all levels who should be working together. Inspire in Norwich, which is threatened with closure, is a good example of how we can build around the scientific community, which is very big.

Dr. Iddon: I hope that my hon. Friend will tell us more about Inspire; I understand that it was started in a church—hence the name—and was part of regeneration work.

Dr. Gibson: Yes, Norwich is a city full of pubs and churches. I always get this wrong—even on my website—so shall not say which there are more of. Whatever I say I get it wrong, and a constituent always writes to me. However, Inspire is in a church, and is run by a company called Science Projects. It also runs the Observatory science centre at Herstmonceux castle, in Sussex. That is a huge complex run by Queen's university of Canada, but the observatory has been turned into a science centre and is now extremely successful. Those two examples furnish us with a case study of centres that are closing or developing, and we should try to find out what success really means. The Observatory science centre has conferences and larger exhibitions. It has greater pull, with a huge stream of visitors, as well as discovery days and outdoor festivals. It is hard to organise those things for a church in the centre of Norwich where there is no parking—the parking restrictions in the centre of Norwich are a real problem. However, I know of a place where it could be done, and I hope that the press are listening.

We are working with the Norwich research park—a research council-funded organisation that is extremely successful. It is world class in plant sciences and the food industry, with food research being done at the Institute of Food Research. Those elements are beginning to merge, and I have an idea of something else that could merge with them. I have talked to the vice-chancellor and his staff, and they will meet Inspire representatives in the next few weeks. The institutes will meet them too, to try to work out a deal so that the place can be kept going. The work of Community University Engagement East is also proving fruitful. If I can get my regional development agency to take something like science really seriously—things in my area are not as they are in the north-east or north-west, but are pretty low key—there will be money streams that could be merged together. If those things do not happen, we shall not have a centre.

I should like to move the centre out of the cold old church and put it into the wonderful building in Norwich called the Forum. It is quite stylish, with beautiful rooms, and was funded by lottery money. It ran an exhibition, which has had its day, called Origins, in which people were taught to speak in Norfolk language. Some people would like everyone from Norfolk to speak it, and I can understand why, but it is difficult for someone from Scotland or up north, for example, to understand. Anyhow, the Forum gets visitors and is a classic example of a place where everyone goes. It is perfect for a science centre and is right in the middle of the city. We want to get student volunteers involved there, because interaction between young students and other young people is an important factor in developing such places. The meeting I spoke of will take place, and I think that there will be some action in connection with the Inspire centre. I shall certainly spend a fair bit of time on it.

Another group of organisations about which we should think seriously is the trade union movement. An hour or so ago, I met people from trade unions such as Unite and Prospect, which are not just defensive units that defend pay and conditions. They have always had an interest in bringing forward new ideas and strategies for the future. It seems to me that many of their members are in scientific research councils and universities. It would be a good project if the trade union movement were to combine with some other forces, with financial backing, to produce something good—six or seven projects or one big one; whatever was wanted. It would show that trade unionists and the people working in the relevant industries are offering to give something back, not only in their knowledge of what is happening in

science, but by contributing something to help young people. I put it to them, if they are listening, that they should try to get together. The TUC could front such a project: it could take money from different unions and ensure that such places flourish. Revenue streams are very important.

Many people in this Chamber will remember the discovery dome. Steve Pizzey, who ran the organisation in Norwich, took it around the country to festivals. It had 100,000 visitors in the first year alone. Some of us probably went to see it. It was exciting and fun, but one learned something as well. There were people, including young people, on hand to answer questions. It was an amazing success when it was in the centre of Norwich.

There is very good institute attached to Queen Mary university, Barts and the London School of Medicine and Dentistry called the Centre of the Cell, which makes deliberate efforts to help young people in the east end of London to understand science. For financial resources, it helps that it is attached to a university and so on. It is fronted by the director, Frances Balkwill, who is a professor at Barts and the London School of Medicine and Dentistry. She has written 13 books for children about science, AIDS and other things—very exciting—and she also happens to be very good at cancer research. It is good to see people at that level devoting some of their time to bringing on youth. The Centre of the Cell is well worth a visit, and perhaps at some time the Select Committee could visit it to see how well it is doing.

The centre started off struggling for money. We helped—we had meetings in this place and everywhere—and eventually it got support. It will be hand to mouth for a bit, but it will get there because the people are determined to do what they are doing. There is hope, and examples of places where such things can be done.

Dr. Iddon: My hon. Friend mentioned a mobile science and discovery centre. Would he like to join me in congratulating those who have innovative ideas? The Institute of Physics, with its lab on a truck, produces mobile science and discovery centres. We should not forget them in this debate.

Dr. Gibson: I thank my hon. Friend. I will go even further and say that many of the societies—the Royal Society of Chemistry, with which he is affiliated, the Institute of Physics, the Institute of Biology and others—have put in a lot of effort, too. Working together, they could be part of an amalgam of people who are interested in this area. They just need to get into the same room and talk about such things, and see how much they will cost.

I want to say something about cost. The report said that £750,000 was given to Ecsite-uk. As Members will know, I am hot on statistics these days and I am keen to find out how they are gathered. We really need an inquiry into how Government Departments use, or do not use, statistics. In this case, however, the first question is whether £750,000 is a big sum of money. It sounds like a lot to the paupers in the House of Commons, but, at the end of the day, when I consider the 100 centres that have a turnover of £100,000 to £200,000 a year, and the £43 million contributed by the Wellcome Trust, I start to wonder whether £750,000 really is big beer.

Many centres fend for themselves much of the time. They do not have business expertise—I absolutely acknowledge that—because of the nature of their work. They need a lot of expertise and help. I do not want to go into all the stuff about business plans, dynamism and so on, but we all know that places can be turned around if the right people move in. There is expertise in the country, and the Government may have to think about how to keep such places going.

We heard a bit about the Scottish model. Actually, I am getting bored with Scotland. Everything seems to be better there these days, and I am down here. Mesothelioma is better treated in Scotland, I am told, and care for the elderly is better, but then I am told that that is because the English give Scotland so much money and that we will have to take some back because things are done better there. I have never heard such nonsense in my life. There is a different attitude in those places and in centres to handling some of the problems with drugs and so on in the health arena.

I and, I am sure, members of the Select Committee have looked at the position around the world. It is absolutely amazing how some of the centres in the United States get money together with some local help and, of course, help from private sources. One that I have looked into in detail is in Birmingham, Alabama. The US seems to have centres everywhere. I do not know whether there is a correlation with the excellence of their research, but I would bet that many young people who eventually end up doing research, making discoveries and running businesses started off by getting that first touch of interest and enthusiasm by going around centres such as that one, which happens to specialise in dinosaurs. Dinosaurs seem to fascinate young people—we have the Natural History Museum, which is also full of them. We could have such centres if we had support from individuals and organisations right across the country.

I am not too happy with the Government's attitude, which suggests that science centres are not as important as museums or galleries, that they are separate and that we really should not support them. They refuse to have a Department with responsibility for them. I think that we should have a Minister with responsibility for science and discovery centres, in the same way that we have Ministers for museums, charities and so on. Ministers are always fighting about getting out of one part of Whitehall and into another. We need to grasp the nettle and start pushing for a Minister with the power to ensure that we get a national science centre. Science centres fit into the Government strategy, and we should make a louder noise about them. I hope that the Government will recognise that there is a strong case for their being part of the education process. This is where it starts, and where it finishes will depend on how well we start.

3.37 pm

Dr. Evan Harris (Oxford, West and Abingdon) (LD): It is always a pleasure to follow the hon. Member for Norwich, North (Dr. Gibson), who modestly said—in the context of how specialised scientists are, I believe—that he did not know much about science. I hope that that will not be mischievously misquoted back at him by the media. He was very clear that science is a broad subject. Science centres are so important because they expose young people to the breadth of the subject.

[Dr. Evan Harris]

Although I am speaking from the Front Bench now, I was and am a member of the Select Committee that conducted this inquiry. It was interesting to participate in it. It was short and sometimes sweet, and it certainly set out the problems that science centres face and the wonderful opportunities that a solution to those problems would offer to them, to the people whom they serve and to communities, and, indeed, to Government policy.

The Chairman of the Select Committee, my hon. Friend the Member for Harrogate and Knaresborough (Mr. Willis), rightly paid tribute to the hon. Member for Bolton, South-East (Dr. Iddon) for his initiative in pushing the inquiry forward. Whenever this is raised, I point out that it was I who got science centres on the agenda for our quarterly question session with the then Minister for Science and Innovation, Lord Sainsbury of Turville, because I had been contacted by the science centre in Oxford, which expressed concern about the position that science centres generally were in. I remember being very disappointed by Lord Sainsbury's response at the time. As he put it—I am paraphrasing because I do not have the exact quote—the Government wanted to promote science learning through science learning centres and did not see any role for science centres. In essence, they had to live and die by the marketplace. I thought that that was the wrong approach to take, and I urged the Committee to look into the matter further. I am delighted that the hon. Member for Bolton, South-East was able to persuade it to take on the inquiry.

In his introductory speech, the Chairman magnificently and succinctly identified the disappointing nature of the Government's response, particularly on the key issues relating to our three options on funding: the museums link, VAT, and emergency short-term capital-type funding to keep things going. I shall return to those things in a moment.

The value of the work done by science centres was brought home to me when the Newcastle Centre for Life kindly sent a team of science explainers to the House of Commons, where they set up their equipment—they had microscopes, models, interactive approaches and display boards—to enable members of the public and Members of Parliament to learn more about the exact nature of stem cells and hybrid embryo research. They were even kind enough to battle the elements and come outside for a photo call to show that scientists—those young explainers were all science-trained—have a role to play in explaining controversial issues to the public and the media.

If, as I hope, the controversial measures in the Government's Human Fertilisation and Embryology Bill get through, it will be thanks in no small part to the efforts of the science community to engage with the public, the media and with parliamentarians to explain their science, what the research is about and some of the myths created, and to support individuals, including parliamentarians such as me, the Chairman of the Select Committee, other Members who have spoken today and Ministers, who support the proposals in the Bill.

I received a letter from the Centre for Life afterwards, explaining that science centres do well at presenting complex and potentially frightening science simply and neutrally through interactive displays and exhibitions. That unit in Newcastle takes the information out in a mobile way, as the hon. Member for Bolton, South-East mentioned. It is important that there is flexibility to enable it to take mobile displays to shopping areas and schools, because such displays help people to make sense of science, which is sometimes misrepresented in the media. We are not talking just about stem cells, of course, but nanotechnology, vaccinations and climate change, which are just some of the areas that science explainers at the Newcastle science centre have gone into. The Centre for Life is right to say that it does not expect money for nothing—funding—or money for anything simply because it exists. The Government should see that there is something worth while, in terms of policy and outcomes, in spending public money on keeping kids switched on to science.

The Centre for Life tells me that, and I accept that, there is evidence that young people switch off from science at certain points during their education, that science teaching in schools is clearly under-resourced and boring, and, therefore, that it is no wonder that so many take softer subjects such as media studies. Fewer students than we would like, and fewer than the country needs, are taking science subjects. Our problem with the supply of scientists starts in schools and among young people. Science centres can offer a more exciting, relevant and hands-on approach to science for young people that complements the curriculum work being done in schools.

The Centre for Life explainers pointed out that it can engage the public in cutting-edge, controversial subjects such as stem cell technology; that should be recognised by the Government in funding terms, where necessary. As hon. Members have heard me say before, it is more important than ever that science is explained. It is not a case of dealing with a population that is not as knowledgeable as it might be, or not as knowledgeable as that of other countries; rather, we are dealing with an active campaign against science—an active campaign of anti-science and pseudo-science—that needs to be countered by the facts and by explaining what scientists do. It is worrying that sometimes, the only time that young people hear about some of these technologies is in religious education lessons, as the hon. Member for Norwich, North said. We need an alternative place where young people can get the information.

The hon. Member for Bolton, South-East made a clear plea for action on the part of the Government. He is careful about demanding action from the Government and they ought to listen, because people such as him putting such a well-argued case for something to be done adds validity to that call. It was fascinating to hear about Bolton TIC. I felt the sudden urge to travel to the north-west—probably via Crewe—to Bolton and it might still happen. I was delighted to hear that the hon. Gentleman is able, through his efforts and those of the local council, to keep Bolton TIC ticking. The hand-to-mouth existence of such organisations, involving little pots of money, is frustrating.

I am struck by the fact that the Wellcome Trust and Halton borough council, in the case of Catalyst, and Bolton metropolitan borough council have felt it worth while to provide support for science centres, whereas the Government have responded by saying that they did not feel that it was worth funding a science centre that was failing financially. I raised that point in my questions to

Ministers during the evidence-taking session in the Select Committee on 11 July 2007, when I also asked the Wellcome Trust a question. The Government said in evidence that they

"should not provide on-going subsidies for commercially unsuccessful science and discovery centres".

That was astonishing, because they offer ongoing subsidies and financial support to commercially unsuccessful hospitals, schools, libraries and other things. The point is that these are not commercial enterprises. If the Minister's view is that they should be commercial enterprises—and that if they are not, then that is it—that would be clear, because then we may as well not wait for the outcome of the Government's research into their effectiveness in delivering Government policy.

The Wellcome Trust is not foolish about handing out its money, and local councils are not allowed by the Audit Commission and the district auditor to be foolish in handing out their money, yet they have thought that funding such centres is worth while. The corollary of the Government's view is that they will only subsidise commercially successful science and discovery centres: that is, they will only fund the ones that do not need the funding. It is astonishing that, in written evidence, the Government said what they did and followed it up with what the Committee Chairman said was a rather trite statement in response to our recommendation:

"The Government's position has been and remains that funding failing institutions does not represent a good use of public money."

A number of schools in special measures would quiver if they heard that. It is not about funding failure, but about funding institutions to help them not fail. I have made the point, as did the Committee Chairman, that those institutions would not be failing if there were a fair, level playing field with other institutions.

That brings me to a point made by the Chairman during his introduction, which is the question of a level playing field in respect of museum funding. I do not need to repeat what he said about the unreasonableness and shallowness of the Government's response, which was not a valid response to the points that we made. Leaving aside museums, it is peculiar that a science centre's having a collection is the be all and end all in respect of whether they will receive funding. I accept that that is a factor: it is a role that some science centres play. However, the idea that the only thing worth funding is collections is not consistent with any rational view of the validity and importance of the role of science centres or, indeed, of any cultural centre. Other forms of funding are available for cultural centres that do not require them to have collections.

I asked the Minister of State, Department for Culture, Media and Sport, the right hon. Member for Barking (Margaret Hodge) on 11 July 2007, in question 80, whether there was a curiosity in this regard, because although there is a massive shortage of young people studying physics, chemistry and maths, the Government do not give ongoing revenue support to science and discovery centres, whereas the Department for Culture, Media and Sport gives massive, and welcome, support to art galleries and museums. I asked whether that was because there was a shortage of painters and young people who could become painters. That activity is funded.

That was light-hearted, but the fundamental problem is that, if young people cannot afford entry fees to science centres, they will go where there is no entry fee. Young people from deprived areas in particular will not have a level playing field and an equal opportunity to go to places where they might be turned on to science, just as they might be turned on to art in art galleries or history and related subjects in museums. I hope that the Minister will return to the matter and provide a valid answer, and I hope that funding might be available on an accreditation basis, regardless of whether a collection exists.

The hon. Member for Norwich, North rightly said that, when capturing young people for science, it is critical to catch them young, particularly as we will not catch them with the offer of wealth. Science salaries are not what the brightest people can achieve outside science, in the City and in the purely commercial or corporate sector. We must rely on the fact that science is interesting, or—I do not want to ostracise people—even more interesting than accountancy, banking and other sectors where salaries and bonuses are high.

Adam Afriyie (Windsor) (Con): I do not want to deride accountants and solicitors, but the hon. Gentleman may be interested to know that 50 per cent. of leading business men and heads of FTSE 100 companies come from a scientific background. Science provides the impetus or foundation for careers in business, as well as in direct scientific research.

Dr. Harris: Absolutely, and the Committee noted during its current engineering inquiry that a significant number of chief executives of major companies are engineers. I am not concerned about people going into engineering, becoming successful, and then going into business, becoming successful and heading up companies. I am worried about people who take science subjects at school and go on to study them at university, but do not go into teaching, research or industry because they are lured by the debt-abolition "golden hellos" that City institutions offer to the brightest people. The hon. Member for Norwich, North was right to make the international comparisons between our science centres and those elsewhere in the world.

I return to the Government's response. Most of the key points were made by my hon. Friend the Member for Harrogate and Knaresborough in his fine introduction to the debate. On VAT reduction, the Government did not address the recommendation, which was clear. It is short and it is worth quoting for the record:

"We recommend that the Government give serious consideration to a reduced rate of VAT of 5% on admission fees to science and other educational centres, as permitted under Article 98 of the EU Council Directive...subject to independent research verifying the effectiveness of science centres in achieving Government policy objectives."

The Government did not address that. They confirmed that European VAT

"agreements allow a reduced VAT rate of 5 per cent. to be applied to 'admissions to shows, theatres, circuses, fairs, amusement parks, concerts, museums, zoos, cinemas, exhibitions and similar cultural events and facilities,' where these"

services are not already

"covered by the VAT exemption for cultural services."

When I first read that, I thought it was good because science centres tick many boxes and are more useful to Government policy than zoos, and certainly circuses. However, the Government concluded:

[Dr. Evan Harris]

"While all taxes are kept under review…reduced rates of VAT are used sparingly, and only when they provide the best-targeted and most cost-effective support for Government objectives and priorities."

There was nothing to suggest that, following the research that we proposed in recommendation 4, the Government would consider the matter again or offer any comfort. Their response seemed to be a flat negative. Perhaps I have misunderstood, and perhaps when the research to which the Government referred in paragraph 12 of their response and to which my hon. Friend referred is under way—it was to be commissioned early in 2008, but this is no longer early 2008, so I await what the Minister says about progress in this area—the option of VAT or some other form of funding will be kept open.

We are fiddling while Rome burns, because more and more science centres are under threat and struggling. It cannot be good use of resources to keep funding them in the short term, and it is not fair on the staff in those centres to be faced with difficult decisions. We want centres to be able to plan for the future, to expand their activities, to identify what they are doing well and what the Government want them to do, and to do more of that. They cannot do that while there is doubt about funding. I urge the Government to be more constructive in their policy objective of persuading more young people to study STEM subjects and more members of the public to understand science issues.

I accept that there is a limited pot of funds, that museums, for example, jealously guard what they already have, and that if there are to be more gainers, there must be losers. I, for one, would prefer to have a combination of winners and losers than a continuation of the status quo, with these valuable centres struggling and some of them closing. It is vital that we make a success of them, and the fact that they were allowed to open on the basis of dodgy business plans through the Millennium Commission's funding process is no excuse for blaming them. Better checks should have been made to prevent inadequate business plans from getting off the ground. The fact is that that did not happen. These centres are in a dilemma, and there is now an expectation that they will be allowed to continue. I urge the Government to make that happen.

3.57 pm

Adam Afriyie (Windsor) (Con): I am delighted to participate in this stimulating, exciting and crucial debate about the future of undergraduates, graduates and workers in STEM subjects in the UK economy, not only because I was a member of the Science and Technology Committee that prepared the report, under the able chairmanship of the hon. Member for Harrogate and Knaresborough (Mr. Willis), but as my party's Front-Bench spokesman on science and technology. As someone with a science background who has built up businesses in the technology and scientific arena, the matter is close to my heart.

It became clear to me from our visits during our evidence sessions for the report that there is a vibrant world out there, with more than 100 centres in different parts of the country—underprivileged areas and affluent areas—that provide a great opportunity for people from all backgrounds to become engaged in science and excited about science, and to get their hands on scientific instruments, to play with them and to become involved with scientific experiments. I am certain that that leads to many young people instinctively taking up science subjects at school.

We visited the national space centre at Leicester, which is fascinating.

The Minister for Science and Innovation (Ian Pearson): It is a great experience for children.

Adam Afriyie: It is a great centre. The youngsters come in teams and, after a lot of training, manage to fly a Challenger simulator. They each take a different role and get hands-on experience that shows them why science matters if they want to do exciting things such as being an astronaut, a pilot or a shuttle captain.

I am very comfortable with the idea that the centres contribute a lot not only to the education of STEM undergraduates and those taking STEM subjects at school, but eventually to the UK economy. They promise to inspire, to educate and to inform young people, which are vital objectives at a time when the Government are saying that the UK economy is crying out for STEM skills.

There was concern about the funding and effectiveness of the centres, because they are often not purely commercial, but semi-commercial. The centres are not ministerial creations; they have welled up from the insights and enthusiasm of social entrepreneurs, business men, academics, teachers and people who are perhaps retiring from their primary career. They provide educational benefits, but are not state-run operations or top-down Government creations. Yet, in many ways, Government policy on science and discovery centres affects the ability of the centres to survive and be commercially viable.

Ministers have always recognised that science centres have an important role to play and that funding is part of the support given to them. The former Departments of Trade and Industry and for Education and Skills provided £750,000 for Ecsite-uk—a network of science and discovery centres—to research the impact that centres were having. Most people welcomed that research. However, Ecsite-uk has not looked at what the Committee was crying out for; it has not considered the empirical evidence on the impact of the centres. For example, out of 10 youngsters who visit a centre, how many change their choice of subjects in school? Evidence on that is not available. Clearly, some of the recommendations from Ecsite-uk will, I hope, over time lead to some of that data becoming available. However, as of today, the Government cannot say they will not fund science and discovery centres because the evidence does not show whether they make a contribution to the their overall objectives. We do not have the relevant evidence, so it is incredibly disappointing, frustrating and worrying that the science and discovery centres have been closing—one more has done so in the past few months. We simply do not know whether they perform a function in relation to our overall goals in society.

Let me make it clear that science centres have benefited from public money. As other hon. Members have said, 18 centres received £450 million from the Millennium Commission. The principle of funding the centres from Government has been established, so the Minister should not simply dismiss that notion and say that funding is

anathema to the Government when it comes to independently operating organisations. In effect, there is already a public subsidy.

It is also important to point out that there is a danger of drawing artificial distinctions between museums and science and discovery centres. We should not move commas and semi-colons to define out or exclude science and discovery centres from the definition of bodies that provide public services. For example, we say that supporting collections is in the national interest, but that supporting the public engagement aspects of science and discovery centres is not, which is not a particularly helpful way to move forward. I hope that the Minister will explain the reasoning behind the almost specific exclusion of science and discovery centres from the funding that goes through the museums channel.

Will the Minister clarify the Government's relationship to science and innovation centres? How do they fit into the overall STEM narrative? I commend the Minister for speaking about the shortage of science skills in society and among the work force. Could he spend a few moments explaining how science and discovery centres will fit into the overall picture of encouraging engagement in science subjects at school?

As I have said, we currently have no idea whether science and discovery centres are viable. The Government have already said that they will not support unviable science centres, but what is an unviable science centre? Is it a centre that does not have enough visitors giving it money and is therefore unable to provide an overall operation, or is it a centre that provides a service to the Government but is unable to recoup enough money to provide that service? Will the Minister tell us what his definition is of an unviable science and discovery centre? As the hon. Member for Oxford, West and Abingdon (Dr. Harris) has pointed out, a restriction on the flow of funds for the public good and for public engagement with museums and other educational establishments to the exclusion of science and discovery centres might make them unviable. Indeed, the Government may make these organisations unviable because of the way in which they fund existing institutions.

My main concern—especially as I come from a science background—is the lack of rigorous and reliable evidence to justify the lack of public support or continued public support. We currently do not know whether support should be forthcoming. One concern expressed in the Ecsite-uk report is about the lack of information on visitor numbers. The collection and analysis of data would help centres to focus on their core business and prepare effective applications for funding. However, such data collection is expensive and money for data collection would detract from the capacity of centres to educate and inform in the way they do now. In reality, a solid evidence base remains merely an ambition. Perhaps the Minister will explain how that ambition will be fulfilled in the coming months. The Ecsite-uk report recommends improved data collection, so will the Minister say what progress has been made on that?

Beyond public support, many science and discovery centres are independent and already stand on their own two feet. There is a danger that if the Government were consistently to provide core funding to all science and discovery centres—a couple of Labour Back Benchers have called for that—they might lose their independence and unique qualities. They might also lose the control that they have over the outcomes that they deliver to society. I caution rushing headlong into complete Government core funding for every organisation. The energy and enthusiasm of the people who start these centres, which was most ably described by the hon. Member for Norwich, North (Dr. Gibson), make the centres successful and vibrant in the long run.

How does the Minister plan to help science and discovery centre budgets in the short and long terms? The short-term issue is that one or two more centres may be going out of operation in the next few months. What does the Minister plan to do in the short term to address those challenges, while we await the evidence that we hope will be forthcoming, if he has commissioned the research?

When UK schools are slipping in world science ranking tables, and a Government poll found that 59 per cent. of people feel uninformed about science, it is vital that the Government tackle the challenges to and remove the obstacles to the take-up of STEM subjects. Science and discovery centres certainly contribute to the task of capturing young people's enthusiasm and helping science teachers to motivate their students. Given the lack of empirical evidence, it is difficult to know what the Government plan to do next and it is difficult for us to call on the Government to do something specific.

That is why I think the recommendations of the report are superb—they are clearly stated and clearly conditional. I was incredibly surprised at the almost off-hand dismissal of those clear recommendations in the Government's response. In his eloquent, entertaining and amusing speech, the hon. Member for Harrogate and Knaresborough made it clear that many of the rejections were completely unreasoned. Other hon. Members have pointed out that the rejections were illogical. I think they were pretty slapdash. Having heard the debate today, will the Minister go back and ask his Department to take some time to review those rejections and come back with a more comprehensive explanation of why the recommendations were rejected? Simply saying, "We are not doing that", and setting up a straw man argument not only discredits the work of the Committee, but the work of the Parliament. I therefore urge the Minister to go back to the Department and answer the recommendations once again.

Currently, we are subsidising access to museums for overseas visitors. We do not differentiate between the people who come into museums, yet we could enhance social mobility and the opportunities of some of the least well-off and most disadvantaged in our society by increasing access to science and discovery centres. Will the Minister explain that anomaly? Why do we subsidise overseas visitors to museums in the United Kingdom, yet charge our own citizens, often from the least well-off backgrounds, to gain access to science and discovery centres?

I am instinctively very enthusiastic about science and discovery centres, but if, when the research comes through, it shows that they contribute nothing to the overall agenda of encouraging people to go into science and if the evidence says that they work against that objective, I would withdraw my support for some of the recommendations. However, I suspect that if the Minister just gets a move on and commissions the research, we will find that the centres contribute an enormous amount to our society and economy. I urge him to get on with it and commission the research.

4.11 pm

The Minister for Science and Innovation (Ian Pearson): I am grateful to the hon. Member for Harrogate and Knaresborough (Mr. Willis) for introducing the debate. I am also grateful to the other contributors to it, particularly my hon. Friends the Members for Bolton, South-East (Dr. Iddon) and for Norwich, North (Dr. Gibson), who, over a long period, have shown a deep interest in the issues under discussion.

Before I respond to the key points raised, I shall set out the Government's views on science centres and our plans for the future. I stress that it is a Government-wide view. We acknowledged in the response to the Select Committee's report that the Department for Innovation, Universities and Skills will take the lead on science centre issues within Government, but we will work closely with the Departments for Culture, Media and Sport and for Children, Schools and Families, because they share an interest in that agenda. Indeed, both DIUS and the DCSF funded Ecsite-uk's recent science centre enrichment activity grant scheme, and officials from all three Departments maintain contact on the issues and worked together to formulate the response to the Committee's recommendations.

I am a bit disappointed by how negative hon. Members seem to feel the Government response was. I do not believe that to be the case, but Government funding is finite and we need strong, robust evidence that our interventions can make a difference, are well focused and serve the public interest. As hon. Members themselves argued, short-term financial fixes do not help the sector, the recreational visitor, or the educational user. We need to understand more fully the contribution, role and influence of science centres. The Committee recognised that fact back in October, when it agreed that a Government commitment to long-term revenue support for science centres should not be considered unless independent evidence of their effectiveness was obtained. I shall say something about that in a moment.

I have met and corresponded with representatives from several science centres and, before becoming Minister for Science and Innovation, I visited about 14 of them. I also met representatives of Ecsite-uk earlier in the year to discuss its vision for the future. I therefore know about some of the problems and opportunities facing the sector. My Department continues to fund Ecsite-uk, and I trust that it will take forward important work on fostering and disseminating best practice in the sector.

As hon. Members will be aware, between November 2006 and March 2008, DIUS and the DCSF jointly provided almost £750,000 for a project to enhance financial sustainability and help the network to develop an approach to best practice and benchmarking. Of that funding, £250,000 came from the DCSF and the remaining £490,000 from DIUS. We never expected a magic bullet solution to emerge from the project, but I understand from the final reports that it has enabled significant outreach work to be conducted by the centres that were successful in their grant bids, and it has facilitated the development of consortiums that would benefit from the collaborations and new approaches to working together throughout the country. Results suggest that everyone involved, including children and teachers in targeted hard-to-reach schools, thought that they had benefited from the experience.

As a result of the funding, Ecsite-uk has also completed a project to begin work on a new approach to benchmarking in the sector. Ecsite-uk has stressed that the project is not a panacea, but it feels positive and believes that it is a start and will help the sector to become more rigorous about best practice and measurement. A common theme in today's debate was the need for greater measurement and assessment of impact.

Several of the Select Committee's recommendations were directed at Ecsite-uk, and I again take the opportunity to encourage Ecsite-uk and individual science centres to work collaboratively, to learn from best practice, wherever it comes from, and to work to obtain greater diversity in funding streams. I know that there is a commitment in the sector to do that.

Comparisons were made with the museum sector—indeed, that was a major theme of the speech by the hon. Member for Harrogate and Knaresborough. I understand the arguments about museums and the comparisons drawn between science centres and museums, whether they relate to their public engagement work or their funding. I stress that museums clearly have a public engagement role; they are not just about collections. However, it is important to dispel some misconceptions about museums and science centres. I do not think that those misconceptions are found among members of the Select Committee, but they might be found in the wider community.

The first misconception is that the two types of institution are essentially the same. It is true that a number of museums, perhaps most notably the Natural History Museum and the Science Museum, are affiliates of the Ecsite-uk network and can be classified as science or discovery centres. However, in the Government's mind, there is an important distinction between a museum and another type of visitor attraction: the possession of a collection, as we heard.

As my hon. Friends will be aware, the Museums Association gives this definition:

> "Museums enable people to explore collections for inspiration, learning and enjoyment. They are institutions that collect, safeguard and make accessible artefacts and specimens, which they hold in trust for society."

I hope that it can be seen from that definition that a museum exists because of its collection. That is not its only role, but the collection is at the heart of its activities, whether it is inspiring and informing visitors or supporting the learning of schoolchildren, which a museum also undertakes. Museums have an equally important additional curatorial duty to maintain and preserve their collections for future generations. In contrast, science centres often have no permanent artefacts or items and aim to present science to the public via temporary exhibits or displays.

The second misconception arises from the fact that many people believe that the Government fund free access to all museums in England and are therefore duty-bound to fund a similar scheme for all science centres. The simple fact is that only a small number of museums in England are funded directly by central Government. The Museums Association estimates that there are about 2,000 museums in England. The vast majority either are funded by local authorities—689 museums in total—or are independent charities; that is the case for 811 museums. The policy on admission prices for those museums is a matter for the relevant council, its councillors and the local community, or the trustees of the organisation, depending on its status.

The DCMS is the Department with lead responsibility for museums in England and it directly sponsors only 21 museums, 13 of which are defined as national by virtue of the importance of their collections. DCMS supports those national museums for their pre-eminent national collections, which are held by the museums in trust for the nation and for future generations. Of those 21 museums, nine could be categorised as science centres. It is not the case that DCMS does not give equal treatment to science and the arts when funding our national museums.

Dr. Evan Harris: Will the Minister give way?

Ian Pearson: I shall first annoy the hon. Gentleman a little. I do not accept the argument that science centres fall into the same category as schools and hospitals; nor do I accept the argument that DCMS favours the arts over the sciences, given that in nine of the 21 museums that it funds, science is the key, or even the total, component.

Dr. Harris: I hope that the Minister is willing to place in the Library or to give us an analysis of those nine museums in the Library, showing whether they are funded because they are science museums, or whether funding still comes back to the collections issue. The question is not really about numbers, but about whether there is enough flexibility in Government funding to capture what is good, regardless of the strict rules that may apply.

Ian Pearson: It does come back to the collections issue. I am happy to provide whatever additional information I can, but the simple fact is that DCMS funds only 21 museums out of more than 2,000 nationwide. It is not realistic to argue that the 100 or so science centres in the United Kingdom should be able to access the funding that those 21 museums currently get from the Department but that the other 2,000 museums that are not funded by the Department cannot access.

Mr. Willis: I hope that the Minister will not be uncharacteristically disingenuous again. He is not responding to what our report said, nor to what my hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) said. The report did not say that we expected every science centre to be funded by the Government. We said that those that were MLA accredited in the same way as the museums would be eligible for that funding. However, it would be entirely up to the sponsoring organisations to decide whether they could be grant-aided. That is what happens now.

As for whether science centres should be regarded in the same way as schools and hospitals, that was not my hon. Friend's point. He was commenting on commercial viability being the criteria by which the Government will decide whether the centres will be allowed to continue. Both in the report and in response to the Minister's predecessor, Lord Sainsbury, we commented strongly on the fact that that was not the criteria that the Government had set for the STEM agenda—an objective that science centres were trying to fulfil.

Ian Pearson: I am sure that the hon. Member for Oxford, West and Abingdon (Dr. Harris) is more than capable of defending himself. I shall speak directly about the STEM agenda in a moment.

Science centres are not the only means of engaging the population with science, technology, engineering and mathematics. Indeed, all three Departments have already made a significant investment, reaching many millions of children and adults as a result. The House will doubtless be aware that DIUS—and previously the DTI—has supported more than 18,000 science and engineering ambassadors, the BA crest awards, national science and engineering week, and the Sciencewise programme; those are just a few examples. We are also working closely with the DCMS and the Natural History museum in their Darwin200 celebrations.

The Department for Children, Schools and Families is funding a wide range of activities to engage and inspire young people in science. Among them are science and engineering clubs. The DCMS is already funding 250 such clubs, and it will be setting up another 250 this autumn. It has also commissioned a programme of support and guidance aimed at increasing the number of young people continuing their study of STEM subjects post-16. Alongside that, the DCSF has begun a three-year STEM communications campaign to inform pupils, parents and others of the wide-ranging and exciting opportunities that are open to students when they study STEM subjects and achieve qualifications. A lot of work is involved in the STEM agenda.

Due to sustained increases in Government funding for education, a far higher level of money per pupil is going to our schools. Schools have the capacity to take children on school visits as part of the curriculum. I am keen for science centres to promote themselves—for instance, so that schoolchildren in the midlands are encouraged to go to Thinktank or the National Space Centre rather than to Alton Towers or Legoland. That would be far better for them, but it is up to science centres to promote themselves to schools.

Given the wide-ranging activities that are taking place on the STEM agenda, DIUS has committed itself to undertaking research into the effectiveness and impact of science centres, a commitment that we made in the Government response in January. I know that that is eagerly anticipated within the sector. It seemed right for Ecsite-uk to complete and publish its results, which it did last month.

We are now in a position to build on that work and to develop the strongest possible evidence base on which to make future decisions. I know that some believe that we should have commissioned the research before, but our judgment was that we wanted to see the findings from Ecsite-uk's work before taking the next step. We are now ready to launch a call for proposals.

We know from the recently completed Research Councils UK-DIUS survey of public attitudes to science and Ecsite-uk's figures that significant numbers visit science and discovery centres. That is not up for debate, but we need a measurable impact of their contributions, and a more in-depth understanding of that contribution relative to the many and varied initiatives and offerings that are already out there. That is something that the Select Committee pressed us to do and we will do it.

On research, as we indicated in our response to the Committee, researchers will consider the relative contributions of our delivery partners to our science and society goals. We will want them to assess existing evidence, and to suggest the best way in which we can unravel the complexities of the contribution, value for money and effectiveness of the initiatives now in place.

[Ian Pearson]

The hon. Member for Harrogate and Knaresborough asked about timing. I hope that we will be able to commission that work within the next few weeks. I have been talking to officials about the time scale for the project. I would like a draft final report to be published in September, and a final report in October. My officials, however, advise me that that might be "A little quick, Minister," and that science centres might need more time to get the information to the consultants who are to be appointed to undertake that work.

I shall ask my officials to talk to Ecsite-uk about establishing a reasonable time scale for the project. If the feeling of the science centre community is that it will not get the work done to the required level until December, I shall happily agree. However, like the hon. Member for Windsor (Adam Afriyie), I want to get on with it.

Adam Afriyie: I am marginally reassured by hearing that the Minister, too, is keen to commission the research. Why should he assume that Ecsite-uk will do the next round of research—although it is possible that he gave that impression but did not mean to? I urge him to consider using a completely independent researcher rather have it conducted by someone within the industry.

Ian Pearson: I can see other hon. Members nodding at that suggestion. I reassure the hon. Gentleman that the Government intend to appoint a contractor from our framework contractors that has experience in undertaking economic evaluation studies. That is the sort of hard information that we want.

Dr. Evan Harris: Does the Minister intend to consult the Committee on the terms of reference for the research when he has the information he requires to go forward?

Ian Pearson: I should be happy to make available the study's terms of reference to the Committee. I suggest that we do that quickly, but I will be more than happy to share the information.

Hon. Members asked how the study fits into the overall strategy. The Government hope to publish a consultation document in the next few weeks that will lead to the development of a science and society strategy. We have said in the past few months that we want to refresh our vision for science and society. We want a society that is excited about science, values its importance to our economic and social well-being, and supports a representative, well-qualified work force. We want to look at how science centres fit into that strategy—the research that we are commissioning will be an important part of the science and society work that we do in future. I encourage science and discovery centres to participate in the consultation phase of the science and society strategy when it is launched, so that we have an informed debate on all aspects of it.

The hon. Member for Harrogate and Knaresborough fairly summarised the Committee's report, but it is not true that the Museums, Libraries and Archives Council does not see education as an important role. It develops generic learning outcomes for museums. Ecsite-uk is committed to using and promoting that tool within the science community. Museums perform multiple roles, as I outlined.

We have not rejected out of hand the Committee's proposals and I apologise for any adverse tone in our response—it was not intentional. We want to take research forward and we are responding positively to the Committee's recommendation that we do so. I strongly agreed with the hon. Gentleman when he said that science centres are varied and that they will require different solutions. My instinct—I want first to see the evidence of the impact study—tells me that different solutions are likely to be required.

On VAT, I can confirm that officials spoke to Revenue and Customs about the report, so it is aware of the Committee's deliberations. As is known, local authorities have discretion on rates and I encourage them to consider using it when it comes to science centres, because of the contribution that they can make to local and regional economies.

Dr. Iddon: I have a point on VAT that did not appear on the report. When we purchased our £500,000-worth of equipment for Bolton Technical Innovation Centre, we paid 17.5 per cent. VAT, yet the school next door pays zero-rated VAT when it purchases equipment. I plead with the Minister to look into the of possibility making centres that provide a lot of educational material zero-VAT rated, as schools are.

Ian Pearson: I appreciate my hon. Friend's comments and his commitment to science centres. However, science centres are not schools, and they should not be treated as such. Their status varies—some will be companies limited by guarantee, some will have charitable status, and some will not. The complications of the structures have consequences under EU VAT rules, but I heard what he said and I shall reflect further on the matter.

My hon. Friend also talked about the wide variety of science and discovery centres in the UK—I agree with him on that—and the importance of promoting science to women. The Government are strongly committed to that. I had the opportunity to present a certificate to the 18,000th science and engineering ambassador, who is a woman; actually, 56 per cent. of our ambassadors are women. We help fund the women in science and education programme and have a UK resource centre for women. Getting more women interested in taking science subjects and pursuing science careers is high on our agenda.

I enjoyed what my hon. Friend said about 3-D printers and building and firing rockets, and how such things enthuse young people. He also spoke about Catalyst and the problems of funding centres. I am sure that they will want to participate in the research that we are commissioning to demonstrate the impact that they have on their local and regional communities.

My hon. Friend mentioned the role that regional development agencies play in science cities. The UK's science cities are beginning to play an important part in regional economies. I feel proud of the Government's record of developing major projects such as science and innovation campuses and collaborative research and development. He came up with an interesting suggestion when he said that there should be a big science club in every town rather than a science club in every school. It was an interesting idea—certainly, we will look at how better to network science clubs. I should like to take the idea away and reflect on it, and I shall ask our consultants to consider the idea in future.

Dr. Iddon: I am pleased that the Minister said that. It will take a long time at the current rate to spread science clubs throughout the entire country or even within a town. Only one school in our town benefits at the moment. If we cannot develop a big science club for the town, it would be better if children from other schools who are interested in science and technology could go to the school that has been provided with money, so that all children have access to a club, rather than just those in a single school.

Ian Pearson: We could pursue a number of different options. Certainly, I am happy to consider all the options and to speak to my colleagues in the DCSF about them.

My hon. Friend also mentioned the funding problems that Expore-At-Bristol has been having. As he will be aware, it received funding for two years from DIUS and the DCSF combined and has been part of the consortium project of the £750,000 funding that was provided through Ecsite-uk. At the moment, the DCSF is funding a science and learning centre co-located there. I am aware of some of the exciting work done at Explore-At-Bristol. I hope that the people there will want to work with the consultants that we appoint and demonstrate the impact that they are having.

My hon. Friend the Member for Norwich, North talked about catching them young, with which I agree completely. He also talked about how we as a Government and a society relate to science. Again, we will cover that in significant detail in our science and society strategy. He called for more science centres. I was pleased that he sees the value of science centres across our economy. Norwich has major centres of excellence, including the John Innes centre and the Institute of Food Research, and there are exciting plans for the development of a world-class cluster in the Norwich area.

My hon. Friend also spoke at some length about Inspire, a project in his constituency that is finding itself in difficulty. I congratulate him—he is not here at the moment, but I am sure that he will read his speech, and possibly my reply—on his work to bring partners together and broker creative solutions. I think that I covered his question, "How does this fit into the Government strategy?" when I said that we want to evaluate science centres fully and see them as part of a coherent picture in our new science and society strategy.

The hon. Member for Oxford, West and Abingdon made a thoughtful contribution. I mention in passing that Science Oxford, a science centre in his area, has benefited from consortium money provided by Ecsite-uk. I think that he is under a misapprehension that science centres should be seen as the same as schools and hospitals. We do not expect schools and hospitals to make a profit, but we do expect them to operate within their budgets, and I would expect science centres as well to operate effectively within the budgets available.

Dr. Evan Harris: I am grateful for the opportunity to fend for myself and to probe the Minister on that point. I think that he will accept that I was not saying that science centres ought a priori to be funded because they are public services, like schools and hospitals; rather, requiring them to be commercially successful in order to be funded is not reasonable when they perform a public good and/or achieve Government objectives. That was my point, and I think that he recognises that.

Ian Pearson: I recognise that there is a distinction to be made between commercial success and financial sustainability. We want science centres to be financially sustainable. We do not expect them to make a profit and return dividends to shareholders, but we want them to be viable. Science centres that received Millennium Commission funding or the £2 million in funding provided by the Government between 2004 and 2006 did so on the basis that they would be financially sustainable or, at the very least, work towards financial viability.

The hon. Gentleman also said that he would be happy to see winners and losers when it comes to the DCMS funding applied to museums. He needs to think carefully about that. Opening up the DCMS budget, which goes to some of the UK's national treasures, to science centres and perhaps other museums, would be opening up a can of worms. I am convinced that that would not be in the UK's best interests. He might want to think about that.

Adam Afriyie *rose—*

Ian Pearson: I was just coming to the hon. Gentleman, so I will give way to him.

Adam Afriyie: I shall be charming, and I am sure that the Minister will be charming too. I recognise that he is making some valid points. On the funding of entrance to museums rather than science and discovery centres, if the evidence shows that science and discovery centres provide an overwhelmingly excellent service in getting people into STEM subjects at school and in university, will he consider looking at some of the report's proposals—whether about VAT or other suggestions—to ensure that society and the economy benefit from science and discovery centres? Or is he completely writing that off now and saying that he will not look at them at all, that museum funding and the definitions will remain exactly as they are and that no other channel of support, funding or encouragement will be available?

Ian Pearson: I am not writing anything off; I am saying that I see no realistic prospect that the DCMS will open up its budget to science centres. On funding and charges, the situation at the moment is that, because of this Labour Government, we have a policy under which a very limited number of museums offer free entry as a result of decisions that we made back in 2001. The hon. Gentleman mentioned the fact that overseas visitors can come to our world-class museums for free. I think that that is a good thing. Both UK and tourist visitor numbers have risen dramatically as a result of that policy initiative. If he is suggesting that we should have a tourist tax, that is an interesting new Conservative policy.

As I said, free entry applies to a relatively small number of museums—21, I think—across the country. Many other museums charge, and their charging policies are determined by their governing bodies or local authorities, depending on the arrangements. I think that the hon. Gentleman, like me, is a fan of the National Space Centre at Leicester. He is right that I am instinctively comfortable with the view that science centres have an impact. Exactly how much of an impact and how that compares with science and engineering ambassadors, science and learning centres and the whole range of

[Ian Pearson]

other activities going on, such as national science and engineering week and national fairs and competitions, is something that we need to consider carefully as part of a coherent strategy for engaging the public and making them enthusiastic and excited about STEM subjects.

I am hopeful about the work that we are commissioning and the science and society strategy. We want to open up discussions with the wider community, which we have done and continue to do by holding workshops. I hope that we will develop a comprehensive strategy based on firm evidence. The hon. Gentleman spoke about data collection. Obviously, the survey will provide more data, but specifically, Ecsite-uk recognises that there are a lot of differences in how data are collected. I understand that work is ongoing. Our funding has supported the development of an online survey tool, but it is still the beginning of the road for a network. It is not a short-term solution, and more work can be done in that area.

As I said to the Select Committee, as a Minister in the Department for Innovation, Universities and Skills, I am content to take lead responsibility on science centre issues in the Government, but we need to work closely with the DCSF, particularly on the STEM agenda. We also need to work closely with the DCMS. We have agreed with the Committee's proposals to commission research into the impact of science centres, which we are now in a position to do. All three Departments would agree with the Committee's view that continuing to focus on short-term financial fixes is not the right way forward. We want to encourage all interested parties to contribute to the consultation on our science in society strategy, which will take place very shortly.

I would like to encourage the science centre community to assist in our upcoming work programme; Ecsite-uk to work with the community to continue to develop the work on benchmarking and best practice; and individual organisations—the 2,000 museums and 100 or so science centres in the UK—to consider diverse sources of funding. As a Department for innovation, we want "innovation" to be the watchword of science centres. I know that it can be a struggle trying to find funds from different sources and putting in grant applications, but it is important. As part of our overall strategy, we will certainly consider the wider picture as well and the contribution that science centres make to our agenda.

Question put and agreed to.

Adjourned accordingly at nine minutes to Five o'clock.